# SENATE—*Monday, June 18, 1979*

*(Legislative day of Monday, May 21, 1979)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

## PRAYER

The Reverend Dr. William W. Slider, minister, Christ Church, United Methodist Church, Louisville, Ky., offered the following prayer:

Our Father God:

Make us aware that we are Thine, for only as we acknowledge our responsibility to Thee do we realize the true mission of our lives. When we most devoutly serve Thee we most surely carry out our mission to humankind and most certainly fulfill our own lives.

Therefore, let our prayer be one of humility, of waiting upon Thy word to our heart. May we be awed by the thought that we are addressing the Creator of all things; the absolute truth, beauty, morality. Cause us to do all things with the knowledge that we stand in Thy sight and must measure ourselves, not by the weaknesses of humanity about us, but by the holy perfection which is God.

Cause such ideals, fixed upon that which is without blemish, to challenge us always to reach higher than ever before and to strive toward the good which may seem impossible.

Bring to this Nation, its leaders, officials, and people a sense of their glorious opportunities to serve Thee and open for us the way to fulfill Thy purpose.

We pray not only for challenge and inspiration in our lives, but for Thy love that it may permeate our actions, fill our relationships, inhabit our homes. Bring us to peace, O God, in our world, our Nation, and our hearts. Whatever comes in the uncertainties of life may we so walk that it can be said of us as of some in ancient times: "And God was not ashamed to be called their God."

This is our prayer in our Redeemer's name. 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. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., June 18, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

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

## RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

## THE JOURNAL

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, June 14, 1979, be approved.

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

Mr. BAUCUS. Mr. President, I reserve the remainder of the time allotted to the majority leader.

## RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

## UNITED STATES-CANADIAN RELATIONS

Mr. STEVENS. Mr. President, we in the United States are entering a new era of relations with Canada. Pierre Trudeau was a friend of this country. With the new government of Prime Minister Clark, I believe we will find continued and perhaps expanded working relationships with our closest neighbor.

Much attention has been given to our large-scale economic relationships with Canada, due, in part, to the proposed construction of the natural gas pipeline. One of the largest construction projects ever proposed is being jointly undertaken by American and Canadian companies. The building of this line would not only transport North Slope gas to market, but also provide thousands of jobs for workers in both countries.

But beyond the international trade agreements and the large construction projects, I want to remind my colleagues of the great personal and small-scale economic interdependence the peoples of our countries share.

The people in my State have always felt bound together with the peoples of western Canada. Because of our remoteness, our harsh climate, and our economies, we have always had to depend on one another.

I am reminded of this because I recently read an article written by James Kilpatrick, in which he describes the beauty of my State and the Canadian north coast. Everyone who has been there can attest that Mr. Kilpatrick's words are true, indeed, the experience overwhelms.

But I have also read in this article that the pride of the Canadian fleet, the *Princess Patricia* may soon be grounded because of U.S. environmental regulations. We refer to her as the *Princess Pat*. If not exempted from the regulations, the owners of the 30-year-old ship will be required to spend hundreds of thousands of dollars to contain a small trickle of natural waste that is currently being discharged over 2,000 miles of ocean.

This small trickle of residue will not harm the marine environment, but the grounding of old *Princess Pat* will have a dramatic economic impact on the small Canadian and American communities along the coast, whose livelihoods are so closely intertwined.

I urge the U.S. Government to take a fresh, positive approach to expanded relations with our North American neighbors, and to consider the similarities of our peoples when dealing with both the matters of international and community importance.

In just a few weeks, the Canadian-United States Interparlimentary Conference will take place in western Canada and in my home State of Alaska. This trip will give many of us in Congress a chance to welcome and discuss common issues with the new members of the Canadian Parliament. I look forward to this meeting and would urge all of you who can to attend.

Mr. President, I ask unanimous consent that the following article by James Kilpatrick be printed in the RECORD.

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

ALASKA BY STEAMSHIP

(By James J. Kilpatrick)

SKAGWAY, ALASKA.—Visiting Alaska for the first time is like visiting the great Southwest for the first time. The experience overwhelms. A visitor returns to the lower 48 pretty well numbered by two impressions—of nature's fecundity, and of man's will to survive.

I pass along those impressions diffidently, out of respect for old-timers who truly know this incredible state. To spend a few hours in Ketchikan, Juneau and Skagway, and then to write grandly of "Alaska," is to spend a few hours in Key West, Miami and Daytona Beach, and then to discourse learnedly upon the whole United States.

Alaska lives by superlatives: the smallest population, the largest area, the highest mountain, the fewest people per square mile. This state is 810 miles wide and nearly 1,500 miles long. It is almost as large as four Californias. Many states share the Missouri and Mississippi Rivers; Alaska alone embraces the mightly Yukon. The state flag carries the seven stars of the Big Dipper; Alaska seems almost as far away.

Mine is a steamship view of this vastness. The Princess Patricia, pride of the Canadian Pacific, is not the most sophisticated cruise ship that ever set sail. She weighs in at barely 6,000 tons, carries only 320 passengers and boasts neither swimming pool nor gambling casino. She began life in 1948 as a ferry plying between Vancouver and Victoria; in 1963 she was born again as a cruise ship. Now she makes 18 sailings each summer by way of the inland passage from Vancouver to Skagway and return.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

This may be the "Pat's" last summer. Under U.S. environmental regulations, the owners must install holding tanks for sanitary sewage by Jan. 1 or go out of business. The requirement seems ridiculous. The infinitesimal trickle of sewage, discharged over 2,000 miles of fast-moving waters, could not conceivably wreak significant damage upon marine life, but unless a requested exemption is granted, the owners will face a $750,000 capital investment in a ship already more than 30 years old. To take the old girl out of service would constitute a disaster for the Alaskan and Canadian ports of call that rely heavily upon tourists for economic survival.

I mentioned an impression of overwhelming fecundity. When God created the forests of Alaska, God lost sight of the off switch. Mile after mile, as far as the eye can see, the forests roll over the mountains—pine, spruce, hemlock, fir—millions upon millions of trees, packed as closely together as the bristles on a bear's back. An official estimate places Alaska's forest reserves at 120 million acres, an unimaginable area. One is reminded of sea shells or desert sands. Nature does nothing by halves.

North of Skagway, a narrow-gauge railway creeps to Bennett and Whitehorse, through alpine vistas as beautiful as Switzerland might offer. This is not a gentle beauty. The mountains are as remote, as regal, as imperially untouchable as crowned heads. Eighty years ago this was Gold Rush country. The town of Skagway is a grubby little place today, but in its prime it welcomed thousands of miners, trappers, victualers, boat-builders, gamblers and ladies of the evening. It is a testimony to the art of sheer survival that the prospectors of that day managed to exist through the bitter winters. These are unforgiving mountains, indifferent to man's travails. Range upon range, capped in clouds and snow, they raise their tonsured heads in cold disdain. Conquer me if you can! Not many men have mastered the challenge.

There are softer elements also. The wildflowers of Juneau and Skagway are as numerous as those of Capetown: columbine, gay as a jester's cap; saxifrage on stems as straight as drinking straws. The forest floor, closely examined, is a mass of ferns, lichens, mosses.

Let me add a third impression—the impression of time suspended. The Princess Pat has no telephones, no TV sets or radios, no newspapers brought on board. From the decks one cannot see a power line, a light at night, a billboard, a human habitation. Only a handful of other ships and boats share the narrow channels. In the vastness of Alaska our tiny vessel is the merest speck, floating on dark waters through mists as fragile as a dream.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

## WICHITA, KANS., BEACON CALLS FOR SENATE TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Saturday night I spoke in Wichita, Kans., before a crowd of 900 happy, healthy, wholesome Kansans. It is always a great experience for an out-of-State Senator to go to Kansas. Kansas is the geographic center of the continental United States and in many ways it represents the political center. It has spawned some marvelous Americans over the years including William Allen White, Alf Landon, Dwight Eisenhower, and many others.

It also has some of the most thoughtful and perceptive newspapers in the country. I was vividly reminded of this Sunday morning when I took an early plane from Wichita back to Washington and bought a copy of the Wichita Eagle and Beacon.

The lead editorial in that outstanding paper was entitled the Genocide Convention. The editorial is one of the most thoughtful and persuasive arguments I have read for the Genocide Convention, and in the more than 11 years I have been rising daily on the floor of the Senate to plead for the ratification of the Genocide Convention I have read and commented on literally hundreds of them.

Mr. President, I happily call to the attention of my colleagues this morning a warm and fervent call for the Senate to ratify the Genocide Convention from the heartland of America—Wichita, Kans.

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

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

THE GENOCIDE CONVENTION

Genocide, the methodical, malicious destruction of entire groups of people, is an act so horrible that there is a tendency to block it out of human consciousness, and pretend that it doesn't exist.

But it does exist, and has existed down the checkered path of human history: the Turkish massacre of the Armenians before and after the turn of this century; the Nazi annihilation of 11 million Jews, gypsies, Slavs, Jehovah's Witnesses and other minorities in World War II; the mass butchery in Cambodia and Uganda that only recently has ended; and the ongoing slaughter in Equatorial Guinea.

Genocide is so alien to American ideals of justice and freedom that it would seem any move to prevent it would be met with almost unanimous acclaim. And yet the International Convention on the Prevention and Punishment of the Crime of Genocide has languished in the Senate while 84 nations around the world have ratified the document.

It was 30 years ago this weekend that President Truman signed the convention, after its unanimous adoption by the U.N. General Assembly. Every U.S. President since then has spoken in its support, and the American Bar Association has reversed its original opposing stand and endorsed the convention overwhelmingly.

Ironically, it was under U.S. leadership that the Genocide Convention came into being. Ratifying nations confirmed that genocide, "whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish."

It was as simple and as direct as that. But opponents soon raised the question of sovereign rights, and whether U.S. citizens could be extradited abroad to answer to foreign courts for alleged misdeeds. "Genocide," however, was narrowly defined by the convention, which made clear that persons charged with the crime were to be tried by a court of the nation in which the alleged act was committed, and that trial by an international tribunal would be possible only for citizens of those nations that had accepted such jurisdiction.

In fact, the greatest value of the Genocide Convention is its moral effect, and what it says to the next Adolf Hitler or Idi Amin who may attempt to arise over the corpses of his people. Senate ratification would remove from the United States the stigma of being the only major power not to have endorsed the convention, an embarrassing fact that has been thrown in the face of American diplomats by despotic regimes for the past three decades.

It is time, past time, for the leader of the Free World to end its strange reluctance to embrace this simple statement on the bounds of human decency, and for the Senate to ratify its provisions. House Resolution 146, co-sponsored by Rep. Dan Glickman, D-Kan., asks the Senate to do just that; Sens. Bob Dole and Nancy Kassebaum, both R-Kan., now should add their voices to the effort.

As Rabbi Arthur Abrams of Wichita's Temple Emanu-el recently wrote Mr. Glickman: "Unfortunately, 30 years have passed since the United Nations enacted this important human rights act. We hope that your resolution will effectively encourage the Senate to finally ratify it."

We do too. It is a small thing to ask of a nation that prides itself on its concern for the human rights of all peoples, and on the moral example it historically has set for the rest of the world.

## S. 1353—LIMOUSINE LIMITATION ACT OF 1979

Mr. PROXMIRE. Mr. President, on behalf of myself and the Senator from North Carolina (Mr. HELMS), I am today introducing the Limousine Limitation Act of 1979.

At the present time, according to a detailed survey I made earlier this year, some 175 officials by title in the Government are driven to and from home, either regularly or on an occasional or ad hoc basis. The cost of chauffeurs averages about $25,000 per car where the practice is on a regular basis and operating costs are another $2,800.

For most of these officials this is clearly against the law. Title 31, section 638a of the United States Code states that automobiles can be used only for "official purposes" and that the term "official purposes" does not include being driven to and from home.

In addition to the 175 officials reported to me by the agencies themselves who are regularly or on an ad hoc basis driven to and from home, ambassadors serving abroad are exempt from the law. In practice, the ambassador, the political officer, the ranking military official, the aid official, the CIA chief of station, and others routinely are provided a car and chauffeur and are driven to and from home. Further, we all know that on almost any military base the commanding officer and the executive officer are driven to and from their homes and have the exclusive use of automobiles provided by the Government. Therefore, my estimate of 175 officials is extremely conservative and the cost figures I have estimated based on them are therefore very conservative.

While not all of the 175 officials have a car and driver assigned to them, there are at least that many persons among

the 175 and among the diplomatic and other officials abroad and military officers at home and abroad who do. My estimate of the cost of this practice of about $4.865 million is therefore a conservative one.

What the bill would do is to limit the officials in the Government in this country who could be driven to and from home and who could be assigned the exclusive use of an automobile to a total of 22.

They would be: The President, the Vice President, the Chief Justice, the heads of each of the 12 executive departments; that is, the Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce, Labor, HEW, HUD, DOT, DOE, and the Attorney General, the Ambassador to the United Nations, and three elected officials of each of the House and Senate. No nonelected congressional officials would retain the privilege. No Under Secretaries, Assistant Secretaries, agency heads, and so forth, would have the privilege.

I am introducing this bill, in part, because of the failure of the Justice Department to enforce the law. At various times, including their letter to me early this year, they have interpreted a law which says that official business does not include being driven to and from home to mean that this is a matter of "administrative discretion" or that it can be done if some official determines it is in the interest of the Government. Of course, they routinely decide that their perquisite is in the interest of the Government.

I have written to the President to urge that he call upon his chief law enforcement officer to enforce the law. I hope that will be done forthwith.

I ask unanimous consent that the text of the bill, a statement I made on March 17, detailing the results of my most recent survey, and a statement of April 16 in which I released my letter to the President, be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, this practice wastes gasoline. It requires two round trips a day instead of one. Further, it encourages an arrogance and a sense of privilege among a host of officials which has no place in the American democracy and which is befitting public officials.

For these reasons I am introducing the bill today, and I hope very much that its provisions can be put into effect either by the passage of the bill or by the stroke of a pen by the President or the Attorney General.

EXHIBIT 1

S. 1353

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

SHORT TITLE

SEC. 1. This act may be cited as the "Limousine Limitation Act of 1979".

DEFINITIONS

SEC. 2. As used in this Act—

(1) "motor vehicle" means any vehicle, selfpropelled or drawn by mechanical power, designed and operated principally for highway transportation of passengers, except (A) a vehicle primarily designed for military field training, combat, or tractical purposes; (B) a vehicle regularly used by a Government agency in the performance of investigative law enforcement or intelligence duties, if the head of such agency determines that exclusive control of such vehicle is essential to the effective performance of such duties; or (C) a vehicle used for the transportation of Ambassadors stationed or conducting business abroad, or in the case of a country where no Ambassador is credited, a vehicle used for the transportation of the highest ranking official of the Department of State stationed in such country; and

(2) "Government agency" means any department, agency instrumentality, or authority of the executive, legislation, or judicial branch of the Federal Government.

LIMITATION OF ACQUISITION AND USE OF MOTOR VEHICLES

SEC. 3. (a) Except as provided in subsection (b), a Government agency may not—

(1) purchase, hire, lease, operate, or maintain motor vehicles, other than motor vehicles of the type generally available, on the date of the enactment of this Act, in motorpools of the Federal Government;

(2) employ or procure the services of chauffeurs; or

(3) purchase, hire, lease, operate, or maintain motor vehicles for the transportation of any elected or appointed officer or employee of a Government agency between his dwelling and his place of employment, except in the case of (A) a medical officer on outpatient medical service, or (B) an officer or employee engaged in fieldwork in remote areas, the character of whose duties make such transportation necessary, and in either such case, only when such exception is approved by the head of the Government agency concerned.

(b) The provisions of subsection (a) do not apply to (1) the purchase, hire, lease, operation, or maintenance of motor vehicles for the personal use by the President, and one each for use by the Vice President of the United States, the head of each executive department, the Chief Justice of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and of the House of Representatives, and the United States Representatives to the United Nations, or (2) the employment or procurement of services of chauffeurs for such motor vehicles.

(c) No elected or appointed officer or employee of a Government agency, other than those referred to in subsection (b), may be furnished a motor vehicle for his exclusive use.

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OFFICIALS BY TITLE WHO ARE DRIVEN TO AND FROM HOME

Senator WILLIAM PROXMIRE (D-Wis) said late Saturday that "Despite President Carter's example of denying most members of the White House staff the privilege of being driven to and from home in chaffeured government cars, the number of high ranking government officials who enjoy the privilege has grown from 148 to 175 in the last two years.

"The results of my most recent survey of every government agency, identical to that made during the first months of the Carter Administration two years ago, show that the total cost has gone up from $3.33 million to $4.86 million a year. The cost of chauffeurs and drivers has risen from $20,000 to over $25,000 per car, and operating costs have increased from $2,500 to $2,800. It is on this basis (175 x $27,800) that the $4,865,000 estimate is made."

The survey was made by Proxmire as chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee. The Senator is also chairman of the Senate Banking, Housing and Urban Affairs Committee and a member of the Senate Appropriations Committee.

"Title 31, Section 638a, of the U.S. Code states that government automobiles may be used only for 'official purposes' and that 'official purposes' do NOT include being driven to and from home. The law applies only to the Executive Branch and domestically excludes only the President, the Secretary of a department (but not Under Secretaries, heads of agencies, boards, etc.), doctors on outpatient duty, and individuals on field service great distances from their homes.

"Recently I wrote to every department, agency, office, regulatory commission, and court in the United States government asking what officials by title in the agency are driven to and from home. I further asked for the cost of chauffeurs as well as the cost of buying or leasing, depreciation, maintenance, gas and oil, etc., for the cars. Among the key results are:

(1) Of the 175 officials being driven to and from home, only 22—the President, Vice President, 13 Cabinet officers, the Chief Justice, and six Congressional officials—are clearly entitled to the privilege by a direct provision of the law.

(2) The increase in total costs of 45 percent is three times the 15 percent increase in consumer prices over the last two years and more than triple the increase in prices allowed under the President's wage and price guidelines.

(3) The worst offender, as was true two years ago, is the Pentagon, where 61 officials—12 routinely driven to and from home and 49 others when '. . . *they* determine it to be essential to the successful accomplishment of their duties for a given day . . . .' are given the privilege.

(4) The cost of the chauffeurs for seven officials exceeded $30,000 a year. These are the Secretary of HEW ($38,406), the Secretary of the Treasury ($35,569), three top Justice officials ($91,295), the Secretary of Agriculture ($30,039), and the Secretary of Commerce ($33,778).

(5) The major increases occurred in the regulatory commissions, where 53 officials are driven to and from home compared with 22 officials two years ago.

(6) The Justice Department, whose failure to enforce the clear language of Title 31, Section 638a, is a primary reason for the size and growth of the practice, wrote that it does not violate the law where the practice '. . . is deemed to be in the interest of the government' and that the '. . . control over the use of Government vehicle is primarily a matter of administrative discretion.'

(7) Of the three branches of the government, the best record once again is that of the Judiciary, where only the Chief Justice of the United States, among the hundreds of Supreme Court, District, and Appellate judges, has the privilege.

(8) The figure of 175 is conservative, for it does NOT include Ambassadors, Consuls, First Secretaries, military attaches, Chiefs of Station, and AID officials abroad and some domestic officials provided portal to portal transportation for security reasons.

A list of the agencies and officials who have the privilege follows. All figures are based on the practice as stated at the time of the reply. Cars used, in the majority of cases, are not luxury vehicles.

CABINET

Department of Defense (61):

Regular basis (12): Secretary of Defense, Deputy Secretary of Defense, Secretary of the

Army, Secretary of the Navy, Secretary of the Air Force, Chairman, Joint Chiefs of Staff, Army Chief of Staff, Air Force Chief of Staff, Chief of Naval Operations, Commandant of the Marine Corps, Under Secretary of Defense for Research & Engineering, Under Secretary of Defense for Policy.

Exception basis—"when they determine it to be essential to the successful accomplishment of their duties for a given day" (49): 9 Assistant Secretaries of Defense, General Counsel, DOD, Under Secretary of the Army, Under Secretary of the Navy, Under Secretary of the Air Force, Vice Chief of Staff, Army, Vice Chief of Staff, Air Force, Vice Chief of Naval Operations, Assistant Commandant of Marine Corps, 4 Assistant Secretaries of the Army, 3 Assistant Secretaries of the Navy, 3 Assistant Secretaries of Air Force, Commander, Army Materiel Development & Readiness Command, Chief, Naval Material, Commander, Air Force Systems Command, Director, Joint Staff, 18 Four Star Generals outside the national capital region.

Department of Health, Education and Welfare (2):

Secretary of HEW, and Commissioner of Social Security.

Department of Energy (1):

Secretary of Energy.

Department of Agriculture (1):

Secretary of Agriculture (1):

Department of Commerce (3):

Secretary of Commerce, Acting Secretary of Commerce, and Director, Environmental Data Service.

Department of the Interior (1):

Secretary of the Interior.

Department of State (7).*

Secretary of State, Deputy Secretary of State, U.S. Representative to the U.N., Deputy U.S. Representative to the U.N., Deputy U.S. Representative to the Security Council, U.S. Representative on the U.N. Economic and Social Council, Alternate U.S. Representatives for Special Political Affairs.

Department of the Treasury (1):

Secretary of the Treasury.

Department of Labor (1):

Secretary of Labor.

Department of Justice (3):

Attorney General, Director, FBI, Assistant Attorney General, Office for Improvements in Administration of Justice.

Department of Housing and Urban Development (1):

Secretary of HUD.

Department of Transportation (14):

Secretary of Transportation, Commandant of the U.S. Coast Guard, 12 Coast Guard District Commanders.

White House (4):

President, Vice President, Assistant to the President for Security Affairs, and Director, Office of Management and Budget.[1]

Judicial Branch (1):

Chief Justice.

Congress (10):

House of Representatives: Speaker of the House, Majority Leader, and Minority Leader.

Senate: President Pro Tempore, Majority Leader, and Minority Leader.

Other Congressional Offices: Architect of the Capitol, Acting Architect of the Capitol, Comptroller General, and Deputy Comptroller General.

Agencies and Institutions (11):

President, Amtrak, Postmaster General, Deputy Postmaster General, Secretary, Smithsonian Institution, Editor, Smithsonian Magazine,[2] Administrator, U.S. Small Business Administration [1] Deputy Administrator, U.S. Small Business Administration [1] Deputy Director, Community Services Administration,[1] Director, Federal Mediation and Conciliation Service,[1] Deputy Director, Federal Mediation and Conciliation Service.[1]

Regulatory Commissions and Boards (53):

Chairman, Federal Reserve System; Administrator, Agency for International Development; Chairman, Federal Communications Commission; Chairman, Federal Deposit Insurance Corporation; Appointive Director, FDIC; Comptroller of the Currency, FDIC; Deputy Chairman, FDIC; Assistant to the Director, FDIC; Chairman, Securities and Exchange Commission; [1] Chairman, Commodities Futures Trading Commission (vacant); [1] 4 Commissioners, CFTC; [1] 5 Commissioners, Federal Trade Commission [1]; Chairman, Civil Aeronautics Board [1] (Chairman normally takes public transit); 3 Members, CAB; [1] Officials, National Labor Relations Board [1] (There are 5 Board members, including the chairman, and the General Counsel, appointed by the President); Commissioners and Commission officials, Interstate Commerce Commission [1] (There are 11 Commissioners as well as 13 bureau and office heads.

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LETTER TO PRESIDENT CARTER

APRIL 16, 1979.

Sen. WILLIAM PROXMIRE (D-Wis.) Monday released a letter to President Carter calling on him ". . . in connection with your proposal to conserve gasoline . . . to wipe out the practice" of providing transportation to and from home in chauffeur driven cars to more than 150 ineligible government big shots.

Proxmire is Chairman of the Senate Banking, Housing and Urban Affairs Committee and a member of the Senate Appropriations and Congressional Joint Economic Committees.

In his letter Proxmire pointed out that "the practice wastes gasoline. It means two trips a day back and forth for each official rather than one. It also encourages a sense of privilege and arrogance which is unbefitting public officials."

In addition the Senator said: "Title 31, Section 638a of the U.S. Code provides that government cars may be used only for official purposes and that 'official purposes' does not include being driven to and from home.

"All Executive Branch officials except the President, his Cabinet (but not Under Secretaries, Assistant Secretaries or Agency or Commission heads), doctors on outpatient duties, officials on field service, and certain diplomats abroad, come under the law. The Chief Justice and certain Congressional leaders are exempt by statute.

"Recently I wrote to every agency in the government asking what 'officials by title' are given the privilege either regularly or on an *ad hoc* basis. The total came to 175 plus a number of security officials and multitudes of officials abroad.

"With the exception of about 22 officials this is clearly illegal. But the Justice Department refuses to enforce the law. In fact they wrote that the law could be disregarded where the practice '. . . is deemed to be (apparently by the official breaking it) in the interest of the government' and that it was a matter '. . . primarily of administrative discretion.' "

In his letter Proxmire also said:

"This practice could be stopped by a word from either you or the Attorney General.

"I hope very much that you will ask the Attorney General to enforce the law.

"Failing that you could wipe out the practice by stating that the policy of your Administration prohibits it."

In his statement Proxmire said that "Some agencies, like the Smithsonian Institution, claim they are exempt because their chauffeur driven travel is paid from non-governmental funds. But as the Smithsonian has asked for $169 million in taxpayers money for the new fiscal year, it does not seem appropriate that they should continue otherwise illegal activities on grounds they are using private funds when 90% or more of their outlays are from taxpayer's contributions. If they are in such a lucrative financial position in this year of tightened budgets, they offer themselves as a prime target for reductions in appropriated funds." The text of Proxmire's letter to the President is given below.

APRIL 6, 1979.

Hon. JIMMY CARTER,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: In connection with your proposals to conserve gasoline may I make the following suggestion.

Title 31, Section 638a of the U.S. Code provides that government cars may be used for official purposes and that "official purposes" does NOT include being driven to and from home.

There are only a few exceptions in the law, the President, Cabinet Officers (but not Under Secretaries, agency heads, etc.), doctors on outpatient duty, officials on field service long distances from their offices, and certain diplomats abroad.

All other Executive Branch officers are prohibited from being driven to and from home.

Recently I wrote to every agency in the government asking what "officials by title" are given the privilege, either regularly or on an *ad hoc* basis. The total came to 175 plus a number of security officials and multitudes of officials abroad.

With the exception of about 22 officials, this is clearly illegal. But the Justice Department refuses to enforce the law. In fact they wrote me that the law could be disregarded where the practice ". . . is deemed to be (apparently by the official breaking it) in the interest of the government" that it was a matter ". . . primarily of administrative discretion."

The practice wastes gasoline. It means two trips a day back and forth for each official rather than one.

It also encourages a sense of privilege and arrogance which is unbefitting public officials.

This practice could be stopped by a word from either you or the Attorney General.

In view of your strong views on saving energy, quite apart from your own example of prohibiting it for White House personnel, I believe the time to act has come.

I hope very much that you will ask the Attorney General to enforce the law.

Failing that, you could wipe out the practice by stating that the policy of your Administration prohibits it.

With best wishes.

Sincerely,

WILLIAM PROXMIRE,
*U.S. Senator.*

Mr. BAUCUS. I thank the Senator from Wisconsin.

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

Mr. STEVENS. Mr. President, I yield any further time I have to the Senator from North Carolina.

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*Does not include Ambassadors, First Secretaries, Military Attaches, Consular officers, Chiefs of Station, AID officials, etc.

[1] Performed by discretion of the officials when they decide travel or after hours work suggests it.

[2] While the Editor states the service is provided from non-appropriated funds, the Smithsonian is requesting $169,153,000 in Budget Authority for fiscal year 1980 (up from $133,580,000 in fiscal year 1979) and clearly receives its overwhelming support from tax funds.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I thank my friend from Alaska.

The ACTING PRESIDENT pro tempore. That is in addition to 6 minutes that the minority leader has just yielded him.

Mr. HELMS. I thank my friend from Wisconsin for his leadership in the matter of the ego trips that are being taken around this town by far too many officials of this Government.

Mr. President, I am delighted to join Senator Proxmire in the cosponsorship of a piece of legislation designed to put and absolute end to a great many "ego trips" that are presently going on in Washington.

For a number of years, dating back almost to the first week I was in the Senate, I have been dismayed to note the number of big, black, sleek Government limousines, complete with full-time chauffeurs on the Federal payroll, that are constantly seen cruising the streets of this city.

These are gas guzzlers, and tax guzzlers—and an affront to the American taxpayers. Statistics have been developed shown that this royal limousine service for Federal officials is costing the taxpayers a minimum of nearly $5 million a year.

This is ridiculous, Mr. President, and it should be stopped. The legislation proposed by Senator PROXMIRE and this Senator from North Carolina will go far in stopping it by limiting such service to 22 top officials—the President, the Vice President, 13 Cabinet officers, the Chief Justice, and six officials of Congress. And some of those 22, Mr. President, ought to give serious consideration to voluntarily giving up this special privilege.

Mr. President, my time is limited, so I will not at this time discuss in detail the scope of this very clear waste of the taxpayers' money. Suffice it to say that the practice of having full-time chauffeurs, driving big, sleek limousines to haul Federal officials to and from their homes, and for other purely personal purposes, is a practice that should and must be abandoned.

I note, for example, that the full-time chauffeur for HEW Secretary Califano is paid $38,406 a year. A number of other chauffeurs are paid nearly as much. The average salary of the 175 chauffeurs that I know about—and there may be others whom I do not know about—is about $25,000 a year.

I offer these remarks to compliment my friend from Wisconsin for his work on this matter, and to say to him again that it has been my privilege over a period of years to be associated with him in this effort.

Mr. PROXMIRE. Will the Senator from North Carolina yield briefly?

Mr. HELMS. Yes.

Mr. PROXMIRE. I thank my friend from North Carolina. It is on his initiative that I introduced this bill. It is the law now. The Senator from North Carolina, as he has so often shown this year and in the past, too, has demonstrated the courage and initiative that too many of us in the Senate lack, getting on top of these matters and expressing what I think is the outrage of the majority of people in this country. We are wasting gas and wasting money for no purpose, as he says, but to satisfy the egos of a few officials.

Mr. HELMS. I thank my friend for his comments. He has taken the leadership in this matter almost since the first day I was in the Senate. He may recall my coming to him as a very freshman Senator, in January 1973, the morning after an evening when this Senator had been invited to a function at Blair House.

That evening, I got in my car and drove down Pennsylvania Avenue, attempting to go to that meeting, I found that Pennsylvania Avenue was virtually blocked by big, black, sleek limousines, each of which had a chauffer inside, smoking a cigar and listening to the radio, with the heater running, while first- and second-level bureaucrats were going into the Blair House to attend the very same meeting I was to attend.

Finally, I parked about 3 blocks away and attend the function at Blair House. The next morning, I came to my office and asked my staff to get busy and find out for me just how many Government limousines, paid for by the taxpayers of America were cruising the streets of Washington. That same day I mentioned the matter to the Senator from Wisconsin and he immediately began to assemble a great deal of information. That is when my admiration for the Senator's diligence began. It is a pleasure always to work with him and I commend him again for his leadership in this matter.

Mr. PROXMIRE. I thank the Senator.

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## SENATE RESOLUTION 184—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE MATTER OF JOSEF MENGELE

Mr. HELMS submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 184

Whereas Josef Mengele, known as the "Angel of Death", while resident doctor of the Auschwitz concentration camp was responsible for the torture and death of more than 200,000 children; and

Whereas Josef Mengele conducted cruel and inhuman surgery and expirements upon children to develop ways to manipulate the genetic structure of human beings; and

Whereas Josef Mengele worked to develop new methods of sterilization to promote acts of genocide against Jews, Slavs and other European peoples; and

Whereas in 1959, authorities of the Federal Republic of Germany issued a warrant for the arrest of Josef Mengele and have repeatedly requested his extradition to stand trial in the Federal Republic of Germany for murder; and

Whereas evidence indicates that "Jose Mengele" was granted Paraguayan citizenship on November 27, 1959; and

Whereas Paraguay signed the International Convention on the Prevention and Punishment of the Crime of Genocide on December 11, 1948: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that the President of the United States should immediately call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

IS IT NOT TIME TO REQUITE "ANGEL OF DEATH" TO FACE ACCUSERS?

Mr. HELMS. Mr. President, this morning, I offer a sense-of-the-Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the "Angel of Death."

By 1945, there were in Germany and the occupied countries more than a thousand concentration camps. It is usual to think of these camps as a few isolated buildings surrounded by barbed wire. In reality, they were much more than that. They included large industrial installations, factories, railway stations, warehouses, and research laboratories.

Of the millions of people who died in these camps, it is estimated that more than 1,500,000 were children. Many of these children, including infants, were asphyxiated in gas ovens—a procedure which the Nazis referred to as "chasing the children up the chimney." Often, the most painful and inhuman medical experiments were carried out on these children and thousands of them died as a result of the operations and injections.

The list of the camps and the terrors endured within them seem endless. None offers fuller testimony of the suffering and agonies of these condemned people than those in the camp at Auschwitz. The very word "Auschwitz" has become a symbol of the holocaust. At Auschwitz, the figure of the camp doctor, Josef Mengele, in his black SS uniform, meeting each new group of inmates on their arrival and decreeing life or death to each by a flick of his finger, has become one of the lasting symbols of the holocaust.

Dr. Mengele, described by Anne Frank before her death as the "angel of extermination," would walk through the children's barracks each day to point out those children to be brought to his laboratory for surgery and experimentation. Mengele was obsessed with the possibility of creating a master race of supermen for the Third Reich. Thousands died as a result of his operations and injections. Mengele's work in genetic engineering was, indeed, the Frankenstein project of the century.

Last week, Anne Frank would have been 50 years old had she not died at age 16 of typhoid fever in the concentration camp at Bergen-Belsen. Dr. Mengele had his own solution for typhoid fever. When an inmate contracted the disease, Dr. Mengele ordered all the people living in that particular barrack to the gas chambers. That is how he solved the problem.

The fact that Josef Mengele should remain today in freedom, never having been brought to trial, makes him a living symbol of the holocaust we cannot continue to tolerate.

At Auschwitz, we confront the awesome reality of how far man's descent into cruelty, destruction, and death may go. Too often, we think solely of the

threat to mankind posed by weapons of mass destruction and the arms race. The crimes of Dr. Mengele reveal that threat to mankind when men of philosophy, medicine, science, and law turn from their obligations to protect the sanctity of human life.

Josef Mengele did not live in a vacuum of either time or space. The slippery slide toward Auschwitz began when, during the Weimar Republic, prominent German scientists and jurists such as Alfred Hoche and Karl Binding defended the "destruction of life devoid of value," as they put it. The acceptance of their views led to thousands of mental patients and children being put to death in hospitals, psychiatric institutions, and pediatric clinics. Hospitals such as Hadamar became training schools for the mass-killing techniques applied later to Jewish and other civilian populations.

The chief architect of the German compulsory sterilization law of 1933 was not a Nazi, but Ernst Ruedin, a distinguished professor at the University of Munich, where Josef Mengele studied and first read the racial philosophy of Alfred Rosenberg. Later, Professor Ruedin left the Kaiser Wilhelm Institute for Anthropology, Human Heredity Teaching, and Genetics with his colleagues Edwin Baur and Eugene Fischer to join Dr. Otmar Freiherr von Verschuer at the Institute for Heredity, Biology, and Racial Research at Frankfurt University. Dr. Verschuer's assistant was—you guessed it—Dr. Josef Mengele.

It seems inevitable, perhaps, that the nihilism of Nazism, its militant insistence that the new supermen of the Third Reich were beyond the constraints of law and of morality, should lead the spiritual persecution by the Nazis to focus upon the sons and daughters of Abraham, whose historical meaning is expressed by their very adherence to the law and their faithfulness to its author.

The demands of the Nazis that all personal moral principles should be overridden by the needs of the State put them in unalterable opposition to all men who profess the existence in each person of an independent conscience answerable only to God.

The testimonial inscriptions to the victims of the holocaust at the Auschwitz memorial today bear stark witness in the language of the victims: Hebrew, Yiddish, Polish, Bulgarian, Romany, Czechoslovak, Danish, French, Greek, Spanish, English, Flemish, Serbo-Croat, German, Norwegian, Russian, Romanian, Hungarian, and Italian.

Eleven million civilians dead in the camps.

Simon Wiesenthal, the courageous man who has brought more than 1,100 Nazi war criminals to trial, says "I am not dividing the victims."

In unity, let us demand justice in their memory.

Mr. President, it is nearly 35 years since the end of World War II and the time when these acts were committed. There are those who would say that it is time to forgive and forget. But who has that right? Each of us has the right, and may even have the moral obligation, to forgive crimes against ourselves. But none of us has the right to forgive the crime committed against another.

In the Talmud it is written that "the very world rests on the breath of children."

Can we hope to protect the future children of the world, if we fail to preserve our obligation to the children of this anguished past?

To forgive or forget the crimes of Josef Mengele would require the amputation of our conscience and the dismemberment of our memory.

Mr. President, I ask unanimous consent that letters written by Rabbi Marvin Hier and Simon Wiesenthal and the text of my resolution be printed in the RECORD at this point.

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

JUNE 6, 1979.

Re Dr. Josef Mengele, Citizen of Paraguay.

Hon. JESSE HELMS,
*U.S. Senate,*
*Dirksen Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR: In this International Year of the Child, the Simon Wiesenthal Center wishes to bring to your attention the case of Dr. Josef Mengele, the infamous Doctor of Auschwitz responsible for the torture and death of 200,000 children, who today lives freely as a citizen of Paraguay.

This bizarre fact (which is elaborated upon in the enclosed letter that was sent by Simon Wiesenthal to the Secretary General of the United Nations) is in violation of the charter and principles of the international community.

In this year, when we honor the children of the world, we must not allow a man who committed such unspeakable crimes against children, to desecrate their memory by not being held accountable before the bar of justice.

We urge you to use your influence in the Senate and State Department to request of Paraguay that this doctor of medicine, the murderer of 200,000 children, be extradited to Frankfurt to stand trial for his crimes.

Enclosed, please find Mengele's Paraguayan naturalization certificate (copy) and a document relating to his experiments in Auschwitz (copy), as well as Mr. Wiesenthal's above mentioned letter.

We look forward to your cooperation in this matter.

Sincerely,

Rabbi MARVIN HIER,
*Dean, Simon Wiesenthal Center, Member, Advisory Committee, President's Commission on the Holocaust.*

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MAY 17, 1979.

Re Dr. Josef Mengele, citizen of Paraguay.

Hon. Dr. KURT WALDHEIM,
*Secretary General,*
*United Nations Building,*
*New York, N.Y., U.S.A.*

DEAR MR. SECRETARY GENERAL: The United Nations, under your leadership, have chosen this current year as the Year of the Child. I believe that we should not only reflect how we could improve the lives of the children living on this earth. We should also remember the tragic fate of millions of children during the time of the Nazi persecution.

Dr. Josef Mengele, SS–Doctor in the concentration camp of Auschwitz (Poland), SS–Hauptsturmführer (captain), born March 16, 1911 in Guenzburg (Germany), in the course of 1944 selected at least 200,000 children to be killed in the gas chambers, plus again the same number of adults. Not only that, he performed the most horrible experiments with children, to change the color of their eyes and hair, in pursuance of his dream to breed a blond, blue-eyed race; innumerable children died as a result of these experiments, suffering the most terrible agonies. Among his pseudo-scientific endeavors, Dr. Mengele also wanted to find out how one could bring about the birth of twins; after the war would have been won by Germany, he intended to make up for the German losses by mass births of twins. Hundreds of twin children from all the occupied countries were brought to Mengele in Auschwitz; they did not survive his experiments either.

Against the unfortunate inmates of Auschwitz, Dr. Mengele would always have recourse to the most radical methods; when typhoid fever broke out in one of the baracks, Megele sent all inmates, the healthy as well as the sick, to the gas chambers.

These are just a few examples of the huge number of crimes of which Dr. Mengele is accused; these crimes are the basis for the warrants for his arrest issued by the public prosecutors of Freiburg im Beisgau and Frankfurt, substantiated by many statements from survivors and court findings from previous Auschwitz trials.

After the war, Dr. Mengele fled to Argentina. Later, when he felt that the authorities were on his trail, he changed into Paraguay, where he was naturalized in 1959. All demands for his extradition to his native Germany were to no avail so far, although the authorities in Paraguay are keeping track of his frequently changing places of residence within the country.

Paragauy, as a member of the United Nations, has agreed to abide by their charter, and to honor the universally accepted principles of law and the rights of man; it must not tolerate such a criminal living free within its borders.

Mr. Secretary General, I appeal to you, in this International Year of the Child, to use all your influence so that the murder of hundreds of thousands of children, committed by a doctor of medicine, who is enjoying his liberty within a member country of the United Nations, will not remain unpunished, and this man will be extradited to face the court in Frankfurt.

This would be a warning to all people that crimes, especially crimes committed against children, will be punished regardless of the geographical and the time distance the criminal may have put between himself and his deeds.

In the hope that this appeal to you, Mr. Secretary General, will bring about positive results in the interest of justice, I remain

Yours sincerely

SIMON WIESENTHAL.

Mr. HELMS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8½ minutes remaining.

Mr. HELMS. I thank the Chair. Mr. President, a parliamentary inquiry.

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

Mr. HELMS. With reference to the resolution which I have just introduced, may I ask the Chair and the Parliamentarian to which committee it would be referred?

The ACTING PRESIDENT pro tempore. The Chair is of the opinion that it

would be referred to the Foreign Relations Committee.

Mr. HELMS. That is fine. Mr. President, I ask for a referral to the Foreign Relations Committee, which would be automatic, I presume.

The ACTING PRESIDENT pro tempore. The resolution will be appropriately referred.

Mr. HELMS. I thank the Chair.

## ALAN GREENSPAN ON THE CREDIT CONTROL ACT

Mr. HELMS. Mr. President, recently the Senate Banking Committee held hearings on the Credit Control Act and various bills to repeal or drastically modify this onerous law.

One of the key witnesses was Dr. Alan Greenspan, president of Townsend-Greenspan Co. and former Chairman of the Council of Economic Advisers.

Dr. Greenspan put in eloquent and intelligent words the economic rationale for repeal of this act.

I believe that the Senate should move quickly to repeal the Credit Control Act and I hope every Member will heed Dr. Greenspan's counsel.

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

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

STATEMENT OF ALAN GREENSPAN, PRESIDENT, TOWNSEND-GREENSPAN CO.

Thank you very much, Mr. Chairman. I came here to support the initiatives to repeal the Credit Control Act of 1969.

Curbing the growth of credit expansion is, in my view, the key to defusing the strong underlying inflationary forces which threaten the stability of our economy. However, rationing credit through statute or regulation is unlikely to be successful and to the extent that it is, would probably allocate credit in an undesirable manner.

Depending upon what type of controls were involved, it would cause distortions which would beget more distortions. It would also take our eye off the major explosion in credit coming directly from the Federal Government itself.

I have no doubt that should the Federal Reserve Board under the authority of the 1969 legislation choose, for example, to curb or prohibit raising the needed funds in the Euro-currency market at negligible additional expense.

The only groups in this country who would be effectively constrained from borrowing and spending would be those with limited credit standing, largely consumers and small businessmen who have few, if any, alternate sources of credit. Certainly, restrictions on auto installment credit will reduce the funds available to middle- and lower-income groups and limit their purchases of new and used cars. Similarly, restrictions on inventory loans to small business would curb their ability to expand.

The overall impact on credit expansion of such restrictions is likely, however, to be slight. It serves no useful purpose to have credit control standby authority on the books. It can only lead to mischief and should be repealed.

Credit restraint is an essential anti-inflation tool, but it has to be implemented in a balanced manner. Mismanagement of our fiscal affairs has led us to the point where there is currently no simple alternative to monetary tightness.

Even with the best of monetary policies at this state, however, it would be a mistake to presume that the Federal Reserve alone can contain inflation or confront the more difficult fundamentals of the inflation bias in the American economy. Interest rates are high because credit demand exceeds savings flows, and money supply growth in recent years has been excessive (and inflationary) because the Fed feels politically compelled to suppress interest rates by at least partially accommodating the excess credit requirements.

The only viable solution is to slow the monetary aggregates for a protracted period without engendering excessively high interest rates, and that can be done only by reducing the demand for funds pressing on our financial system. It has been the exceptional pressures from the credit markets that have placed the Federal Reserve in its recent unenviable situation.

The marked increase in aggregate capital market borrowing has not only driven interest rates higher but, in the process, diverted an ever-increasing amount of borrowing from the capital markets (by those who were "crowded out") to the commercial banks. In an endeavor to accommodate the loan requirements of their customers, commercial banks attempted to obtain the reserves required to back up loans by borrowing in the federal funds market.

The accompanying rise in the federal funds rate place the Fed in its typical "no win" position. It had to determine whether to stand aside, allowing the Fed funds rate to rise, thwarting some of the prospective commercial bank borrowing or, by supplying reserves to the market, temporarily hold the federal funds rate below what it would otherwise be, thereby accommodating the expanding loan demand.

That latter path, however, enlarges the monetary base, inducing an acceleration in money supply growth with inflationary consequences. The Fed as usual straddled the issue, only partially accommodating the demand for funds. As a result, in recent years, both money supply growth and interest rates rose, but the increases in each were less than might otherwise have prevailed, at least in the short run.

Curbing the growth in federal spending and deficits is a necessary, but not a sufficient condition to restore balance to the financial markets. If we focus wholly on the budget deficit, however, we are missing what may well be a far more inflationary set of credit-preempting policies fostered by the Federal Government.

Off-budget borrowing has risen sharply in recent years—so have mandated capital investment by business (pollution, safety equipment, etc.) which must be financed; and matching grants, which have induced increased spending and borrowing by state and local governments. These demands have added heavily to capital market pressures, but in total have been small compared with the extraordinary expansion in mortgage credit.

Prior to the 1970s, an increase in mortgage credit on one- to four-family homes rarely exceeded $15 billion. During the past year, the increase has approached $100 billion. This veritable explosion of mortgage credit growth is a consequence of the increasing political concern that emerged in the 1950s and 1960s. Whenever short-term interest rates rose, thrift institutions withdraw from the mortgage markets, sharply contracting housing starts.

Changes in institutional strucutres and subsidy programs sponsored by the Federal Government from mortgage-backed bonds to the newest six-month certificates tied to the Treasury bill rate, have apparently successfully insulated mortgage credit availability from periodic credit crunches.

The political exercise worked all too well with the not atypical effect of overkill. The consequences of "solving the mortgage problem" has, not unexpectedly, created a different problem whose consequence may be far more profound to the structure of the American economy. It has clearly been a significant contributing factor to the excessive money supply growth and, hence, the high base rate of inflation which the United States has experienced in recent years.

By significantly increasing the financial system's capacity to supply mortgage credit in the face of rising short-term interest rates, the adjustment process of the financial markets has been markedly altered in recent years.

For the past year, households have been diverted from other forms of savings into the savings and loan's new six-month certificates, the proceeds of which have until recently been invested in mortgages. Inducing indirect mortgage purchases by financial institutions through mortgage-backed bonds has come at the expense of their ability to purchase corporate issues, state and local securities, and federal obligations. If the Federal Reserve had not created additional reserves to support the broadened credit demand, the total volume of investable resources would have been fixed, and the increase in the demand for mortgages by financial institutions have correspondingly reduced the demand for other securities.

In the past, the drying up of mortgage funds because of Federal Home Loan Bank Board limits on interest rates the S&Ls could pay to attract funds, rapidly squeezed prospective home purchasers (and mortgage borrowers) out of the market. As a result, the excess of demand for funds for the financial system as a whole was largely eliminated by squeezing out the demand for mortgage debt. When interest rates rose in the process of bringing balance to the debt markets, a relatively small increase in interest rates was adequate to "crowd out" the amount of mortgage borrowing required to bring the overall demand for funds back into balance with the supply.

In the new mortgage-dominated financial markets, interest rates must now rise much further than they would have under comparable conditions a decade ago in order to crowd out the excess demand for funds. Because mortgage credit is becoming increasingly insulated against such pressure, the pressure must now move to other instruments as well: Business borrowing, real estate financing, municipal borrowing, foreign loans, et cetera.

And because larger interest rate increases are required to curb the demand for such credit, the supply and demand for funds can come into balance only at much higher interest rates than previously. Mortgage credit may still have to bear much, if not most, of the reduction in credit demand—only this must now occur at significantly higher interest rates than earlier.

Hence, the net effect of improving the availability of mortgages in the face of rising interest rates is to decrease, at the margin, the responsiveness of credit demand to a rise in interest rates. It means that at any given underlying demand for funds, higher rates are required than, say, 10 years ago to equate the supply and demand for funds. This would be true even in a noninflationary environment in which there was no perceptible inflation premium embodied in interest rate levels.

The institutional changes that have expanded the mortgage market explain the extreme difficulty the Fed has had in attempting to simultaneously dampen monetary growth while keeping interest rates at moderate levels. Shoring up the mortgage market clearly contributed to the underlying inflation bias in the economy. While it may have sustained the home-building boom, this has probably been accomplished at a significant cost to the economy's overall stability.

It is probably too late in this business cycle to undo the new mortgage-based inflation bias that has been added to our financial system. The Fed has little choice but to hold a tight rein on credit availability until mortgage (and other credit) demand subsides. In fact, economic policy is unlikely to be able to significantly alter the path of an inflation-caused recession over the next couple of years.

It is not, however, too late to reset our economic priorities and policies for the 1980s. If we wish to defuse the current underlying inflationary bias which pervades our economy, we still have to reverse the Federal Government's increasing direct and indirect preemption of the nation's available credit. Only then can we expect the Federal Reserve to be able (during the next economic expansion) to hold inflationary money supply growth in check, without driving interest rates to extreme heights.

In the interim, we can do little more than hold the fiscal and monetary reins tight as the credit (and presumably the economic) expansion comes to a halt. Mandatory credit controls have no role to play.

They will merely fight the symptoms of this problem. They will not come to grips with what is required, mainly a reduction in the Federal Government support for the mortgage market and other credit-creating activities.

Mr. HELMS. Mr. President, while I do not anticipate further need for time, I am going to reserve the remainder of it and suggest the absence of a quorum while I check.

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

The second assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Montana.

Mr. BAUCUS. Mr. President, it is my understanding that I have yielded back all the time allotted to the acting majority leader.

The ACTING PRESIDENT pro tempore. The Senator is correct.

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## VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1039 which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1039) to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend a program of exchange of medical information, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That (a) this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

(b) 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 title 38, United States Code.

### TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

SEC. 101 (a) Section 5033(a) is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the four succeeding fiscal years".

(b) Section 5035(d)(2) is amended by inserting before the period at the end thereof "or $3,000,000, whichever is greater".

SEC. 102. (a) Section 5054 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is authorized to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of Veterans' Administration health-care facilities located in areas remote from major academic health centers.".

(b) Section 5055(c)(1) is amended by inserting "and for each of the three succeeding fiscal years" after "fiscal year 1979".

SEC. 103 (a) Section 641(a) is amended by striking out "$5.50", "$10.50", and "$11.50" and inserting in lieu thereof "$6.35", "$12.10", and "$13.25", respectively.

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1979.

### TITLE II—REALINEMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

SEC. 201. (a) Section 111(e)(2) is amended to read as follows:

"(2)(A) Except with respect to a person receiving benefits for or in connection with a service-connected disability under this title, no payment shall be provided under this section except—

"(i) for travel by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, in each such case, payments under this section shall be limited in each fiscal year so that—

"(I) no payment shall be provided for the first $25 for which payment is otherwise authorized, and

"(II) with respect to any claim for any part or all of the next $150 for which payment is otherwise authorized, payment shall be provided for only one-half of the otherwise payable amount.

For the purposes of this subparagraph, a person shall be considered to be a person receiving pension under section 521 of this title if such person would be eligible to receive such pension except for the fact that such person does not meet eligibility requirements with respect to disability, age, or service during a period of war.

"(B) In no event shall payment be provided under this section—

"(i) to reimburse for the cost of travel by privately owned vehicle in any amount in excess of the cost of such travel by public transportation, unless (I) public transportation is not reasonably accessible or would be medically inadvisable, or (II) the cost of such travel is not greater than the cost of public transportation; and

"(ii) in excess of the actual expense incurred by such person as certified in writing by such person.".

(b) Section 601 is amended by—

(1) striking out "transportation" in subclause (ii) of paragraph (5)(A) and inserting in lieu thereof "travel";

(2) striking out subclause (ii) of paragraph (5)(C) and inserting in lieu thereof "(ii) travel and incidental expenses for such dependent or survivor under the terms and conditions set forth in section 111 of this title. "; and

(3) striking out "necessary expenses of travel and subsistence" in the parenthetical phrase in clause (B) of paragraph (6) and inserting in lieu thereof "travel and incidental expenses".

(c) Section 614 is amended by—

(1) striking out "necessary travel expenses" in subsection (a) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title, "; and

(2) striking out "all necessary travel expenses" in subsection (b) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title, ".

(d) Section 628(a) is amended by striking out "the necessary travel" and inserting in lieu thereof "travel and incidental expenses pursuant to the provisions of section 111 of this title".

SEC. 202. (a) Section 601 is amended by adding at the end thereof the following new paragraph:

"(9) The term 'chiropractic service' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

(b)(1) Subchapter III of chapter 17 is amended by adding at the end thereof the following new section:

"§ 629. Chiropractic services

"(a) The Administrator may, under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services, for which such veteran has made payment, if—

"(1) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine,

"(2) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a twelve-month

period prior to the provision of such chiropractic services, or

"(3) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine, to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(b) In any case in which reimbursement may be made under this section, the Administrator may, in lieu of reimbursing such veteran, make payment of the reasonable charge for such chiropractic services directly to the chiropractor.

"(c)(1) In determining the reasonable charge for chiropractic services under this section, the Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of allowances for such services, which schedule shall be consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

"(2) The amount payable by the Administrator for chiropractic services furnished under this section shall not exceed $200 in any twelve-month period in the case of any veteran.

"(d) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $4 million in any fiscal year and no reimbursement or payment may be made under this section for chiropractic services furnished after September 30, 1983.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 628 the following new item:

"629. Chiropractic services.".

(c) Not later than December 31, 1980, and not later than December 31 of each of the next three years, the Administrator shall prepare and submit to the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate reports on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under section 629 (as added by subsection (b)(1) of this section) and the number of such veterans who made such requests;

(2) the number of reimbursements or payments made by the Administrator under such section is such fiscal year and the number of veterans to or for whom such reimbursements or payments were made; and

(3) the total amounts of expenditures by the Administrator for such reimbursements and payments under such section in such fiscal year.

SEC. 203. Section 612(b) is amended by—

(1) amending clause (2) by—

(A) striking out "active military, naval, or air service and" in subclause (A) and inserting in lieu thereof "a period of active military, naval, or air service of not less than 180 days,";

(B) striking out "within one year" in subclause (B) both places it appears and inserting in lieu thereof "within six months"; and

(C) inserting before the semicolon at the end thereof a comma and "and (C) if the Secretary concerned has not certified, in writing, that the veteran was provided by such Secretary, during the ninety days immediately prior to such veteran's discharge or release from such service, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by such examination"; and

(2) inserting at the end thereof below the last clause the following new sentence:

"The Administrator may not furnish outpatient dental services, treatment, or related dental appliances, under this section through private facilities for which the Administrator contracts pursuant to the provisions of section 601(4)(C)(i), (ii), or (v) of this title to a veteran at a cost to the Veterans' Administration of more than $500 during any twelve-month period, unless the Administrator has determined, prior to the furnishing of such services, treatment, or appliances, based on an examination by a dentist employed by the Veterans' Administration, that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.".

SEC. 204. Section 612(f) is amended by inserting before the semicolon at the end of clause (1) a comma and "but any such veteran being furnished services under this clause shall not be furnished drugs, medicines, or medical supplies which may be purchased without a physician's prescription, unless (i) such veteran is a veteran receiving or eligible to receive pension under section 521 of this title (including a veteran who would be eligible to receive such pension except for the fact that such veteran does not meet eligibility requirements with respect to disability, age, or service during a period of war), or (ii) the Administrator, under regulations which the Administrator shall prescribe, authorizes the furnishing to such veteran of such drugs, medicines, or medical supplies in order to avoid substantial hardship that would otherwise result from the extraordinary cost thereof to a veteran".

SEC. 205. Section 612(g) is amended by inserting at the end thereof the following new sentence: "The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.".

SEC. 206. Section 613 is amended by—

(1) amending subsection (a) by—

(A) striking out "and" at the end of clause (1);

(B) inserting "and" after the comma at the end of clause (2);

(C) inserting immediately below clause (2) the following new clause:

"(3) the surviving spouse or child of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct,"; and

(D) adding at the end thereof the following new sentence: "The term 'person' as used in clause (3) of this subsection shall mean 'veteran' for the purposes of section 103(d) of this title."; and

(2) adding at the end thereof the following new subsection:

"(c) For the purposes of this section, any child described in subsection (a) of this section who, while pursing a full-time course of instruction (including any period between terms, semesters, or quarters, or during vacation or holiday periods) at an approved educational institution, becomes unable to continue such child's chosen program of education because of a mental or physical disability which was not the result of such child's own willful misconduct shall remain eligible for benefits under this section until six months after the disability is removed, until two years after the date of onset of such disability, or until such child's twenty-third birthday, whichever occurs first.".

SEC. 207. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this title shall take effect on October 1, 1979.

(b)(1) The amendments made by sections 201(a), 203, and 204 of this title shall take effect on October 1, 1979, only if, prior to such date, the Director of the Office of Management and Budget has certified in writing to the appropriate committees of the Congress that the Director has allocated to the Veterans' Administration for its Department of Medicine and Surgery (hereinafter in this section referred to as "the Department") a sufficient personnel ceiling, for which appropriate funding is available, for employment during the first three months of the fiscal year ending September 30, 1980, in the Department of at least 187,968 full-time equivalent employees for the employment of whom funding is provided under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous expenses.

(2) If the amendments made by this title become effective on October 1, 1979, pursuant to subsection (a) of this section, such amendments shall thereafter continue in effect during any succeeding three-month period (hereinafter in this section referred to as a "quarter") of the fiscal year ending September 30, 1980, and any quarter of any succeeding fiscal year only if, not later than the first day of each consecutive quarter, the Director certifies in writing to such committees that the Director has allocated to the Veterans' Administration for the Department a sufficient personnel ceiling, for which appropriate funding is available, for employment during such quarter in such Department of at least 187,968 full-time equivalent employees.

(3) In the event that the Director fails prior to the first day of any quarter of fiscal year 1980 beginning after October 1, 1979, or prior to the first day of any succeeding quarter of any subsequent fiscal year to have made the certification described in paragraphs (1) and (2) of this subsection, on such first day the amendments made by sections 201(a), 203, and 204 of this title shall become ineffective as though repealed by an Act of Congress.

(4) In determining the numbers of full-time equivalent employees provided for in paragraphs (1) and (2) of this subsection, there shall be included not more than eight hundred and twenty full-time equivalent employees for the employment of whom funding is provided under the medical administration and miscellaneous operating expenses appropriation account or who are assigned to carry out functions assigned to employees for whom such funding was provided in fiscal year 1978.

(c) The amendments made by section 203 (1)(B) of this Act shall not apply in the case of any veteran whose discharge or release from active military, naval, or air service occurred during the twelve months immediately prior to the date of the enactment of this Act.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

SEC. 301. (a) Section 4104(2) is amended by inserting "psychologists," after "Pharmacists,".

(b) Section 4105 is amended by—

(1)(A) striking out the period at the end of clause (9) and inserting in lieu thereof a semicolon; and

(B) adding at the end of subsection (a) the following new clause:

"(10) Psychologist—

"hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified."; and

(2) inserting "podiatrist, optometrist," in subsection (b) after "dentist,".

(c) The amendment made by subsection (b)(1) of this section to require that a psychologist appointed to a position in the Department of Medicine and Surgery of the Veterans' Administration be licensed or certified as a psychologist in a State shall not apply to any person employed as a psychologist by the Veterans' Administration on or before May 1, 1979.

SEC. 302. Section 4106(b) is amended by striking out "three" and inserting in lieu thereof "two".

SEC. 303. Section 5053(a) is amended by inserting a comma and "or organ banks, blood banks, or similar institutions" after "facilities".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled between the Senator from California (Mr. CRANSTON) and the Senator from Wyoming (Mr. SIMPSON), with 30 minutes on any amendment in the first degree, except an amendment by the Senator from New Hampshire (Mr. HUMPHREY) on which there shall be 2 hours, and with 20 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

The Chair recognizes the Senator from California.

Mr. CRANSTON. Mr. President, S. 1039, as reported, the proposed Veterans' Administration Health Resources and Programs Extension Act of 1979, is designed to maintain and improve the quality, scope, and efficiency of health care services provided the Nation's veterans through the Veterans' Administration health care system. It does this, in part, by rechanneling some resources from areas of low priority to high-priority areas where the need is greatest.

The bill would accomplish this purpose by placing on selected health care benefits certain limitations—designed so as not to place a hardship on needy veterans or deprive any veteran of necessary care—and applying most of the resulting cost savings to badly needed health care staffing. Thus, it would condition entry into effect and continuing legal effect of the three cost-savings provisions—that is, first, tightening non-service-connected beneficiary travel reimbursements; second, the furnishing of nonprescription drugs, medicines, and supplies as part of non-service-connected outpatient care; and third, eligibility for outpatient dental care for certain noncompensable service-connected conditions—on certification on October 1, 1979, and quarterly thereafter, by the Director of OMB that a sufficient personnel ceiling has been allocated to the VA's Department of Medicine and Surgery to carry out its statutory mission of providing patient care to veteran beneficiaries as well as to staff fully new facility and program activations in fiscal year 1980.

S. 1039 would also extend authorization of appropriations for the program of grant assistance to State extended-care facilities for veterans and increase the rates of per diem payments to these facilities for care provided veterans; extend the authorization of appropriations for the exchange of medical information program; provide for the reimbursement or payment for chiropractic services for certain eligible veterans; make other minor changes in VA health care benefits; and make various revisions in the VA health care personnel system and medical administration authorities.

Mr. President, in these times of fiscal austerity, even programs of the high priority traditionally and properly afforded to those for veterans must be subject to some belt tightening to squeeze out unnecessary spending and to assign priorities in the use of scarce resources. The provisions of S. 1039 have been carefully designed so that abuses and unnecessary costs can be curbed while at the same time no truly needy veteran would be denied necessary health care or access to such care. It would apply the cost savings resulting from these economies to restore badly needed staffing to VA health care facilities.

Mr. President, I want to express my particular appreciation to the ranking minority member of the committee, the Senator from Wyoming (Mr. SIMPSON), for his excellent contributions and spirit of cooperation in the development of this measure. I also want to express my appreciation to the other members of the committee who have been so helpful—Senators TALMADGE, RANDOLPH, MATSUNAGA, THURMOND, and STAFFORD.

Mr. President, the committee bill has three titles: Extension and improvement of certain Veterans' Administration health programs; realinement of veterans health care and related benefits; and Veterans' Administration medical personnel and miscellaneous amendments, as follows:

Title I: Extension and improvement of certain Veterans' Administration health programs.—This title would revise and extend the authorizations of appropriations in title 38, United States Code, for the program of matching-fund construction grants for State veterans home facilities and for exchange of medical information—EMI—program and increase per diem rates for State veterans' home care. Included in title I are provisions that would:

First, extend the authorization of annual appropriations—at the present $15 million level—for the program of matching grants to the States for the construction, remodeling, and renovation of State veterans' home hospital, nursing, and domiciliary facilities through fiscal years 1980, 1981, and 1982.

Second, provide that, under the program of matching grants for State home construction projects, no State could receive in any fiscal year more than one-third of the amount appropriated for such fiscal year or $3 million, whichever is greater.

Third, extend the authorization of annual appropriations—at the present $4 million level—for the exchange of medical information program through fiscal years 1980, 1981, and 1982.

Fourth, authorize the Administrator of Veterans' Affairs to enter into agreements under the EMI program with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of VA health-care facilities located in areas remote from major academic health centers.

Fifth, increase the rates of per diem payments to State veterans' homes to $6.35 for domiciliary care, $12.10 for nursing home care, and $13.25 for hospital care.

Title II: Veterans health care and related benefits.—This title would amend title 38, United States Code, to revise, clarify, limit, and expand various health care benefits for veterans, and would assure that savings provided under certain revisions of health care benefits are used to maintain adequate staffing within the VA's Department of Medicine and Surgery. Included in title II are provisions that would:

First, provide that—except with respect to a person receiving benefits for or in connection with a service-connected disability—payment for allowable travel expenses incurred going to and from a VA facility would be provided only for travel by special vehicular mode of transportation that is required for medical reasons and either has been authorized in advance or, to the extent that the Administrator provides by regulation, has been undertaken in a medical emergency of such a nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or when the person claiming reimbursement is receiving or eligible to receive pension—or meets the applicable income standard for receipt of pension—under section 521 of title 38 and then, in any fiscal year, only after such person has paid the first $25 in such expenses and, with respect to the next $150 in expenses only for one-half of any such expenses.

Second, provide for the reimbursement—or direct payment—of reasonable charges for chiropractic services, not otherwise covered by available health insurance or other reimbursement, provided to certain veterans with neuromusculoskeletal conditions of the spine; limit the amount payable for authorized chiropractic services furnished an individual veteran to $200 per year and the total VA expenditures for chiropractic services to $4 million in any fiscal year; establish a September 30, 1983, cutoff date for the provision of chiropractic services for which reimbursement or payment may be made; and require the Administrator to submit an annual report on the utilization of chiropractic services under the new authority.

Third, limit the furnishing of outpatient dental services, dental treatment, and related dental appliances to a veteran with a service-connected, noncompensable—zero-rated—dental condition or disability to only those veterans who have served on active duty for a period of at least 180 days and made application for such treatment within 6 months after discharge and as to whom the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination—including X-rays—and all appropriate dental services and treatment indicated by such examination.

Fourth, require, prior to the furnishing of fee-basis dental care to a veteran at a cost of more than $500 in any 12-month period, a determination by the Administrator, based on the results of an examination by a VA dentist, that the furnishing of such treatment at such cost is reasonably necessary.

Fifth, limit the furnishing of nonprescription drugs, medicines, and medical supplies in connection with non-service-connected outpatient care generally to those veterans who are receiving or eligible to receive pension—or who meet the income standard for receipt of pension—under section 521 of title 38; and require the Administrator to promulgate regulations authorizing the furnishing of nonprescription drugs, medicines, and supplies as part of non-service-connected outpatient care in order to avoid substantial hardship that would result from the extraordinary cost to the veteran of obtaining such products commercially.

Sixth, clarify that veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound are eligible for home health services.

Seventh, provide that the surviving spouse of a person whose death during active duty service was the result of service-connected causes would be eligible for benefits under the civilian health and medical program of the Veterans' Administration—CHAMPVA— if such surviving spouse had remarried and the subsequent marriage had been terminated by death, divorce, or annulment.

Eighth, provide that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until 6 months after the mental or physical condition is no longer so disabling, until 2 years after the date of onset of the disability; or until the student's 23d birthday, whichever comes first.

Ninth, provide that, except for the amendments relating to beneficiary travel reimbursement, dental benefits, and the provision of nonprescription drugs, medicines, and supplies, the effective date of the amendments made by title II of the committee bill is October 1, 1979.

Tenth, provide that the cost-savings amendments limiting beneficiary travel reimbursement for non-service-connected travel, outpatient dental care for certain noncompensable service-connected dental conditions, and the provision of nonprescription drugs, medicines, and supplies in connection with non-service-connected outpatient care shall take effect on October 1, 1979, but only if, prior to that date, the Director of the Office of Management and Budget (OMB) has certified in writing to the appropriate committees of the Congress that the VA has been allocated for its Department of Medicine and Surgery (D.M. & S.) a specific personnel ceiling for the first quarter of fiscal year 1980, for which appropriate funding is available. Thereafter, the cost-savings amendments would remain in effect only as long as the Director of OMB provides that same kind of certification on the first day of each succeeding quarter. In the event of any failure to make such certification, the legislation would permanently lose effect.

Title III: Veterans' Administration medical personnel and miscellaneous amendments.—This title would revise certain requirements pertaining to D.M. & S. personnel and expand the Administrator's authority to enter into sharing agreements. Included in title III are provisions that would:

First, specify that psychologists are among those health professionals who may be appointed to Civil Service positions in D.M. & S. and establish qualification standards, including a general requirement for licensure or certification by a State, for psychologists eligible for such appointment.

Second, add a U.S. citizenship requirement for appointment of podiatrists and optometrists in D.M. & S.

Third, shorten from 3 years to 2 years the probationary period of D.M. & S. professional employees.

Fourth, expand the Administrator's authority to enter into sharing agreements to include agreements between VA facilities and blood banks, organ banks, and similar institutions.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of S. 1039 as reported, I ask unanimous consent that there be printed in the RECORD at this point pertinent excerpts from Senate Report No. 90–177 accompanying this bill.

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

DISCUSSION

TITLE I: EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

Title I of the Committee bill would revise and extend the program of matching grants to the States for the construction, remodeling, or renovation of State veterans' home hospital, nursing home, and domiciliary care facilities, increase the rates of per diem payments to State veterans' homes for the care of eligible veterans, and revise and extend the program of exchange of medical information.

*State veterans' homes programs*

Included in title 38, United States Code, are two programs of assistance to State veterans' home extended-care facilities providing care to veterans who are eligible for VA care—a program of per diem payments for care provided to veterans in such facilities and a program of matching grants for the construction, remodeling or renovation of State veterans' homes.

*Increase in per diem*

Payments to State Homes

The program of assistance to State homes for veterans began on August 27, 1888, with the enactment of an Act to provide aid to State or territorial homes for the support of disabled soldiers and sailors of the United States. The act made provision for annual per capita contributions to the 11 States which at that time provided domiciliary care for disabled veterans in State homes. The program was subsequently amended in 1939 to extend such assistance to State home hospitals and in 1964 to include State nursing homes and to establish separate per diem rates for domiciliary care and nursing home care. Enactments in 1968, 1969, and 1973, increased those per diem rates; and the 1969 enactment also authorized a separate per diem rate for hospital care. The last increase, provided in 1976 by Public Law 94–417, established the existing per diem rates for the care of eligible veterans in State home facilities as follows: $5.50 for domiciliary care, $10.50 for nursing home care, and $11.50 for hospital care.

The Committee believes that an increase in these rates is fully justified by the inflation that has been experienced since the 1976 law.

According to the Congressional Budget Office, the Consumer Price Index inflation factor for the 3-year period fiscal year 1977 through fiscal year 1979 is 23.4 percent. However, in recognition and support of the desire to contain Federal expenditures, section 103 of the Committee bill would provide for a 15-percent increase. Thus, effective October 1, 1979, the per diem payment for domiciliary care would be increased to $6.35, for nursing home care to $12.10, and for hospital care to $13.25.

Grants for the Construction of State Homes

The program of assistance to States for the construction, remodeling, and renovation of State home facilities began on August 19, 1964, with the enactment of Public Law 88–450, which authorized annual appropriations of $5 million for the making of State home grants by the Veterans' Administration to pay 50 percent of the costs of constructing new nursing-care facilities, expanding or remodeling buildings for use as nursing-care facilities, and initially equipping such facilities. Public Law 91–178, enacted on December 30, 1969, established a separate grant-assistance program providing 50-percent Federal funding for the remodeling of existing State home hospital and domiciliary care facilities and authorized an annual appropriation of $5 million for such grants. Subsequently, the enactment of Public Law 93–82 on August 2, 1973, raised the maximum amount of VA participation in the construction of individual projects in both the nursing home and the domiciliary and hospital facility programs from 50 percent to 65 percent.

The last substantive amendments to the State home construction authorities were made by Public Law 95–62, enacted on July 5, 1977, which consolidated the two programs into a single grant authority under subchapter III of chapter 81 of title 38 (including authority with respect to construction of State nursing-home-care facilities), increased the annual authorization of appropriations for the consolidated program to $15 million, and increased the aggregate amount of the sums appropriated under the program

that any one State could receive in any given fiscal year from 20 percent to one-third. A total of $94,700,000 has been appropriated under the State home construction grant program since fiscal year 1966.

The VA proposed, in S. 1039, to extend the authorization of annual appropriations for State home construction grants at $5 million for fiscal year 1980 and such sums as may be necessary in subsequent fiscal years. In the Administrator's April 20, 1979, letter of transmittal accompanying the draft bill, the VA provided the following justification for extension of the program:

Present VA facilities are not adequate to cope with the special needs of today's elderly veterans. The VA's 88 nursing homes are filled to capacity * * * [and there are] long waiting lists for admission to most of them. Some State nursing homes and domiciliaries are also running at near capacity. It is clear that much needs to be done to prepare for the increasing number of elderly veterans (about threefold in 15 years) who will require extended care before the next decade has passed.

The committee shares the view of the VA that much needs to be done to prepare for the rapidly growing numbers of elderly veterans and believes that the State home program represents a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to substantial numbers of elderly veterans, and, in some cases, family members of veterans. The VA proposal to cut the authorization level for construction of State homes from $15 million to $5 million, an amount which is $5 million less than the fiscal year 1979 appropriation of $10 million, is inconsistent with the VA's own assertion that we need to expand existing facilities to accommodate the increasing numbers of elderly veterans who will soon require nursing home and domiciliary care and with the demand by the States for such construction assistance. According to information supplied to the Committee by the VA, 17 approved but unfunded applications for State home construction funds are presently pending before the agency at a total amount requested of $18.6 million. In addition, according to the VA, the States have indicated that they will submit an additional 22 applications requesting a total of $29.9 million over the next 12-month period.

In the committee's view, the need to expand the State home program and the demonstrated willingness of the States to participate by providing the 35-percent match clearly warrant a future level of appropriations substantially higher than the current fiscal year appropriation of $10 million and provide assurance that a higher amount would be fully utilized. Thus, section 101 of the committee bill would authorize annual appropriations for this important program of $15 million for fiscal years 1980, 1981, and 1982.

As discussed above, under current law no State may receive in any fiscal year more than one-third of the total amount appropriated for such fiscal year for State home construction. The VA proposed repealing this restriction in its entirety on the ground that the limitation on the amount of funds which could be obligated so limits the scope of a project that, in many instances, it would not be feasible or cost effective to undertake the project, particularly where new construction is contemplated.

Although the committee shares, to some extent, the concerns of the VA that, as construction costs increase and appropriations do not, the initiation of some vitally needed new projects may not be feasible, the committee is not willing to repeal the restriction altogether. Without some limitation a few States could receive inequitably large grants while equally deserving projects in other States would remain unfunded. Thus, section 101 of the committee bill would provide that no State may, in any fiscal year, receive more than one-third of the amount appropriated or $3 million, whichever is greater. Thus, if $15 million were appropriated in a single fiscal year, a single State could receive up to $5 million; and, if only $5 million were appropriated, a single State would be eligible to receive up to $3 million. In the committee's view, this modification would equitably resolve the concerns of both the VA and the committee.

Planned Review of State Homes Programs

The committee is well aware of the growing number of elderly veterans who will require extended care services in the near future and recognizes the fact as does the VA itself (as discussed earlier) that, since VA facilities will not be able to accommodate all of the elderly veterans in need of such services, State veterans' homes will play an increasingly important role in the provision of care to veterans. Thus, the committee intends to examine in detail the issues surrounding the provision of care in State veterans' homes with a view toward making whatever changes may be needed to achieve the programs' full potential for furnishing appropriate extended care to eligible elderly veterans and, in this regard, will ask the General Accounting Office to undertake a review of State veterans' homes programs, including the adequacy of present and proposed levels of Federal support.

*Exchange of medical information program*

The exchange of medical information (EMI) program, first authorized in 1966 (Public Law 89-785), is designed to strengthen medical programs at VA hospitals that are not affiliated with medical schools or are in locations remote from medical teaching centers, and to foster the widest possible cooperation and consultation among members of the medical profession by bringing modern medical and communications technology to bear on the quality of services available to veterans in such hospitals.

Since its inception, the EMI program has acted as the funding vehicle for approximately 50 projects either through grants to medical schools or other eligible institutions or by means of direct funding of appropriate VA hospital projects. The scope of EMI projects has varied from those in which but one VA facility has participated to those benefiting more than 170 VA hospitals. The following are typical of the projects funded under the EMI program:

(1) The Nuclear Medicine Network has provided the Marion, Illinois, and Poplar Bluff, Missouri, VA hospitals with nuclear medicine diagnostic capability while improving those hospitals' working relationships with the VA hospital in St. Louis.

(2) The Center for Continuing Health Education has provided various medical and dental improvements to eight remote VA hospitals in Colorado, Idaho, Montana, Nevada, and Wyoming, while directly strengthening educational ties between these hospitals and the Salt Lake City VA hospital/University of Utah medical complex.

(3) The Interactive Telecommunications System for Central Maine, a two-way television network permitting communication between medical and educational facilities, involves physicians in geographically remote sites in continuing education activities.

(4) The Dental Training Center, located in the VA Medical Center in Washington, D.C., has as its mission improving the quality of dental services rendered in the VA and increasing the productive capacity of its personnel. In support of its mission, the Dental Training Center conducts continuing education courses for dentists and dental auxiliaries, produces films on various dental subjects, provides co-axial cable television support for dental courses, and exchanges dental information with State dental associations.

The Committee believes that the EMI program is cost effective and has played a valuable role in enhancing the quality of services provided in VA facilities, particularly unaffiliated and geographically remote facilities, and in heightening the morale of personnel located in such facilities. Thus, the Committee believes that the EMI program authority should be continued and expanded, and, section 102 of the Committee bill could continue for fiscal years 1980, 1981, and 1982 the present annual appropriation authorization of $4 million for the EMI program. n addition, the Committee bill would clarify the authority of the Administrator to enter into agreements with public and non-profit private organizations for cooperative health-care personnel education programs within the geographic areas served by VA health-care personnel facilities located in areas remote from major academic medical centers. This authority, which was requested by the VA, is intended to facilitate training opportunities in unaffiliated VA medical facilities located in remote areas and, according to the VA, would enhance both the quality and quantity of health care personnel resources available to such facilities.

TITLE II: REALIGNMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

Title II of the Committee bill would revise the eligibility requirements for receipt of certain travel reimbursement, dental benefits and nonprescription drugs, medicines, and supplies by certain veterans and condition the effectiveness of such revisions on certain actions by the Director of the Office of Management and Budget; provide authority for reimbursements to certain veterans for chiropractic services; clarify the eligibility for home health services of veterans who are in need of regular aid and attendance or who are housebound; and expand eligibility for receipt of CHAMPVA benefits.

*Background*

S. 741, the Administration's proposed "Veterans Medical Amendments of 1979", included three provisions designed to effect cost savings. First, it would have eliminated totally reimbursement for travel expenses of non-service-connected veterans going to and from VA health facilities except for situations in which such veterans required special vehicular modes of transportation for medical reasons and such transportation was authorized in advance. Second, it would have eliminated totally the provision of outpatient dental treatment for a service-connected noncompensable (zero-rated) dental condition, that is neither attributable to service trauma nor the dental condition of a veteran who had been a prisoner of war for more than 6 months. Finally, it would have eliminated totally the provision of oupatient nonprescription drugs, medicines, and medical supplies to non-service-connected veterans except for veterans who were 65 years of age or older, in receipt of pension, permanently housebound or in need of regular aid and attendance, receiving hospital-based home health care.

In its transmittal letter dated March 12, 1979, accompanying the draft bill, the VA stated that the cost savings that would result from enactment of the limitation on travel reimbursement would enable "limited VA resources * * * [to] be more effectively utilized"; the cost savings realized by eliminating the provision of dental treatment to certain veterans would allow the VA to "refocus our resources to provide more extended and faster outpatient dental care"; and the cost savings realized by limiting the provision of nonprescription drugs, medicines, and supplies would permit the VA to "reallocate scarce VA resources * * * to areas where the need is more acute".

In point of fact, according to the VA budget documents for fiscal year 1980, the nearly $100 million that the VA estimated would be saved if the cost-savings provisions were enacted, would be subtracted from the already strained VA budget and not "more effectively utilized", "refocused", or "reallocated" by the VA.

At the same time, stringent limitations have been placed in fiscal year 1979 on personnel ceilings in the VA's Department of Medicine and Surgery (DM&S) resulting in cutbacks in the provision of needed health services which can only be expected to worsen under the Administration's proposed budget for fiscal year 1980.

The Committee's concerns in this regard were articulated by the Chairman in his March 13, 1979, letter to the President regarding VA health-care personnel issues:

In order to stay within current Administration limitations for VA programs for fiscal year 1979, the VA indicates that it will employ 3,273 staff (full-time equivalent employees (FTEE's)) fewer under the medical care account (180,919 FTEE's in fiscal year 1979) than contemplated by the [fiscal year 1979] appropriations measure and will further reduce the number of VA medical care employees by 433 FTEE's in fiscal year 1980, to 180,476 FTEE's.

These reductions are proposed and, in fact, being implemented despite the fact that new activations in fiscal year 1979 will require approximately 1,500 FTEE's in fiscal year 1979. New activations in fiscal year 1980 will require approximately 1,600 FTEE's in fiscal year 1980. Under your budget for fiscal year 1980, the personnel resources for these previously approved and initiated activations are to be acquired from existing facilities. Thus, the VA's fiscal year 1980 budget documents state:

Activation of new facilities in FY 1980 or in the future will require staffing that, in effect, will be derived from the managed reduction of employment within existing facilities * * * The reductions of employment thus estimated for existing facilities amount to 1,650 FTEE's in fiscal year 1980.

* * * [I]t seems clear to me that the VA health-care system is growing in size and in personnel requirements—through new activations—but its health-care personnel are being spread progressively thinner and that there is cause for genuine concern both for the quality of VA care and for the capacity of the system to provide the services which are projected for fiscal years 1979 and 1980.

* * * * *

This committee is very much aware of the pressing need to exercise fiscal constraint in considering the overall Federal budget and fully appreciates that difficult choices must be made among various competing, legitimate demands. The committee, in its deliberations, has thus kept fully in mind the need to contain expenditures and minimize increases in spending for new programs.

However, in the committee's view, the level of the overall VA health care program should not be reduced but rather maintained in such a way as to assure that the health care needs of veterans will be adequately met. Thus, the committee proposes, not to increase the overall level of the care provided in the VA health-care system, but rather, to rechannel resources from areas within the system which are of relatively low priority to respond to the very highest priority—the need to help restore and maintain adequate health-care staffing levels within the DM&S.

Obviously, in examining existing programs to determine where savings could appropriately be realized, the committee was confronted with difficult choices. Although the committee agrees, to some extent, with the VA that reimbursement of non-service-connected travel expenses, automatically furnishing dental care to certain veterans, and providing routine nonprescription drugs, medicines, and supplies for non-service-connected care in all instances are activities of comparatively low priority, the committee does not believe that it is in the best interests of veterans or necessary to wipe out most of the travel reimbursement benefit, dental care for certain veterans, and most nonprescription drugs, medicines, and supplies for veterans unable to defray the expenses of health care services. Instead, after careful deliberation, the committee determined that substantial cost-savings could be realized by refining and tightening the eligibility criteria for receipt of travel benefits, dental benefits, and nonprescription drugs, medicines, and supplies without imposing hardships on needy veterans or depriving them of necessary care and that the savings could be put to better use in order to assure a more adequate level of staffing in VA health-care facilities.

*Limitation on travel expenses reimbursement*

Under current law (section 111 of title 38, United States Code), a person traveling to and from a VA health-care facility in connection with a non-service-connected disability is entitled to reimbursement for travel and related expenses only if he or she has been determined, based on his or her annual declaration and certification, to be unable to defray the expenses of such travel. In addition, reimbursement for travel expenses generally may not exceed the actual cost of such travel by public transportation unless public transportation is not reasonably accessible or would be medically inadvisable or the cost of such travel is not greater than the cost of public transportation.

These restrictions on travel reimbursement were added to section 111 of title 38 by Public Law 94-581, the Veterans Omnibus Health Care Act of 1976, because of the rapid increase in the cost of the beneficiary travel reimbursement program that had occurred over the preceding several years coupled with a decision by the Office of Management and Budget (reflected in the VA's fiscal year 1977 budget request) that further increases in the utilization of travel benefits would have to be absorbed within the VA's already strained medical program budget. According to this committee's report (S. Rept. No. 94-1206, page 77) accompanying S. 2908, subsequently enacted as Public Law 94-581, the annual declaration and certification by a veteran of inability to defray expenses "would permit the VA to investigate the financial circumstances of veteran applicants, and would subject veterans who make untruthful statements concerning their finances to criminal sanctions (under 18 U.S.C. 1001)"—unlike the situation with respect to veterans swearing or affirming to the conclusive oath of inability to defray the expenses of hospital care under present section 622 of title 38.

S. 741, the Veterans' Administration Medical Amendments Act of 1979, proposed to eliminate travel benefits for non-service-connected disabled veterans unless the veteran required a special vehicular mode of transportation for medical reasons and such transportation were authorized in advance. During the April 10, 1979, hearing on the provisions of S. 741, VA witnesses were asked to comment on the implementation of existing law as it related to the annual declaration and certification of inability to defray travel expenses. The VA witnesses stated that, to their knowledge, the VA had not investigated the financial circumstances—even on a sample basis—of any veteran who had certified his or her inability to defray the costs of travel expenses. They also pointed out the great difficulty in enforcing provisions requiring advance annual certifications of inability to defray the cost of various unknown, often minor, travel expenses, such as occasional taxi fares, and stressed that U.S. attorneys had indicated their unwillingness to prosecute cases of alleged fraudulent certification.

The fact is that the 1976 law changes have not operated as a major factor to restrain beneficiary travel costs. Expenditures to this purpose were $54 million in fiscal year 1977, $61.8 million for fiscal year 1978, and are estimated to be $65.2 million for fiscal year 1979 and, under the President's budget request, would be capped at $65.2 million for fiscal year 1980. The committee acknowledges the problems inherent in the approach taken in current law to limit non-service-connected travel reimbursements to VA beneficiaries who are truly unable to defray the cost of such travel expenses.

As an alternative approach, the Committee bill would generally limit the eligibility for reimbursement of beneficiary travel expenses for non-service-connected disabled veterans to those veterans who are receiving or are eligible to receive pension under section 521 of title 38 or who meet the applicable income standard for receipt of such pension but not the requirements respecting age, disability, or service during a period of war. This would establish a financial need test—far more generous than under any Federal or State income maintenance program—of $3,550 per year for a single person and $4,651 for a couple. Reimbursement by the VA to such a veteran in a fiscal year would be limited under the committee bill so that no payment would be made for the first $25 in expenses, and payment would be limited to one-half of any part or all of the next $150 in expenses. Thus, after paying the first $25 in travel expenses, the individual would copay the next $150 and would receive full reimbursement for all expenses over $175—that is, after the individual had incurred $100 in out-of-pocket expenses in such fiscal year. The committee intends that this provision be administered in such a manner that a minimum national recordkeeping system would be established by the VA so as to provide that primary responsibility for maintaining a record of a veteran's travel expenses would fall on the veteran. Under this provision, substantial savings to the Government would be realized while at the same time, the Committee believes, no truly needy veteran would be denied access to medical care.

The Committee bill would also provide that travel expenses incurred by non-service-connected disabled veterans going to and from VA facilities would be fully reimbursed—without any copayment or deductible requirements—for the expenses of travel by special vehicular mode of transportation (such as an ambulance or an air ambulance) required for medical reasons if such travel either is authorized in advance or, to the extent that the Administrator provides under regulations which the Administrator must prescribe, is undertaken in a medical emergency in which the delay incident to obtaining prior authorization would have been hazardous to life or health.

The Congressional Budget Office estimates that enactment of the provisions of section 201 of the committee bill would result in a cost savings of $30.8 million in fiscal year 1980.

*Dental benefits*

Outpatient Eligibility for Certain Service-Connected Non-Compensable Conditions

As recently stated by the committee in its report accompanying S. 7, the proposed "Veterans' Health Care Amendments of 1979" (S. Rept. No. 96-100, pages 22-23):

Under present law, the basic authority for dental care is set forth in subsections (a) and (f) of section 612 of title 38, United States Code. Subsection (a) authorizes the Administrator of Veterans' Affairs, within the limits of VA facilities, to furnish medical

services to a veteran for a service-connected disability. Subsection (f) authorizes the Administrator, within the limits of VA facilities, to furnish medical services for any disability on an outpatient or ambulatory basis in certain limited cases. By statutory definition, as set forth in section 601(b)(A)(1), "medical services" include dental services. (Under section 610(a) of title 38, relating to VA hospital care eligibility, veterans who are eligible for hospital care are also eligible for dental care on an inpatient basis during a hospital stay because the term "hospital care", by statutory definition set forth in section 601(5)(A)(1), includes medical services rendered in the course of hospitalization.) Subsection (b) of section 612 imposes specific limitations on the provision of dental care as authorized by subsections (a) and (f) by providing that only the categories of care specified in subsection (b) may be provided on an outpatient basis. . . .

Under section 612(b), veterans may receive outpatient dental care for a service-connected dental condition or disability only if the condition or disability is (1) compensable in degree; (2) noncompensable but shown to have been in existence at the time of discharge or release from active military service and application for treatment is made within 1 year of discharge or release or correction of disqualifying discharge or release, whichever is later; (3) due to combat wounds or other service traumas; or (4) a condition or disability of a former prisoner of war.

Thus, those veterans with "service-connected noncompensable" (zero-rated) dental conditions (so-called "Class II" dental beneficiaries in the implementing regulation, 38 CFR 17.123(b)), which are unrelated to service trauma or prisoner of war status, are eligible for VA outpatient dental treatment for those conditions if application to the VA is made within 1 year after discharge or the upgrading of a disqualifying discharge. In fact, these conditions are often, as a practical matter, classifiable as "service-connected" at some point in the veterans' first 12 months after discharge.

The VA, in its draft bill, introduced as S. 741, proposed the total repeal of section 612(b)(2) of title 38. In the March 12, letter of transmittal accompanying the draft bill, the VA estimated that under current law more than 66,000 veterans will present themselves during fiscal year 1979 for outpatient treatment of dental conditions which existed during active duty but for which those veterans either did not seek or receive any treatment during service or who began but did not complete treatment during service. The VA letter of transmittal justifies eliminating the eligibility of such veterans for automatic post-service dental treatment as follows:

We believe that it is properly the responsibility of the dental services of the Department of Defense to correct these generally minor dental conditions which, for example, include, but are not limited to treatable carious teeth and replaceable missing teeth. We do not believe that it is appropriate for the VA to provide this dental care which was not provided or completed by the Department of Defense. Elimination of such eligibility will allow us to refocus our resources to provide more extended and faster outpatient dental care for veterans with more serious service-connected dental conditions, those resulting from direct service trauma or prisoner-of-war status, those whose dental conditions are associated with and are aggravating disease or injury incurred or aggravated by military service, those whose dental care was initiated but not completed during a period of hospitalization and those elderly veterans of the Spanish American and Indian Wars.

Although the committee would concur in the VA's argument that the provision of dental treatment to Class II beneficiaries is more properly the responsibility of the Department of Defense, there is no evidence whatsoever that the Department of Defense has any intention of assuming this responsibility. On the contrary, the Department of Defense budget documents for fiscal year 1980 do not show a transfer of this activity from the VA to the Department of Defense. Furthermore, information available to the committee indicates that the dental services of the Department of Defense are currently operating at two-thirds strength while, at the same time, the Department has discontinued the award of scholarships to dental students under the Armed Forces Health Professions Scholarship program. Finally, during questioning at the April 10 hearing, VA witnesses admitted that their military colleagues had indicated, informally, that Department of Defense dental resources "would not permit them to take care of all of these dental needs".

The committee believes strongly that the Federal Government would be totally unfair if it abandoned its obligation to care for the dental health of service persons, as the Administration seems to be proposing. The committee does believe, however, that the VA eligibility requirements under section 612(b) of title 38 can be tightened. Current law provides the benefit to any veterans, regardless of the duration of active-duty service. It seems improbable that an individual whose service was limited to only a few days' or months' duration could develop dental conditions of a nontraumatic nature such that the VA should assume responsibility for providing comprehensive dental care services (which the VA has determined to cost $660 per beneficiary). Likewise, providing the potential beneficiary with 12 months in which to apply to receive dental treatment appears overly generous, not only because of the constraints on the VA budget but because dental conditions unrelated to active duty could develop and exacerbate, resulting in increased costs, during that period of time.

Thus, section 203 of the Committee bill would authorize the furnishing of dental services, treatment, and related dental appliances to a Class II beneficiary only if such veteran had served on active duty for at least 180 days (which conforms to other provisions of title 38 setting forth length of service criteria, that is, section 1652 (180 days for GI bill benefits) and section 2011(1) (180 days for certain employment rights) and a 6-month minimum period of internment in section 312(b) for purposes of the presumption of service connection with respect to certain diseases from which a former prisoner of war is suffering) and, in the case of such a veteran who is discharged or released from active duty on or after the date of enactment of the Committee bill, makes application for treatment within 6 months after discharge and the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination, including X-rays, and all appropriate dental services and treatment indicated by such examination. The Committee is aware of the fact that any such certification would be included in a veteran's official medical records, which are often unobtainable for several months after discharge since they must be sent to the Department of Defense record center after final processing. Therefore, it is the Committee's intent that the VA consider the requirement respecting Department of Defense certification to be satisfied if the veteran's Department of Defense form 214 (a discharge document) contains a notation to the effect that the veteran's official medical record contains the requisite certification. Alternatively, it would seem to be a workable arrangement for the armed service concerned to transmit a copy of such certification to the VA directly.

Finally, section 203 of the Committee bill would amend section 612(b) of title 38 to require, prior to the authorization of fee-basis outpatient dental treatment to a veteran at a cost of more than $500 in any 12-month period, that a determination be made, based on the results of an examination of a VA dentist, that the furnishing of the treatment at the proposed cost is reasonably necessary. It is the Committee's intent in adopting this limitation that, by requiring VA dental personnel to examine veterans prior to the initiation of costly fee-basis dental care, VA dentists will undertake to provide some, if not all, of the indicated care that otherwise would be furnished on a fee basis at considerably greater expense. Indeed, application of the new dental care priorities and fee-basis dental-care cap which would be added to present section 612(b) by section 102(b)(4) of S. 7 as reported by this Committee on April 27, 1979, would require that this be undertaken in many, if not most, such cases. In any event, the independent VA examination is intended to provide a "second opinion" of the extent of the need of a veteran for dental treatment and the reasonableness of the proposed cost.

The Congressional Budget Office estimates that enactment of the provisions of section 203 of the Committee bill will result in cost savings of $3.4 million in fiscal year 1980.

Limitation on the Provision of Nonprescription Drugs, Medicines, and Supplies

Under current law, veterans who receive care in a VA facility on an outpatient basis are provided nonprescription drugs, medicines, and medical supplies on the authorization of a VA physician. The VA, in S. 741, proposed amending section 612(f)(1)(B) of title 38 to limit the provision of nonprescription drugs, medicines, and medical supplies to veterans receiving outpatient treatment of non-service-connected disabilities to those veterans who are in receipt of pension, 65 years of age or over, permanently housebound or in need of regular aid and attendance, or receiving hospital-based home care. The effect of the proposed amendment would be to prohibit VA pharmacies from providing nonprescription drugs, medicines, and supplies to veterans whose eligibility for the receipt of outpatient services is based on their inability to defray expenses and who are not in one of the excepted categories.

The VA, in its transmittal letter accompanying the draft bill, justified its inclusion of the proposed amendment as follows:

The cost of providing such drugs, medicines and supplies is constantly increasing. We believe that the savings resulting from enactment of this proposal would allow us to redirect these funds to other areas of medical care where the need is more acute. We believe that eliminating entitlement to over-the-counter drugs, medicines and supplies for some non-service-connected veterans is the most logical step in redirecting the limited resources of the VA to provide the most effective health care.

Enactment of this proposal will also result in providing faster service to those who remain entitled since the total number of drug, medicine and medical supplies transactions provided by the same number of VA pharmacy personnel will be reduced.

Those whose entitlement will be withdrawn by this proposal will generally be those non-service-connected veterans with less severe disabilities or whose income levels or net worth disqualify them for pension benefits. We, therefore, believe that enactment will not cause hardships. We estimate that the average cost of drugs or medicines and supplies to these veterans to be $3.46 and $6.69, respectively, per prescription. We also believe that if eligibility for such over-the-counter drugs, medicines and supplies is eliminated, such veterans will become more self-reliant and less dependent on the VA. We believe this will tend to be therapeutic.

The committee agrees that, in many instances, the routine provision of nonprescription products is unnecessary; but the committee believes that enactment of the VA's proposed amendment without substantial modification would be inequitable and harsh in its application to needy veterans. It would, for example, establish a presumption—for which the committee is aware of no factual basis—that any veteran 65 years of age or older is more in need than a veteran under 65 years of age. Furthermore, it would completely disregard the plight of a catastrophically-disabled non-service-connected veteran not receiving pension who requires nonprescription products on a regular basis. The Paralyzed Veterans of America, during their testimony at the April 10 hearing, advised the committee that the monthly cost to the VA of supplies used by a typical spinal cord injured veteran total $56.14 and that such a veteran would have to pay three to five times the VA cost to purchase such products in the private sector. In responding to questions at the April 10 hearing, the VA witnesses conceded that the provision as proposed in S. 741 was deficient in a number of respects and needed to be rethought and revised.

Accordingly, section 204 of the committee bill would establish new criteria for the provision of outpatient nonprescription drugs, medicines, and supplies for the treatment of non-service-connected disabilities pursuant to section 612(f)(1). It would limit the provision of such products for non-service-connected veterans to those veterans who are receiving or eligible to receive pension under section 521 of title 38 or who meet the applicable income standard for receipt of pension but not the requirements respecting age, disability, or period of service. This is the same financial-need criterion that would be applied by the amendment made by section 201 of the committee bill relating to eligibility for beneficiary travel reimbursement of non-service-connected veterans. Thus, a veteran qualifying for one benefit would automatically qualify for the other.

In addition, the committee bill would require the Administrator to prescribe by regulation conditions under which nonprescription drugs, medicines, and supplies would be provided to any non-service-connected veteran in order to avoid substantial hardship that would result from the extraodinary cost to a veteran of obtaining such products commercially. Examples of such hardship sought to be avoided by the committee are the paraplegic veteran's continuing need cited above, a veteran who has had colostomy surgery and requires colostomy bags and related supplies which could cost as much as $300 a month, and a veteran with acute ulcer disease who would spend as much as $30 a month for antacid preparations.

The Congressional Budget Office estimates that enactment of the provisions of section 204 of the committee bill would result in a cost savings of $3.4 million in fiscal year 1980.

*Tying of cost-savings to maintenance of adequate VA health-care personnel levels*

As pointed out above, under the VA's fiscal year 1980 budget documents, savings which would be effected by the proposals to limit beneficiary travel reimbursement, eliminate dental treatment for Class II beneficiaries, and limit eligibility for nonprescription medicines and supplies would simply be subtracted from the overall fiscal year 1980 VA budget. In light of the present, very strigent limitations that have been placed on DM&S personnel ceilings and resulting cutbacks in services that are being experienced now and would worsen if the Administration's proposed budget for fiscal year 1980 is agreed to, it is the committee's view that the major portion of such savings should be used to maintain the quality and quantity of health-care services provided to veterans eligible for such care.

Thus, the committee bill would tie the effective date of the modified cost-savings proposals to a requirement that the number of full-time equivalent employees authorized for DM&S by the administration be increased substantially over the number which is presently proposed for fiscal year 1980 and thereafter. This would achieve the administration's avowed purpose of refocusing spending on veterans health care items of higher priority, while at the same time achieving some cost savings—the committee bill would provide that the entry into effect of the three cost-savings provisions is contingent upon the achievement of adequate VA health staffing. Thus, before the cost-savings provisions could become effective (beginning October 1, 1979) and in order for them to remain in effect, the Director of the Office of Management and Budget would be required to certify prior to October 1 and the day before the beginning of each succeeding quarter that OMB has allocated to DM&S a sufficient personnel ceiling (FTEE) (and funding) to operate at the level proposed by the President for fiscal year 1980 (186,368 FTEE's) plus 1,600 FTEE's, the total number of employees being required to be diverted from existing facilities in fiscal year 1980 to meet the manpower requirements of new activations scheduled for that year.

Thus, the committee bill would require certification for fiscal year 1980 (beginning on October 1, 1979) that sufficient ceilings had been allocated from the medical care, medical and prosthetic research, and medical administration and miscellaneous and prosthetic research, and medical administration and miscellaneous operating expenses appropriation accounts to DM&S for the annual equivalent of 187,968 FTEE's for the first quarter of fiscal year 1980 of which not more than 820 could be allocated for DM&S central office personnel. Upon delivery of that certification on or before September 30, 1979, the cost savings provisions would go into effect and would then remain in effect only as long as the Director of OMB continued to certify on a quarterly basis that the requisite FTEE allocation had been made.

In the event that certification were not made on the first day of any subsequent quarter of fiscal year 1980 or of a later fiscal year, the three provisions would lapse and the restrictions imposed by the legislation on beneficiary travel, nonprescription products for non-service-connected care, and Class II dental beneficiaries, would permanently lose effect. Thus, on that same day the benefit eligibilities in those areas that were in effect on the day before the effective date of this legislation would be restored.

The cost of the additional 1,600 FTEE's would be approximately $31.5 million in fiscal year 1980. According to CBO, the total cost savings resulting from enactment of the three provisions for fiscal year 1980 would be $37.6 million, thus providing a net cost savings of $6.1 million as an incentive for the Director of OMB to make the necessary certifications.

With respect to future years after fiscal year 1980, the committee notes that the CBO estimated cost-savings are larger than the projected costs of maintaining the specified staffing level. Thus, the net cost-savings inducement for providing DM&S with the required personnel ceilings would continue to be available.

In taking this approach of requiring certification of a mandatory minimum level of personnel support in DM&S, the Committee is fully aware that it is departing markedly from the ordinary process of making adequate appropriations in order to achieve needed staffing levels. However, as evidenced by the experience with respect to fiscal year 1979 funding and staffing in DM&S, these are extraordinary times.

The fiscal year 1979 HUD-Independent Agencies Appropriations Act (Public Law 95-392) included an appropriation of $54.675 million more for the VA's medical care account than the Administration had requested in its fiscal year 1979 budget. Included within that increase was an amount, $32.3 million, which was intended to forestall the need to divert VA medical care staff from existing facilities to staff the activation of previously approved facilities which were to come on line in fiscal year 1979. VA witnesses at the January 25, 1979, hearing on S. 7 testified that instead of allowing those funds to be used for the purpose intended, the Administration has required that the funds be used to defray the costs of the October 1978 pay raise for VA employees paid under the medical care account. In fact, the VA was required to absorb $98.329 million of the costs of the October 1978 pay raise by means of reductions in the operations of VA health-care programs, reductions which have exacerbated the difficulties that VA health-care programs are experiencing in attempting to accommodate themselves to stringent personnel resource limitations.

In the Chairman's March 13, 1979, letter to the President, he stated,

This proposed disposition of the $55 million congressional add-on * * * is a matter of major controversy and is viewed by many as a "back door" rescission, inconsistent with the Impoundment Control Act of 1974 * * *.

In the absence of a new way of achieving congressional intent to increase staffing, it seems clear that there will always be available to the executive branch the device of requiring funds previously appropriated for a specific personnel level to be applied to annual pay-raise costs for employees paid from that appropriation account in order to effect a program reduction below the congressionally intended level. To forestall this possibility for fiscal year 1980 and subsequent years, the committee bill would establish a specific floor below which DM&S personnel allocations may not fall if the cost-savings measures are to remain in effect.

*Chiropractic services*

S. 196, as introduced by committee member Senator Strom Thurmond on January 23, 1979, would have amended title 38 to authorize the provision of chiropractic treatment when requested for veterans eligible for outpatient medical care and provided that a doctor of chiropractic determines that chiropractic care is needed. In his introductory remarks, Senator Thurmond discussed the need for including chiropractic services as a title 38 health care benefit, in the following terms:

Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally, a number of States include chiropractic services under their medical assistance programs.

The lack of readily available chiropractic care within the VA health care system stands in sharp contrast to that under the medicare program, which is administered by HEW. Under the medicare program, it is typical for eligible persons in need of chiropractic care to seek and obtain the services of a doctor of chiropractic. That person is then reimbursed for the cost of such services.

The VA, in its testimony before the committee at the April 10 hearing stated that the agency employs no chiropractors and, at this time, would have no intention of employing chiropractors absent specific Congressional directive. Furthermore, no VA

witness was able to testify that, despite having the authority to do so, a VA physician had ever referred a veteran to a chiropractor for retreatment at VA expense.

In a letter to the chairman dated April 12, 1979, setting forth the agency's view on S. 196 as introduced, the VA offered the following objections to the authority proposed to be provided under S. 196:

The bill proposes, in effect, that the veteran patient would determine the type of treatment he needs since, if he requested chiropractic care, we apparently would have no choice but to refer the veteran to a doctor of chiropractic for a determination of the necessity for chiropractic care without regard to the condition requiring treatment or the type of care medically indicated. This, of course, would not serve the best interests of the veteran or be professionally acceptable because a fully licensed physician cannot delegate to a chiropractic practitioner a determination as to the appropriate type of medical treatment.

We seek to make available to veterans medical care and treatment of the highest caliber whether the service is furnished within the agency or under contracts with private organizations and individuals. When sound medical findings and judgments determine that active manipulation and adjustment or indicated, such treatment is most frequently administered by rehabilitation medicine specialists or psychiatrists. When such treatment is prescribed, it is considered essential to the total rehabilitation of the patient and is closely supervised by the patient's direct care physician.

* * * * *

In summary, we believe that increased availability of chiropractic services within the Veterans Administration is not justified, and that we can provide the veteran with all necessary quality care under current authority. We are, therefore, opposed to the enactment of S. 196.

Although the committee agrees that S. 196 as introduced would provide too broad an authority for the provision of chiropractic services by fee arrangement, the committee believes that, in some circumstances, the provision of chiropractic services is both appropriate and desirable. Thus, the committee bill includes, at section 202, a new authority under title 38 for the fee-basis provision of chiropractic services. The proposed new authority would more tightly define the term "chiropractic services"; describe those veterans who would be eligible to be furnished such services; minimize as much as possible, given the VA's very strong opposition to providing any chiropractic services, VA discretion in its implementation; because of the committee's commitment to conserving resources, place a ceiling on expenditures made under the authority; and limit the program to 4 fiscal years.

Section 202 of the committee bill would add a new section 629 to title 38, to authorize reimbursement (or payment) for the reasonable charges, within certain prescribed limitations, for chiropractic services furnished certain eligible veterans.

Under the committee bill, the term "chiropractic services" is defined, under a proposed clause (9) to be added to section 601, as "the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimal standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine"; for the purposes of the new authority, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded. Hence, the only service for which reimbursement or payment is authorized would be spinal manipulation as treatment for a neuromusculoskeletal condition.

New section 629 would provide for the reimbursement for the reasonable charge for chiropractic services for which a veteran has made payment or for the direct payment of a chiropractor for such services if (1) such services were for the treatment of a service-connected neuromusculoskeletal condition of the spine, or (2) the veteran is a veteran who has been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within a 12-month period prior to the provision of chiropractic services or (3) the veteran has a 50-percent or greater service-connected disability and has been furnished hospital care or medical services by the VA for a neuromusculoskeletal condition of the spine. Such reimbursement would be provided only to the extent that the veteran is not entitled to such chiropractic services or reimbursement or payment for the expenses of such services under health insurance or other form of third-party health-care coverage. Thus under the Committee bill a veteran must have been determined by the VA to have a neuromusculoskeletal condition of the spine and in all likelihood been given an X-ray examination by the VA at some time prior to such veteran's being eligible for reimbursement or payment for chiropractic services under proposed new section 629.

In determining the reasonable charge for chiropractic services the Administrator would be required in consultation with appropriate public and nonprofit private organization (such as the International Chiropractors Association) and other Federal departments and agencies that provide reimbursement for chiropractic services (such as the Social Security Administration in the Department of Health, Education, and Welfare, and the Office of Workers' Compensation Programs in the Department of Labor) to establish a schedule of allowances for such services consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7). Annual reimbursements or payments on behalf of an individual veteran would be limited to $200. Total expenditures in any fiscal year for chiropractic services could not exceed $4 million and no reimbursement would be authorized for any chiropractic services furnished after September 30, 1983.

Finally to enable the committee to make an informed judgment as to the need to continue or amend the authority for furnishing chiropractic services beyond the proposed statutory termination date of September 30, 1983, the committee bill would require the Administrator to submit to the House and Senate Committees on Veterans' Affairs, beginning on December 31, 1980, an annual report regarding the utilization of chiropractic services under the new authority.

*Home health services home modifications*

Under the home health services program authorized by section 612(a) (as to service-connected disabilities) and section 612(f) (as to non-service-connected disabilities), the VA is authorized to make certain necessary improvements in homes of veterans in order to make it possible for a disabled veteran to live at home while receiving care and thus avoid the necessity for prolonged or permanent institutionalization in a hospital or nursing home. Examples of such home improvements include the widening of doorways and provision of ramps to permit access to the home by wheelchair, and electrical adjustments to permit the operation of dialysis equipment.

In the Veterans Omnibus Health Care Act of 1976 (Public Law 94-581), Congress sought to refocus existing VA resources toward veterans suffering from service-connected disabilities. To accomplish this, changes were made to assure that the highest priority for care was applied to the treatment of service-connected disabilities. Included among those changes were amendments to chapter 17 of title 38 to establish two separate authorities for home health services—one in section 612(a) with a maximum limitation of $2,500 for home health services in connection with the treatment of service-connected disabilities, and the other in section 612(f) with a maximum limitation of $600 for such services in connection with the treatment of non-service-connected disabilities.

Prior to this change, the home health services authority was contained in the definition of "medical services" in section 601(6) of title 38. As a result of the deletion of the authority from section 601, the VA has advised that its authority to provide home health services under section 612(g), which authorizes the provision of only "medical services" to veterans who are in need of regular aid and attendance or are housebound as the result of non-service-connected disabilities, has become clouded.

Such a result was not intended by Congress in enacting the 1976 law. Rather, in the committee's view, the provision of home health services to those severely non-service-connected disabled veterans is fully justified on the grounds of both cost effectiveness and compassion; and the authority to provide such services should be made free of all doubt. Therefore, section 205 of the committee bill would amend section 612(g) to make express the authority to furnish home health services to veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound and to do so under the same terms and conditions as are set forth in section 612(f), including the $600 limit.

It is not anticipated that any additional costs would be incurred as the result of the enactment of this section of the Committee bill.

*CHAMPVA amendments*

The Veterans Health Care Expansion Act of 1973 (Public Law 93-82) added a new section 613 to title 38 to provide medical care for survivors and dependents of certain veterans (the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA)). Under the provisions of section 613, the Administrator is authorized to provide medical care to the spouse and children of a veteran who has a total and permanent service-connected disability and to the surviving spouse and children of a veteran who died as a result of a service-connected disability or who at the time of death had a total and permanent service-connected disability. Section 613 expressly limits CHAMPVA benefits to persons who are not eligible for medical care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) under chapter 55 of title 10, United States Code.

Surviving Spouses

Pursuant to section 103(d) of title 38, a deceased veteran's surviving spouse who remarries and whose subsequent marriage is terminated (by death, divorce, or annulment) regains his or her general eligibility for benefits under title 38, including benefits under chapter 13 (dependency and indemnity compensation (DIC) as well as CHAMPVA benefits under section 613.

The surviving spouse of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct is eligible to receive DIC benefits under chapter 13 of title 38 and CHAMPUS medical care under chapter 55 of title 10. Upon subsequent remarriage, such a surviving spouse is no longer eligible for either title 38 DIC benefits or title 10 CHAMPUS

benefits. However, upon termination of the remarriage, DIC eligibility under chapter 13 of title 38 is restored because a person who dies during active-duty service is considered a veteran for the purposes of the survivors' eligibility for such benefits; however, under title 10, CHAMPUS eligibility is not restored.

Thus, following termination of a remarriage, the surviving spouse of a veteran who died as a result of service-connected causes or had a total and permanent service-connected disability at the time of death regains both DIC and CHAMPVA eligibility, but the surviving spouse of a person who died as a result of service-connected causes *during* active-duty service regains only DIC eligibility and no Federal health-care benefits under either CHAMPVA and CHAMPUS.

In the Committee's view, there is no rational basis for this anomaly whereby disparate treatment is afforded equally deserving classes of surviving spouses. Thus, section 206 of the Committee bill would provide CHAMPVA eligibility to the remarried surviving spouse of a person who died during active service (in line of duty and not due to misconduct) when the surviving spouse's remarriage has terminated.

Children Pursuing Full-Time Studies

Under current law, a CHAMPVA-eligible child between the ages of 18 and 23 retains such eligibility only if he or she is pursuing full-time study at an approved educational institution. If the child discontinues such pursuit for any reasons, including a physical or mental disability, he or she loses CHAMPVA eligibility. Under the CHAMPUS program, however, when a CHAMPUS-eligible child pursuing higher education suffers a mental or physical disability that prevents such child from continuing his or her education, such child continues to be eligible for CHAMPUS benefits until 6 months after the disability is removed or until the child's 23d birthday, whichever comes first.

The Committee believes that the CHAMPUS provisions continuing the child's health-care eligibility under those circumstances reflect a sound, humane consideration and that, as proposed by the Administration in section 103 of S. 741, this disparity in health-care benefits should be eliminated.

Thus, section 206 of the Committee bill would also amend section 613 of title 38 to provide that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until 6 months after recovery from the disability until 2 years after the date of onset of the disability, or until the child's 23d birthday, whichever comes first. The 2-year continuation limit, also proposed by the Administration, is in recognition of the fact that under the CHAMPVA program a child not pursuing full-time study loses eligibility for CHAMPVA benefits on his or her 18th birthday, but, under CHAMPUS, eligibility of such a child for CHAMPUS benefits continues until such child's 21st birthday; thus, the maximum disability tolling period for both CHAMPVA and CHAMPUS would be the same—2 years.

TITLE III: VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

Title III of the Committee bill would make certain changes in title 38, United States Code, with respect to health-care personnel matters and the Administrator's authority to enter into sharing agreements.

*Personnel qualifications for psychologists*

Currently, all 50 States and the District of Columbia require licensing or certification of psychologists providing direct professional services. In order to be eligible for licensure or certification, a psychologist must have obtained a doctoral degree in psychology in a specialty area from an approved educational institution and must have completed a 1- to 2-year postdoctoral internship under the direct supervision of a licensed or certified psychologist. In addition, most, if not all, such laws include a form of "grandfather" provision exempting certain psychologists—those who had been engaged in the provision of direct professional services before the effective date of the law—from meeting some or all of the new State licensure or certification requirements.

As of December 31, 1978, the VA's Department of Medicine and Surgery (DM&S) employed, under civil service appointments authorized by title 5 of the United States Code, 1,323 full-time and 96 part-time doctoral-level psychologists. Existing DM&S qualification standards for psychologists require completion of a doctoral degree from an accredited college or university with major emphasis in the field of psychology appropriate to a particular specialty area and a period of internship. For positions above the GS–11 entry level, additional years of postdoctoral professional experience in a program concerned with health, rehabilitation, or vocational restoration are required. Although licensure or certification by a State is not a requirement for employment under existing DM&S standards, the VA has advised the Committee that 80 percent of the psychologists currently employed by DM&S are licensed or certified by a State.

The VA proposed in S. 741 the establishment of qualification standards for psychologists employed by DM&S, including a requirement for licensure or certification by a State. The Administration-requested legislation, however, proposed to authorize the Administrator to waive the licensure or certification requirement under such conditions as the Administrator prescribes and to exempt from meeting the new qualification standards all psychologists employed by the VA before the effective date of the proposed standards.

According to the VA's letter of transmittal accompanying the draft bill introduced as S. 741, the need to adopt qualification standards for VA psychologists at least as stringent as those which prevail in the States is predicated on three considerations: First, it is important to the quality of care provided by the VA health-care system that psychologists employed to care for veterans meet ethical and qualification standards at least as high as those for psychologists treating the general population. Second, because many State laws require that psychologists seeking licensure or certification be trained under licensed or certified psychologists and because recognition of training programs by the American Psychological Association requires that training be conducted by licensed or certified psychologists, if the VA did not clearly maintain high standards for its psychologists the VA could face an erosion of training relationships with major universities and resultant lack of acceptance by the States of VA internship training programs. Third, the VA's ability to recruit and retain well-qualified psychologists could be adversely affected by failure to conform to general profession-wide standards in the employment of VA psychologists.

The Committee concurs in the VA's view that psychologists employed by the VA should meet the same standards as those imposed on psychologists engaged in private practice. Thus, section 301 of the Committee bill would prescribe qualification standards for VA psychologists along the lines proposed in S. 741. However, the Committee does not believe that it is in the best interests of veterans to provide the Administrator with totally discretionary waiver authority. Thus, the committee bill would instead authorize the Administrator to waive the applicability of the licensure or certification requirement to an individual psychologist for a period not to exceed 2 years on the condition that such psychologist provide patient care only under the direct supervision of a licensed or certified psychologist. This authority is intended by the committee to be used for recently-graduated psychologists who, in order to be eligible to be licensed or certified, must undergo a period of postdoctoral training.

Finally, the committee bill would exempt psychologists employed by the VA on May 1, 1979, from the application of the licensure or certification requirement of the new qualification standards. In light of information from the VA that all presently employed psychologists meet the qualification standards proposed in the committee bill except for the approximately 250 who meet all the new statutory requirements other than the licensure or certification requirement, and the fact that virtually all State laws included a "grandfather" provision (which generally was available only for several years and which VA psychologists might well not have applied for), the Committee believes that this limited exemption represents an appropriate response to the situation of currently-employed VA psychologists. The Committee would note, however, that the exemption would apply only to psychologists employed by the VA on May 1, 1979; the VA should assure that psychologists employed after that date either meet the proposed new qualifications or be advised that, under the proposed waiver authority, they would be required to be licensed or certified within a 2-year period.

*Citizenship requirements for podiatrists and optometrists*

The Veterans Omnibus Health Care Act of 1976 (Public Law 94–581), in recognition of the demand for optometric and podiatric services in the VA health care system and the need to enhance the recruitment and retention of optometrists and podiatrists in the DM&S, removed VA optometrists and podiatrists from the Federal civil service system under title 5, United States Code, and placed such professionals in the title 38 pay and personnel system where their salaries would be more in line with comparable private sector incomes of such health professionals. Thus, podiatrists and optometrists joined physicians, dentists, nurses, physician assistants, and expanded function dental auxiliaries in the title 38 pay and personnel system. Through an oversight in 1976, podiatrists and optometrists were not then made subject to the appointment requirement that they be citizens of the United States, a requirement that applies to all other health-care professionals eligible for appointment in the DM&S title 38 pay and personnel system. The committee bill would correct this omission by amending section 4105(b) of title 38 to include podiatrists and optometrists among the DM&S title 38 health-care personnel who must be citizens of the United States before being eligible for appointment in the DM&S.

*Probationary employees*

There is almost universal agreement that some period of probationary service is necessary in order to allow employer and employee to evaluate the suitability of the employment relationship. Civil service regulations (5 CFR, §§ 315.801, 351.802(a)) prescribe a probationary period of 1 year for career or career-conditional appointments to the competitive service, and the Federal Personnel Manual justifies the necessity for a period of probationary service in these terms:

[The probationary period is] a final and highly significant step in the examining process. It provides the final indispensable

test, that of actual performance on the job, which no preliminary testing methods can approach in validity. During the probationary period, the employee's conduct and performance in the actual duties of his position may be observed, and he may be separated from the service without undue formality if circumstances warrant * * *.

Properly used, the probationary period affords an opportunity for fostering the interest of the probationer as well as of the service. The probationary period is for most appointees the first contact with the Federal service. Intelligent and considerate treatment during the probationary period will often have a lasting effect on the career of the employee and will often save for useful and efficient Federal service employees who would otherwise be separated, or retained in positions in which they had little prospect of success. (F.P.M., chapter 315, subchapter 8, § 8-1.)

In contrast to the 1-year probationary period served by civil service employees, title 38 employees are required by law to serve in probationary status for three years (section 4106(b)). This longer period of probationary service has usually been justified by reference to the unique nature of the health-care setting. Professional performance by a physician, dentist, or nurse requires the ability to work closely with other members of the health-care team and to make correct and rapid decisions under extraordinary pressure in situations where a patient's life hangs in the balance; these are personal and professional attributes which, it is argued, cannot adequately be evaluated in a single year's time. A recent analysis (in a related context) of the distinction between hospital service and other forms of employment is found in an opinion by the United States Court of Appeals for the Ninth Circuit:

. . . A hospital staff is highly interdependent, both in the sense that one doctor depends upon the professional skill of the other doctors and in the sense that the collegial nature of the body makes tolerable working relationships an absolute prerequisite to effective staff performance. The necessity for a healthy working relationship is a function of the nature of the work to be done. Incompatible workers on farms, ranches, or in certain types of factories can function reasonably well.

. . . Effective performance by physicians on the staff of a hospital, whose tasks require a high degree of cooperation, concentration, creativity, and the constant exercise of professional judgment, requires a greater degree of compatibility. The hospital must recognize this necessity. (*Stretten* v. *Wadsworth Veterans Hospital*, 537 F. 2d 361 (9th Cir. 1976); footnotes deleted.)

The committee agrees that, given the distinctive personal and professional qualifications that a title 38 employee must possess, a period of initial evaluation longer than 1 year continues to be reasonable at this time. The committee believes, however, that the 3-year probationary period provided under current law is longer than necessary and results in needless apprehension and uncertainty

The committee bill, therefore, would shorten the period of probationary service for title 38 employees to 2 years. This is long enough to permit careful and effective evaluation of title 38 employees, yet short enough to reduce substantially the sense of apprehension and uncertainty that frequently accompanies an extended period of conditional employment.

*Sharing agreements*

The authority for the VA to enter into agreements for the sharing of specialized medical resources with community hospitals and clinics was enacted by the Congress in 1966 (Public Law 89-785). Under this authority, VA medical centers are permited to share specialized medical resources which, because of cost, limited availability, or unusual nature are either unique in the medical community or are subject to maximum utilization only through mutual use. During fiscal year 1978, 93 VA health-care facilities entered into 224 sharing agreements with community health-care centers for the exchange of such medical services as cardiac surgery, renal transplantation, nuclear medicine, pulmonary function testing, and angiography, at at total value of more than $19 million.

Although some progress has been made by the VA in implementing effective sharing agreements between VA facilities and private sector facilities, the committee believes that much more can and should be done as has been suggested in numerous General Accounting Office reports. Such agreements represent a cost-effective mechanism for providing veterans with needed medical services and, as a corollary benefit, for assisting in the national effort to control health care cost. Thus, the committee would encourage the VA to expand its efforts in this area, particularly in light of the growing costliness of advances in medical technology and the need to develop maximum utilization through mutual use in order to make these advances cost-effective and to help contain the rapidly escalating cost of health care in the country as a whole. Thus, section 303 of the committee bill would expand the authority of the VA to enter into sharing agreements, beyond such agreements with hospitals, medical schools and clinics, to include blood banks, organ banks, and similar institutions.

The committee, however, is concerned about the lack of progress in promoting and achieving sharing activities among Federal agencies. The major obstacles in the way of expanding such sharing activities appear to be a lack of formal enforcement authority and, more importantly, an apparent lack of standardized reimbursement mechanisms to assure actual cost compensation to the providing medical center. These obstacles were clearly described by the General Accounting Office in its June 14, 1978, report entitled "Legislation Needed To Encourage Better Use of Federal Medical Resources and Remove Obstacles to Interagency Sharing."

The committee intends to continue to monitor the activities of the Federal Health Resources Sharing Committee, which is charged with the task of enhancing sharing opportunities among Federal agencies, to determine whether or not significant progress is being made in addressing existing problems and to determine the necessity for and appropriate form of any remedial legislation.

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COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-150, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $24.8 million in fiscal year 1980; $24.8 million in fiscal year 1981; $24.8 million in fiscal year 1982; $6.3 million in fiscal year 1983; and $2.1 million in fiscal year 1984. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—MAY 15, 1979

1. Bill number: S. 1039.

2. Bill title: Veterans' Administration Health Resources and Program Extension Act of 1979.

To amend title 38, U.S.C., to extend and revise a program of grants to State homes for veterans and to expand a program of exchange of medical information, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs May 3, 1979.

4. Bill purpose:

Title I

Section 101: Would extend the authorization of the program of matching grants to State homes through fiscal year 1982. The existing level of $15 million per year is authorized to be appropriated for each fiscal year 1980 through 1982 to carry out the program.

Section 102: Would extend the authorization of appropriations for the exchange of medical information program at the existing level of $4 million for each fiscal years 1980, 1981, and 1982.

Section 103: Would increase the per diem rates for State Veterans' homes by an average of 15 percent.

Title II

Section 201: Would place limits on payments for travel expenses incurred going to and from a VA facility to certain veterans with non-service-connected disabilities.

Section 202: Would allow the VA to reimburse an approved chiropractor for chiropractic services provided to veterans with certain disabilities or conditions of the spine. The bill limits the total amount the VA could expend for such services to $4 million for each fiscal year 1980 through 1983.

Section 203: Would limit outpatient dental services for service-connected, noncompensable dental (Clause II) conditions to veterans who have served at least 180 days on active duty.

Section 204: Would place limits on the provision of nonprescription drugs, medicines, and supplies to certain non-service-connected veterans.

Section 205: Would clarify the eligibility of veterans who are in need of regular aid and attendance or are housebound for hospital-based home health services.

Section 206: Would provide that the surviving spouse or child of a person who dies on active duty is eligible for CHAMPVA benefits if such a person is not otherwise eligible for CHAMPUS. The effect would be to extend CHAMPVA eligibility to a remarried surviving spouse and child when the disqualifying remarriage is ended.

Would also provide that CHAMPVA-eligible children who are full-time students between the ages of 18 and 23 will remain eligible for benefits for a certain period of time if a disability prevents them from continuing their studies.

Section 207: Would provide that the effective date of the cost savings amendments made by sections 201(a), 203 and 204 would be October 1, 1979, only if on such date, and quarterly thereafter, the Director of the Office of Management and Budget had certified that the VA had been allocated a specified personnel ceiling for certain VA health appropriation accounts. The specified ceiling would be 187,968 full-time equivalent employees (FTEE's), or 1,600 FTEE's above the President's fiscal year 1980 budget request.

Title III: Would specify certain qualifications and requirements for Veterans' Administration (VA) medical staff, and authorize the VA to enter into sharing agreements with blood banks, organ banks, and similar institutions.

5. Cost estimate:

[By fiscal years, in millions of dollars]

| | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|
| Sec 101: | | | | | |
| Authorization level | 15.0 | 15.0 | 15.0 | | |
| Estimated outlays | .9 | 8.3 | 14.0 | 14.1 | 6.7 |
| Sec 102: | | | | | |
| Authorization level | 4.0 | 4.0 | 4.0 | | |
| Estimated outlays | 3.1 | 4.0 | 4.0 | .9 | |
| Sec 103: Estimated authorization/Estimated outlays | 5.7 | 5.7 | 5.7 | 5.7 | 5.7 |
| Sec 201: Estimated authorization/Estimated outlays | —30.8 | —33.1 | —35.4 | —37.7 | —40.0 |
| Sec 202: Estimated authorization/Estimated outlays | 4.0 | 4.0 | 4.0 | 4.0 | |
| Sec 203: Estimated authorization/Estimated outlays | —3.4 | —3.5 | —3.7 | —3.9 | —4.1 |
| Sec 204: Estimated authorization/Estimated outlays | —3.4 | —3.7 | —4.1 | —4.4 | —4.8 |
| Sec 206: Estimated authorization/Estimated outlays | 2.2 | 2.4 | 2.5 | 2.6 | 2.7 |
| Sec 207: Estimated authorization/Estimated outlays | 31.5 | 34.0 | 36.8 | 40.0 | 42.5 |
| Total: | | | | | |
| Estimated authorization | 24.8 | 24.8 | 24.8 | 6.3 | 2.1 |
| Estimated outlays | 9.8 | 18.1 | 23.8 | 21.3 | 8.8 |

The costs of this bill fall within budget function 700.

6. Basis of estimate:

Sections 101, 102: CBO assumes full appropriation of the authorization levels stated in the bill. The estimated outlays reflect the spend-out pattern that has been shown by the existing program.

Section 103: The increase in costs was estimated by applying the new per diem rates to the expected caseload in State veterans' homes in fiscal year 1980, as reported in the fiscal year 1980 budget justification document.

Section 201: Section 201 would limit travel reimbursement for non-service-connected beneficiaries to only those cases in which the veteran requires emergency transportation for medical reasons or meets the income standard for receipt of pension. In the latter cases, the VA will pay half of the incurred expenses in a year up to $175 after a $25 deductible is met, and all expenses over $175.

According to the VA, about $65 million will be spent in fiscal year 1979 for travel expenses for veterans visiting VA medical facilities. A 1976 VA study indicates that about 60 percent of these funds represent expenditures for nonemergency transportation of non-service-connected veterans. Based on a 1977 study conducted by the National Research Council and VA data on the compensation and pension status of veterans using VA facilities, CBO assumes that 28 percent of the non-service-connected veterans currently receiving travel reimbursement would be ineligible for reimbursement under the bill because of incomes exceeding the pension income standard.

Of the remaining 72 percent non-service-connected veterans, CBO calculates that the deductible and coinsurance plan would decrease the VA travel payment for this group by an average of 68 percent.

CBO further estimates that elimination or reduction of travel reimbursement for certain veterans would reduce outpatient utilization by an average of 12 percent for this group. Savings resulting from this decreased utilization is estimated to be about $2 million per year.

Out-year savings estimates reflect CBO's assumptions of inflation in the general economy.

Section 202: Based on VA data concerning the number of veterans treated in 1977 for musculoskeletal disorders and average treatment cost information from the American Chiropractic Association, CBO assumes that the $4 million limit for chiropractic services allowed under the bill will be met.

Section 203: According to the VA, about 12 percent of current gross separations from active duty are veterans with less than 6 months of service. Assuming that these veterans apply for Class II dental care at approximately the same rate as all discharging veterans, CBO estimates savings of $3.4 million in fee visits in fiscal year 1980, and 5 year savings of about $19 million. Savings from decreased staff visits is estimated to be insignificant.

CBO does not estimate savings to result from the other provisions included in the bill to limit eligibility and control costs. Because this bill does not provide any explicit incentives to change current practice, CBO assumes that the DOD certification clause would not result in significant savings. The provision to require VA staff review of fee cases estimated to exceed $500 is also unlikely to result in savings. Because there is no evidence of widespread provision of needless care in the VA fee program, presumably in most cases the VA staff would agree to the proposed care after examination. CBO estimates the average Class II case to cost about $425, which implies that a large number of cases are likely to exceed $500. CBO assumes that the extra cost of VA staff time to review fee cases and beneficiary travel costs would offset any savings resulting from such review.

Finally, CBO assumes that reducing the period after discharge during which a veteran may apply for benefits to 6 months will not result in savings. Based on information from the VA which indicates that almost all Class II dental problems developed before discharge from the military and not during the following year, CBO assumes that veterans desiring care from the VA will apply within 6 months.

Section 204: Section 204 would allow the VA to supply nonprescription drugs and supplies to veterans with non-service-connected conditions only if the veteran's income was less than the income standard for pension or if the veteran would experience substantial economic hardship in the event the drugs and supplies were not provided by the VA.

According to the VA, a total of $158 million was spent for drugs and patient supplies in 1977, of which 9.6 percent, or about $15 million, represented expenditures for nonprescription drugs and supplies. Based on information in the 1977 VA annual report, CBO estimates that about 45 percent of veterans receiving VA care have non-service-connected disabilities and are not in receipt of pension. Furthermore, based on a 1977 study conducted by the National Research Council, CBO estimates that about 50 percent of this latter group of veterans have incomes less than the pension standard. Taken together, the bill reduces the expenditures for nonprescription drugs by about 20 percent.

The outyear savings estimates reflect CBO's assumptions about inflation in the general economy.

Section 205: The VA indicates that this provision would not change current practices for providing home health services to veterans, but would only clarify the VA's authority to provide such care to certain veterans. CBO therefore estimates no additional costs or savings to be associated with enactment.

Section 206: According to the VA, 588,000 persons have been killed or died in service since World War II. CBO assumes an average of 0.5 dependents per service death, and based on Census data for females aged 14 to 44, estimates that 40 percent of the widowed spouses have lost CHAMPUS eligibility through remarriage. Information published in the 1977 VA annual report suggests that another 8 percent are no longer eligible for CHAMPVA because of Medicare eligibility.

CBO assumes that 20 percent of these remarriages have ended due to death of the second spouse, divorce, or annulment. CBO further assumes that 50 percent of those eligible will apply for CHAMPVA benefits, based on participation rates in the current program. According to information contained in the VA budget justification document, the average cost per beneficiary is expected to be about $200 in fiscal year 1980.

The outyear estimates reflect CBO's assumptions about inflation in the general economy, and a 4 percent decline in the eligible population due to aging.

The costs of extending CHAMPVA benefits to disabled students are estimated to be insignificant.

Section 207: In fiscal year 1980, the specified personnel ceiling would be 187,968 full-time equivalent employees (FTEE's), or 1,600 FTEE's above the President's fiscal year 1980 budget request. The average cost per FTE is estimated by the VA to be $19,708 and is assumed to increase at CBO's projected rate of increase for Federal pay raises.

Title III: (Section 301–303) CBO estimates that passage of these provisions would not involve significant costs or savings.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Steven Crane (225–7766).

10. Estimate approved by:

JAMES L. BLUM,
*Assistant Director for Budget Analysis.*

## SECTION-BY-SECTION ANALYSIS OF S. 1039 AS REPORTED

### *Section 1*

*Subsection (a) of section 1* provides that this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

*Subsection (b) of section 1* provides that, except when otherwise expressly provided, reference to a section or other provision shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

### TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

### *Section 101*

Subsection (a) of section 101 would amend present section 5033(a) of title 38, relating to the authorization of appropriations for the program of matching grants to States of up to 65 percent of the costs of the construction, remodeling, or renovation of State veterans' home hospital, nursing home, and domiciliary facilities, to authorize annual appropriations of $15 million in fiscal years 1980, 1981, and 1982 for this program.

Subsection (b) of section 101 would amend present section 5035(d)(2) of title 38, relating to the aggregate amount of State home assistance grants that any one State may receive in any fiscal year, to provide that, of the amount appropriated for any fiscal year for grants for the construction of State veterans' home facilities, no State may receive in that fiscal year more than one-third of such amount of $3 million, whichever is the greater.

Section 101—Cost: Enactment of the provisions of section 101 of the committee bill is

estimated to cost $15 million in fiscal year 1980.

*Section 102*

Subsection (a) of section 102 would amend present section 5054 of title 38, relating to the Exchange of Medical Information program, by adding a new subsection (c) to authorize the Administrator of Veterans' Affairs to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of VA health-care facilities located in areas remote from major academic health centers.

Subsection (b) of section 102 would amend present section 5055(c)(1), relating to the authorization of appropriations for the Exchange of Medical Information program, to authorize annual appropriations of $4 million for fiscal years 1980, 1981, and 1982.

Section 102—Cost: Enactment of the provisions of section 102 of the Committee bill is estimated to cost $4 million in fiscal year 1980.

*Section 103*

Would amend present section 641(a) of title 38, relating to per diem payments to the States for providing care in State home facilities to veterans who are eligible for care in VA facilities, to increase, effective October 1, 1979, the rates of per diem payments—for domiciliary care from $5.50 to $6.35, for nursing home care from $10.50 to $12.10, and for hospital care from $11.50 to $13.25.

Section 103—Cost: Enactment of the provisions of section 103 is estimated to cost $5.7 million in fiscal year 1980.

TITLE II—REALIGNMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

*Section 201*

Subsection (a) of section 201 would amend present section 111(e)(2) of title 38, relating to limitations on the payment and reimbursement for the travel expenses of VA beneficiaries, to provide that no payment for travel expenses incurred going to and from a VA facility (except with respect to a person receiving benefits for or in connection with a service-connected disability) may be made except (1) for travel by special vehicular mode of transportation that is required for medical reasons and either has been authorized by the Administrator prior to such travel or, to the extent that the Administrator provides under regulations which the Administrator shall prescribe, was accomplished in a medical emergency of such a nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or (2) when the person claiming reimbursement is receiving or eligible to receive pension under section 521 or title 38 (or meets the applicable income standard for receipt of such pension but not necessarily the eligibility requirements respecting disability, age, or period of service). In the latter case, payment to a beneficiary in any fiscal year is limited so that no payment would be made for the first $25 in expenses, and payment of any part or all of the next $150 in expenses would be limited to one-half thereof; in the former case, the allowable cost of travel would be fully reimbursed or paid for by the VA. These new limitations on travel expense reimbursement (for travel other than travel with respect to a person receiving benefits in connection with a service-connected disability) would replace the current-law provision limiting the making of payments to persons who have been determined, on the basis of an annual declaration and certification, to be unable to defray the expenses of travel. Thus, this subsection would provide more objective standards of need for reimbursement and would exclude travel by special mode from the need-based criteria.

Subsection (b) of section 201 would amend present section 601, relating to definitions, to make technical amendments substituting a standard phrase, "travel and incidental expense", for various forms of references in paragraphs (5)(A)(ii), (5)(C)(ii), and (6)(B) of present section 601 to beneficiary travel benefits.

Subsection (c) of section 201 would amend present section 614, relating to fitting and training in the use of prosthetic devices and the provision of seeing-eye dogs, to make technical amendments substituting a standard phrase, "travel and incidental expenses", for the varying forms of the references to beneficiary travel benefits, and making expressly applicable the provisions of present section 111 of title 38, relating to the terms and conditions for receipt of travel-expense reimbursement.

Section 201—Cost: According to the Congressional Budget Office (CBO), enactment of this provision would result in cost-savings of $30.8 million in fiscal year 1980.

The effectiveness of section 201 is tied to the achievement of certain personnel levels in the Department of Medicine and Surgery as provided for in section 207.

*Section 202*

Would amend chapter 17 of title 38 to authorize reimbursement or direct payment for chiropractic services to certain eligible veterans, as follows:

Subsection (a) of section 202 would amend section 601 of title 38, relating to definitions, to add a new paragraph (9), as follows:

New paragraph (9): Would define the term "chiropractic services" to mean the manual manipulation of the spine to correct a subluxation of the spine, as performed by a licensed chiropractor who meets the minimum national standards for chiropractors promulgated under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5)), and not to include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.

Subsection (b)(1) of section 202 would add a new section 629 to subchapter III of chapter 17, as follows:

New section 629.—Chiropractic services: Subsection (a) would provide for the reimbursement of reasonable charges for chiropractic services not otherwise covered by health insurance or other reimbursement or payment available to a veteran if (1) such services were for the treatment of a service-connected neuromusculoskeletal condition of the spine, or (2) the veteran had been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within a 12-month period prior to the provision of chiropractic services, or (3) the veteran is a veteran who has a 50-percent or greater service-connected disability and has been furnished hospital care or medical services by the VA for a neuromusculoskeletal condition of the spine.

Subsection (b) would authorize, in lieu of reimbursement to a veteran, direct payment to the chiropractor of reasonable charges for chiropractic services provided the veteran.

Paragraph (1) of subsection (c) would require the Administrator, in determining the reasonable charge for chiropractic services and in consultation with appropriate public and non-profit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, to establish a schedule of allowances for such services consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

Paragraph (2) of subsection (c) would limit the amount payable by the VA for chiropractic services provided any veteran to not more than $200 in any 12-month period.

Subsection (d) would provide that notwithstanding any other provision of title 38, total expenditures for chiropractic services reimbursed under this new section may not exceed $4 million in any fiscal year and no reimbursement or payment may be made for chiropractic services furnished after September 30, 1978.

Subsection (b)(2) of section 202 would amend the table of sections at the beginning of chapter 17 to reflect the addition of the new section 629 proposed to be added by the amendment made by subsection (b)(1) of this section of the Committee bill.

Subsection (c) of section 202 would require the Administrator, not later than December 31, 1980, and not later than December 31 of each of the next 3 years, to submit reports to the Committee on Veterans' Affairs of the House of Representatives and the Senate on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section of the committee bill. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under new section 629 (as proposed to be added by subsection (b)(2) of this section) and the number of such veterans who made such requests.

(2) the number of reimbursements or payments made by the Administrator under such new section in such fiscal year and the number of veterans for whom such reimbursements or payments were made, and

(3) the total amount of expenditures by the Administrator for such reimbursements and payments under such new section in such fiscal year.

Section 202—Cost: Enactment of the provisions of section 202 is estimated to cost $4 million fiscal year 1980.

*Section 203*

Would amend subsection (b) of present section 612 of title 38, which limits the provision of outpatient dental services, treatment, and related appliances otherwise authorized for veterans eligible for outpatient "medical services" (a term defined in present section 601(b) to include dental services and appliances) to only those circumstances described in such subsection (b).

Subclauses (A) and (B) of clause (1) of section 203 would amend present section 612(b)(2) of title 38, relating to eligibility for outpatient dental care for veterans with service-connected, noncompensable dental conditions or disabilities, to provide that a veteran with a service-connected, noncompensable dental condition, in order to be eligible for such outpatient dental benefits, must have served on active duty for at least 180 days and must make application for dental treatment within 6 months after discharge or release from active duty. Under current law, there is no minimum period of service required and eligible veterans may apply at any time within 1 year after discharge or release. (Under section 207(c) of the Committee bill, the reduced period for application would apply only to persons discharged or released on or after the date of enactment of the bill.)

Subclause (C) of clause (1) of section 203 would further amend present section 612(b)(2) of title 38 by adding a new subclause (C) to provide that a veteran with a service-connected noncompensable dental condition would be eligible for outpatient dental treatment only if the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by that examination. There is no comparable provision in current law.

Clause (2) of section 203 would further

amend subsection (b) of present section 612 of title 38 by adding a new sentence at the end thereof to require that, before outpatient dental care may be furnished to a veteran through a contract with a private facility at a cost exceeding $500 in any 12-month period, the Administrator must determine, based on the results of an examination by a VA dentist, that the furnishing of the care at such cost is reasonably necessary.

Section 203—Cost: The Congressional Budget Office (CBO) estimates that enactment of this provision would result in cost-savings of $3.4 million in fiscal year 1980. The effectiveness of section 203 is contingent on the achievement of certain personnel levels in DM&S as provided for in section 207 of the committee bill.

*Section 204*

Would amend clause (1) of subsection (f) of present section 612 of title 38, relating to the authority to furnish outpatient medical services, to provide that nonprescription drugs, medicines, or medical supplies may not be provided to veterans receiving outpatient treatment under such clause (1)—which authorizes such treatment for non-service-connected disabilities in limited circumstances—unless (1) such a veteran is receiving or eligible to receive pension under present section 521 of title 38 (or meets the applicable income standard for receipt of pension but not necessarily the eligibility requirements respecting disability, age, or period of service), or (2) the Administrator, under regulations the Administrator must prescribe, authorize the furnishing to such a veteran of such drugs, medicines or supplies in order to avoid substantial hardship that could result from the extraordinary cost to a veteran of obtaining such products commercially. Under present law, such drugs, medicines, and supplies are authorized pursuant to section 612(f) by virtue of the phrase "supplies or services" in the definition of "medical services" in section 601(6) of title 38.

Section 204—Cost: The Congressional Budget Office estimates that enactment of this provision would result in cost-savings of $3.4 million in fiscal year 1980.

The effectiveness of section 204 is contingent on the achievement of certain personnel levels in the Department of Medicine and Surgery as provided for in section 207 of the committee bill.

*Section 205*

Would amend pesent section 612(g) of title 38, relating to the authority to furnish outpatient medical services for the non-service-connected disability of a veteran who is in need of regular aid and attendance or is housebound, to authorize the furnishing to such a veteran of home health services under the terms and conditions set forth in present section 612(f), which places a $600 limit on VA expenditures for such services for a non-service-connected disability of a veteran.

Section 205—Cost: Enactment of this provision is estimated to entail no additional cost.

*Section 206*

Would amend present section 613 of title 38, relating to the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA), a program for providing medical care to the spouses and children of veterans with total service-connected disabilities and the survivors of a veteran who dies from service-connected causes or who at the time of death had a total and permanent service-connected disability, to align in certain respects the Federal health-care benefits available to two similar classes of beneficiaries—CHAMPVA beneficiaries and the survivors of persons who die during active-duty service (who generally receive health-care benefits under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) under 10 U.S.C., chapter 55).

Clause (1) of section 206 would amend present section 613(a) of title 38, relating to eligibility for benefits under CHAMPVA, to provide that the surviving spouse or child of a person who dies while on active duty (in the line of duty and not due to misconduct) would be eligible for benefits under CHAMPVA if he or she were not otherwise eligible for medical care under CHAMPUS and to provide that the term "person" shall mean "veteran" for the purposes of present section 103(d) of title 38, relating to the eligibility for benefits under title 38 of a remarried surviving spouse. The effect of this amendment is to extend CHAMPVA eligibility to the surviving spouse of a person who died on active duty (in the line of duty and not due to misconduct) if the surviving spouse subsequently remarried (thus losing eligibility for benefits under CHAMPUS) and the subsequent remarriage has been terminated.

Under present section 103(d), the remarriage of a veteran's surviving spouse is considered to be terminated when it is void or annulled, or when it has been terminated by death or divorce, and, if the surviving spouse is considered (pursuant to present section 101 (3), defining "surviving spouse" for purposes of title 38) to have remarried by reason of cohabitation, when the surviving spouse ceases such cohabitation.

Clause (2) of section 206 would amend present section 613 of title 38, relating to the CHAMPVA program, by adding a new subsection (c), as follows:

New subsection (c): Would provide that a CHAMPVA-eligible child between the ages of 18 and 23 who, while pursuing full-time study at an approved educational institution, suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until (1) 6 months after the disability is no longer so disabled, (2) 2 years after the date of onset of the disability, or (3) that student's 23d birthday, whichever comes first. This amendment makes the CHAMPVA eligibility of a child comparable to CHAMPUS eligibility under 10 U.S.C. 1072.

Section 206—Cost: Enactment of the provisions of section 206 is estimated to cost $2.2 million in fiscal year 1980.

*Section 207*

Subsection (a) of section 207 would provide that, except as provided in subsections (b) and (c) of section 207, the amendments made by title II of the Committee bill shall take effect on October 1, 1979.

Paragraph (1) of subsection (b) of section 207 would provide that the amendments made by subsection 201(a), relating to limitations on non-service-connected travel reimbursement; section 203, relating to limitations on certain outpatient dental benefits; and section 204, relating to limitations on receipt of nonprescription drugs, medicine and supplies in connection with non-service-connected outpatient care, of the Committee bill would take effect on October 1, 1979, only if, prior to that date, the Director of the Office of Management and Budget (OMB) has certified, in writing, to the appropriate committees of the Congress, that the Director has allocated to the VA for the Department of Medicine and Surgery (DM&S) a sufficient personnel ceiling, for which appropriate funding is available, for employment during the first 3 months of fiscal year 1980 of at least 187,968 full-time equivalent employees (FTEE's) for the employment of whom funding is provided under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses.

Paragraph (2) of subsection (b) of section 207 would provide that, if the amendments made by sections 201(a), 203, and 204 of the Committee bill become effective on October 2, 1979, such amendments shall continue in effect during any succeeding 3-month period (quarter) of fiscal year 1980 and of each subsequent fiscal year only if, no later than the first day of each consecutive quarter, the Director certifies, in writing, that a sufficient personnel ceiling, for which appropriate funding is available, has been allocated to the VA for DM&S for employment of at least 187,968 FTEE's.

Paragraph (3) of subsection (b) of section 207 would provide that, in the event the Director fails prior to the first day of any quarter of fiscal year 1980 beginning after October 1, 1979, or prior to the first day of any succeeding fiscal year quarter to make the certification described in section 207(b)(2) of the committee bill, on the first such day the amendments made by sections 201(a), 203, and 204 of the committee bill shall become ineffective as though repealed by an act of Congress.

Paragraph (4) of subsection (b) of section 207 would provide that, in determining the number of FTEE's provided for in paragraphs (1) and (2) of section 207(b) of the Committee bill, there shall be included not more than 820 FTEE's for the employment of whom funding is provided under the medical administration and miscellaneous operating expenses appropriation account or who are assigned to carry out functions assigned to employees for whom such funding was provided in fiscal year 1978.

Subsection (c) of section 207 would provide that the amendments made by section 203(1)(B) of the Committee bill reducing, from 12 months to 6 months following discharge or release from active duty, the period during which application for outpatient treatment for a noncompensable service-connected dental condition may be made would not apply to a veteran whose discharge or release occurred during the 12-month period preceding the date of enactment of the bill.

Section 207—Cost: Enactment of the provisions of section 207 is estimated to cost $31.5 million in fiscal year 1980.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

*Section 301*

Subsection (a) of section 301 would amend present section 4104(2) of title 38, relating to the appointment of personnel to the Department of Medicine and Surgery (DM&S) for the medical care of veterans, to specify that psychologists are among those who may be so appointed.

Clause (1) of subsection (b) of section 301 would amend present section 4105(a) of title 38, relating to qualifications of persons eligible for appointment to positions in DM&S, to add a new clause (10), as follows:

New clause (10): Would require that, to be eligible for appointment as a psychologist in DM&S, an individual must hold a doctoral degree in psychology from a college or university approved in a specialty area and completed an internship satisfactory to the Administrator, and must be licensed or certified as a psychologist in a State; but would authorize the Administrator to waive the requirement of licensure or certifications for an individual psychologist for a period not to exceed 2 years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is licensed or certified.

Clause (2) of subsection (b) of section 301 would amend present section 4105(b) of title 38, relating to the requirement that certain appointees to positions in DM&S be citizens of the United States, to include podiatrists and optometrists among the categories of

health-care personnel who must be U.S. citizens to be eligible for appointment to positions in the title 38 DM&S personnel system.

Subsection (c) of section 301 would provide that the requirement of new clause (10) of section 4105(a) that a psychologist be licensed or certified in a State before being appointed to a position within DM&S would not apply to any psychologist employed by the VA on or before May 1, 1979.

Section 301—Costs: Enactment of the provisions of section 301 is estimated to entail no additional cost.

*Section 302*

Would amend present section 4106(b) of title 38, relating to probationary appointments to positions in the title 38 DM&S personnel system, to shorten the probationary period of appointees from 3 years to 2 years. This probationary period is applicable to physicians, dentists, nurses, podiatrists, and optometrists appointed to positions within DM&S.

Section 302—Costs: Enactment of this provision is estimated to entail no additional cost.

*Section 303*

Would amend present section 5053(a) of title 38, relating to authority of the Administrator to enter into sharing agreements between VA hospitals and other hospitals, medical schools, and clinics, to expand that authority to include sharing agreements between VA hospitals and blood banks, organ banks, and similar institutions.

Section 303—Costs: Enactment of this provision is estimated to entail no additional cost.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing, I want to express my particular appreciation to the ranking minority member of the committee, the Senator from Wyoming (Mr. SIMPSON), for his excellent contributions and spirit of cooperation in the development of this measure. I also want to express my appreciation to the other members of the committee who have been so helpful—Senators TALMADGE, RANDOLPH, MATSUNAGA, THURMOND, and STAFFORD. I would also like to extend thanks for their diligent efforts to committee minority staff members Garner Shriver, Gary Crawford, and John Pressly, and to Ken Bergquist of Senator SIMPSON's staff, and for their hard and effective work on this bill and the committee report, to committee staff members Ed Scott, JoAnne Glisson, Jon Steinberg, and Harold Carter. They were extremely ably assisted by Molly Milligan, Janice Orr, Terri Morgan, Becky Walker, Mikki Day, Jim MacRae, and Walter Klingner.

Mr. President, I urge my colleagues to support this very important measure.

UP AMENDMENT NO. 262

(Purpose: To modify certain limitations on certain benefits relating to travel expense reimbursement of and the furnishing of nonprescription medical items to VA beneficiaries who are not receiving benefits for or in connection with a service-connected disability)

Mr. CRANSTON. Mr. President, I now send to the desk amendments to the committee substitute that I offer on behalf of Senator SIMPSON, Senator RANDOLPH, and myself, and ask unanimous consent that the amendments be considered en bloc.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself, Mr. SIMPSON, and Mr. RANDOLPH, proposes an unprinted amendment numbered 262.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, beginning with line 11, strike out all down through line 7 on page 6 and insert in lieu thereof the following:

"(i) when travel is by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, with respect to any trip to or from a facility or place described in subsection (a) of this section, only in the amount by which the payment otherwise authorized by this section for such trip exceeds four dollars unless such person, in any fiscal year, has already incurred $100 in travel expenses otherwise allowable under this section for which payment has not been provided pursuant to this subparagraph.

On page 12, strike out line 21 and insert in lieu thereof the following:

"but any such veteran (other than a veteran receiving or eligible to receive compensation under chapter 11 of this title) being furnished services under this

On Page 14, beginning with line 23, strike out all down through line 17 on page 16 and insert in lieu thereof the following:

(b) (1) Except as otherwise provided in paragraph (5) of this subsection and in subsection (c) of this section, the amendments made by sections 201(a), 203, and 204 of this Act shall take effect at such time as there are provided to the Veterans' Administration for fiscal year 1980 the required personnel ceiling defined in the second sentence of this paragraph. For purposes of this paragraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ, under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses, not less than the number of employees for the employment of which appropriations have been made for fiscal year 1980 and for which funding is provided under such accounts.

(2)(A) Not later than thirty days after the date of enactment of the first law making appropriations for the Veterans' Administration for fiscal year 1980, the Administrator of Veterans' Affairs shall submit to the appropriate Committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(B) Not later than forty-five days after the date of the enactment of the law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate Committees of Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act have entered into effect.'

(3)(A) If, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act become effective, such amendments shall continue to have effect, on and after the thirtieth day after the date of the enactment of each law making appropriations for the Veterans' Administration that is enacted subsequent to the law described in subparagraph (A) of paragraph (2) of this subsection and that includes appropriations for employees described in the second sentence of paragraph (1) of this subsection, only if, by each such day, the required personnel ceiling defined in the second sentence of this subparagraph has been provided to the Veterans' Administration. For the purposes of this subparagraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ under the appropriation accounts described in the second sentence of paragraph (1) of this subsection not less than the number of employees for the employment of which appropriations have been made by the applicable law described in the first sentence of this subparagraph and for which funding is provided under such appropriation accounts.

(B) Not later than thirty days after the date of the enactment of any law described in subparagraph (A) of this paragraph, the Administrator of Veterans' Affairs shall submit to the appropriate Committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(C) Not later than forty-five days after the date of the enactment of each law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of this paragraph, such amendments remained in effect on the thirtieth day following the date of the enactment of such law.

(4) If, pursuant to the provisions of this paragraph, the amendments made by sections 201(a), 203, and 204 of this Act lose effect at any time, such loss of effect shall be permanent.

(5) Notwithstanding any other provision of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act and the provisions of this subsection shall cease to be effective on and after October 1, 1983.

Mr. CRANSTON. Mr. President, this amendment, I believe, meets some of the concerns that have been expressed by veterans organizations and other Senators. It consists of three parts, which I shall describe briefly.

The first part of the amendment concerns the cost savings provision respecting beneficiary travel reimbursement, in order to avoid an unnecessarily burdensome feature of that provision.

Mr. President, under the bill as reported, reimbursement in any one fiscal year would be limited so that no payment would be made for the first $25 in expenses and payment would be limited to one-half of the next $150 in expenses. These deductible and copayment requirements would, over the course of a year, result in the veteran bearing a reasonable share of the total cost of otherwise free VA medical care. However, in the

case of a veteran who must make a long trip to a VA hospital—for example, from Alaska to Seattle or from a remote, rural or mountainous area—the veteran may be required to bear up to $100 of the expenses for the first one or two trips in a particular year; and that could be too much of a burden all at once. Therefore, in order to avoid this potential hardship and spread out the costs over a much longer period, this amendment would delete the $25 deductible and the copayment requirements and substitute a provision limiting reimbursement for any one trip to or from a VA facility to the excess over $4. Thus, regardless of the cost of any particular trip, the veteran would be required to bear no more than the first $4 of the cost. The $100 maximum on the total costs during the year to the veteran would be maintained. As so amended, this provision would require a minimal, fair expenditure for otherwise free VA care by veterans who have no service-connected disabilities.

Mr. President, with this amendment the travel reimbursement provision would result in cost savings in fiscal year 1980 of $28 million according to the Congressional Budget Office, and $21.3 million according to the Veterans' Administration.

Second, Mr. President, this amendment modifies the provision of the committee bill respecting eligibility for receipt of nonprescription drugs, medicines, and supplies in connection with non-service-connected outpatient care to make it clear that any veteran receiving benefits for or in connection with a service-connected disability would continue to be furnished nonprescription drugs, medicines, and supplies in connection with outpatient care regardless of whether or not the condition for which the veteran is receiving such care is service connected.

Mr. President, with this amendment, the non-prescription-drug provision would result in cost savings of $3.4 million according to CBO, and $17.4 million according to the VA. Thus, the two cost savings provisions as we would modify them would save in the vicinity of $31.4 to $38.7 million.

Third, Mr. President, this amendment modifies the provision of the committee bill—section 207(b)—that ties the effective date of the cost-savings measures to the provision of more adequate staffing for VA medical facilities. This part of the amendment, which I have worked out with the administration in the interest of making even more adequate provision for staffing in VA medical facilities, serves the same purpose as the provision in the bill as reported. The amended provision would require that, before the cost-savings provisions take effect, the VA must be provided by OMB with the staffing levels for which appropriations are made; and provides that the three cost-savings measures would remain in effect after each law appropriating funds for VA medical staff is enacted only if the VA is provided personnel ceilings at the level contemplated in the appropriations act. The level so contemplated would, of course, be determined from the legislative history, including the committee report.

Mr. President, this approach would resolve the problem at which the provision in the committee bill was aimed—the failure of the administration to provide for the hiring of VA medical staff as expressly intended by the Congress in the appropriations process—and, I believe, would resolve that problem in an even more satisfactory manner.

Mr. President, I am extremely pleased to state that I have received a letter from the Administrator of Veterans' Affairs, Max Cleland, on this matter. In his letter to me, Mr. Cleland states:

The director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment to add an additional 2,000 full-time-equivalent employees for the Veterans' Administration's medical care account, subject to the enactment of [the cost-savings provisions in the committee bill—as modified by this amendment]. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

Mr. President, I ask unanimous consent that the full text of the Administrator's letter, which is dated June 15, 1979, be inserted in the RECORD at this point.

The letter follows:

VETERANS' ADMINISTRATION,
*Washington, D.C., June 15, 1979.*

Hon. ALAN CRANSTON,
*Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: I am pleased to advise you that the Director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The request for additional staffing, however, is expressly contingent upon the enactment of the cost-savings provisions initially proposed by the Administration as they are included as part of S. 1039 as reported (and proposed to be further modified in your floor amendment) regarding beneficiary travel reimbursement, nonprescription drugs, medicines, and supplies, and dental benefits pertaining to the care of veterans without compensable service-connected disabilities.

We therefore strongly support the provisions in sections 201(a), 203, 204, and 207 of S. 1039 as reported and with the modifications which we have developed together to be presented when the bill is considered on the Senate floor.

Enactment of these provisions will free up resources to make possible additional VA medical facility staffing to assure a more adequate level of health care services for our Nation's veterans. The Administration is committed to a comprehensive budgeting effort to reassess existing programs in light of changing circumstances and economic constraints.

We appreciate your cooperation in working closely with us to develop this compromise which we believe will apply available resources in the most effective manner to strengethen the VA health care program.

Sincerely,

MAX CLELAND,
*Adminstrator.*

Mr. CRANSTON. Mr. President, with this assurance—which is given "by the authority of the President"—the enactment of this legislation, with the cost-savings provisions intact, will mark a major milestone in helping to assure the quality of care in VA facilities. Whereas the bill as reported would have provided assurance of 1,600 FTEE's more than the President had requested for fiscal year 1980 for VA medical programs, the enactment of this legislation with the pending amendment would mean that the President's fiscal year 1980 budget request would be increased by 2,356 FTEE's—whi h is 756 FTEE's more than the committee bill as reported would assure, and this is only the minimum that would happen.

For let me reiterate at this point, Mr. President, that this modification of the committee bill would require—as a condition of the effectiveness of the cost-savings provisions—that the VA actually be provided the staffing levels contemplated by appropriations acts.

The House Appropriations Committee has already added 3,800 FTEE's to the VA medical care account for fiscal year 1980. Thus, if more FTEE's than 2,356 are contemplated to be added in appropriations acts for fiscal year 1980 then that ceiling will be provided or the cost-savings provisions will not take or continue in effect.

Mr. President, under this amendment, the tie-in provisions regarding VA health care staffing would become ineffective at the end of fiscal year 1983, thus requiring congressional review and reconsideration before they would be further extended.

Mr. President, with this amendment the bill as reported would serve, in a most effective way, the vitally important purpose of tightening expenditures where that can be done appropriately in order to assure that adequate staffing is provided VA medical facilities.

Mr. President, I am now delighted to yield to my friend and colleague from Wyoming, Mr. SIMPSON, the ranking minority member of the Veterans' Affairs Committee, who has done such outstanding work on this amendment.

Mr. SIMPSON. Mr. President, I thank very much my distinguished colleague.

I address my remarks to the amendment and wish that the time be so credited.

S. 1039 is designed to maintain and improve the purposes and effectiveness of health care services provided for our Nation's veterans. In the committee-approved bill are provisions from several bills that were carefully considered by the committee—including the original S. 1039 which, as introduced, would extend and revise the program of grants to State homes for veterans and extend and

expand the exchange of medical information program.

Also included in the bill before the Senate today are provisions of S. 196, introduced by Senator THURMOND, to provide chiropractic treatment when requested for veterans eligible for outpatient care, and certain provisions of S. 741, which was introduced by my colleague, the distinguished committee chairman, Senator CRANSTON, for whom I might add I have tremendous personal regard as I have worked closely with him in my brief tenure here in the Senate. This bill, submitted at the request of the administration, provides for cost savings in certain travel reimbursements, dental benefits and nonprescription drugs, together with various personnel and administrative amendments.

The Federal Government has participated in a program of assistance to State veterans' homes since 1888 when Congress passed legislation to provide aid to State or territorial homes for the support of our Nation's soldiers and sailors. That program has been continually amended and extended.

The 1964 act included State nursing homes and provided per diem rates for domiciliary care and nursing home care with increases made on several occasions with the last increase authorized by the 1976 law.

The Consumer Price Index inflation figure for the 3-year period since the effective date of the 1976 law, according to the Congressional Budget Office, is 23.4 percent. Our committee believes an increase in the per diem rates for the care of eligible veterans in State home facilities should be increased not by 23.4 percent but by 15 percent, and our bill provides for an increase from $5.50 per day to $16.35 per day for domiciliary care; from $10.50 now to $12.10 per day for nursing home care; and from $11.50 per day to $13.25 for hospital care.

In S. 1039, provision is made to extend annual appropriations for State home construction grants. This program to assist States in construction, remodeling, and renovation of State home facilities began in 1964 with authorized annual appropriations of $5 million for the making of State home grants by the Veterans' Administration—to pay 50 percent of the costs of constructing new nursing care facilities, expanding or remodeling buildings for use as nursing care facilities, and equipping such facilities.

The last change in the authorizing legislation for State home construction and nursing home care facilities program occurred in 1977 and increased the annual authorization to $15 million and increased the aggregate amount any one State could receive in any fiscal year from 20 percent to one-third. Since 1966, approximately $95 million has been appropriated.

The Veterans' Administration reports to our committee that VA facilities are just not adequate to cope with the special needs of today's elderly veterans. The Veterans' Administration's 88 nursing homes are filled to capacity with long waiting lists for admission to most of them. Some State nursing homes and domiciliaries are at near capacity. Much must be done to prepare for the rapidly growing number of elderly veterans.

It is the view of the committee that the State home program is a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to our older veterans and family members of veterans. We need to expand existing facilities to accommodate the increasing numbers of elderly veterans soon to require nursing and domiciliary care. According to our information, there are 17 approved but unfunded applications for State home construction funds pending—with a total request of over $18 million.

It should be noted that the States have definitely demonstrated a real willingness to participate by providing the 35 percent match, and clearly the need exists, so we are recommending annual appropriations of $15 million for fiscal year 1980, and also for 1981 and 1982. Also provided in the committee bill is the provision that no State may, in any one fiscal year, receive more than one-third of the amount appropriated, or $3 million, whichever is greater. It is felt that without some limitation a few States might receive disproportionately large grants while equally deserving projects in other States might remain unfunded.

Our committee intends to request the General Accounting Office to undertake a review of State veterans' homes and their programs, including issues as to the levels of Federal support.

Our committee believes that the exchange of medical information program first authorized in 1966 to strengthen medical programs in VA hospitals has been successful, and cost effective, and should be extended and expanded. S. 1039 would continue for fiscal years 1980, 1981, and 1982 the present annual appropriation authorization of $4 million for this worthwhile program. It has been especially valuable in enhancing the quality of services provided in VA facilities, particularly unaffiliated and geographically remote facilities—and it has improved the morale of personnel located in such facilities. The program has strengthened medical programs in VA hospitals not connected with medical schools and programs in locations remote from medical teaching centers.

Much of the content of S. 196, introduced by committee member Senator STROM THURMOND, is included in the bill before us. Those provisions would authorize chiropractic treatment when requested—for veterans eligible for outpatient medical care—under certain defined conditions. The committee believes that, in some circumstances, the provision of chiropractic service is appropriate and desirable.

Chiropractic services have been recognized under several State and Federal health care programs. It is also recognized under the Federal medicare program. Reimbursement for chiropractic services is provided for under the Federal Employees Compensation Act. A number of States—including my own—include chiropractic services under their medical assistance programs. The Veterans' Administration employs no chiropractors and according to the testimony before the committee, no VA referrals have been made of a veteran to a chiropractor for treatment at VA expense.

S. 1039 includes authority for chiropractic services on a fee basis; for reimbursement or payment for reasonable charges; and defines very restrictively "chiropractic services." Total expenditures in any one fiscal year could not exceed $4 million and the authority granted under this bill expires September 30, 1983. The bill requires the VA Administrator to submit to the House and Senate Committees on Veterans' Affairs, beginning December 31, 1980, an annual report regarding the use of chiropractic services under the new authority.

Many members of the Committee on Veterans' Affairs recognize that inclusion of use of chiropractic services—even in the limited way as proposed in this bill—is not acceptable or desired by certain organizations and groups, but members of the committee also feel in all fairness and at the request of countless veterans, such additional and very limited use of this form of health care should not be continue to be denied to the veterans of our Nation.

The committee bill also makes some technical and clarifying amendments at the request of the Veterans' Administration, and those are fully discussed in the committee report on S. 1039.

For example, through previous oversight, podiatrists and optometrists were not made subject to the appointment requirement that they be citizens of the United States, a requirement that applies to all health care professionals eligible for appointment in the Department of Medicine and Surgery pay and personnel system of VA. The committee bill does correct this omission and will include podiatrists and optometrists among the health care personnel who must be citizens of the United States before being eligible for appointment in the DM&S.

An additional item in the bill would shorten the period of probationary service for certain VA employees to 2 years. The committee believes this is adequate time to permit a careful and effective evaluation of title 38 employees and a brief enough period to assist in reducing the feeling of uncertainty which accompanies an extended period of conditional employment.

S. 1039 would expand the authority of the Veterans' Administration to enter into "sharing agreements" of specialized medical resources with community hospitals, clinics, and medical schools to include blood banks, organ banks, and similar institutions. During 1978, 93 VA health care facilities entered into 224 sharing agreements with community health care centers for the exchange of such medical services as cardiac surgery, renal transplantation, nuclear medicine, pulmonary function, and other items. Our committee encourages the VA to expand its efforts for the best interests of the best possible health care for veterans and all citizens of the Nation.

Three administration-requested provisions within S. 1039 have apparently caused some concern. These are the limitations on reimbursement for travel ex-

penses, certain dental benefits, and certain over-the-counter drugs. I am confident that those concerns and fears will be fully addressed and debated today. They are not sinister in origin.

In a VA letter to our committee, the VA stated that the cost savings that would result from enactment of the limitation on travel reimbursement would enable "VA resources to be more effectively utilized"; the cost savings realized by eliminating the provision of dental treatment to certain defined veterans would allow the VA to "refocus our resources to provide more extended and faster outpatient dental care"; and the cost savings realized by "limiting the provision of nonprescription drugs, medicines, and supplies would permit the VA to reallocate scarce VA resources to areas where the need is more acute."

Our committee acknowledges the pressing need to exercise fiscal restraint in considering this year's Federal budget. Our citizens demand it. Our congressional stewardship in fiscal matters is on the line. Difficult and painful choices will be made among various competing and very real demands. In the committee's view, the overall VA health care program levels should not be reduced but should be maintained in order to assure that the health care needs of veterans will be adequately met. In examining existing programs to determine where savings could appropriately be realized, the committee was faced with difficult choices. The three cost-saving items finally selected will not adversely affect health care offered to our veterans, and the committee fully anticipates such savings will be used to actually better veterans' health care. I will now briefly discuss the three cost-savings provisions in S. 1039.

Let me clearly emphasize that these cost savings affect only the veteran receiving outpatient treatment for a non-service-connected disability. This Nation affords every reasonable benefit to the service-disabled veteran and will continue to do so.

Current law provides that a person traveling to and from a VA health care facility in connection with a non-service-connected disability is entitled to reimbursement for travel expenses provided the veteran declares, in writing, that he cannot defray such costs. In contrast, a veteran traveling to a VA facility for treatment of a service-connected condition may be reimbursed regardless of whether he or she is able to defray the costs.

The initial VA legislation requested the complete elimination of beneficiary travel reimbursement for non-service-connected veterans unless a special mode of transportation was needed and authorized; that is, air ambulance or ambulance. The VA estimated a fiscal year 1980 cost savings of $39 million while CBO estimated $62 million. Two major concerns which the VA testified to in support of this legislation were the need to conserve scarce resources during these times of a tight budget—and the prior practical experiences and problems associated with the making a determination as to whether the veteran is unable to defray the costs of traveling to the VA facility.

The committee bill modified this initial legislation to provide that those non-service-connected veterans who were eligible for pension, using the income standard, would continue to be reimbursed. But, these veterans would pay for the first $25 and one-half of the next $150 in annual travel expenses.

And, of course, the amendment just presented by the chairman, in which I have joined, corrects that. The provision regarding a special mode of transportation would be retained and without any copayment by the veteran. Cost savings of this provision would be $30 million for 1980.

Current law establishes a presumption of service connection for dental benefits during the veterans' first 12 months after discharge. Also, this treatment is provided to any veteran regardless of the duration of active duty service, even 1 day.

The initial legislation provided for the elimination of this benefit altogether. Citing budget restraints and the treatment experiences of private dentists under this provision, the VA recommended that the Department of Defense undertake the complete dental treatment of active duty personnel. Should a service-connected condition then exist after discharge, the VA would undertake its care. VA estimated a cost saving of $44 million in fiscal year 1980 on enactment of this initial legislation.

In an effort to partially accommodate dental needs of the recently discharged service man or woman, the committee bill provides VA dental treatment only if the veteran has served on active duty for at least 180 days, and if such veteran makes application for treatment within 180 days after discharge. Also, VA treatment would not be provided if DOD has provided a complete dental examination and treatment 90 days prior to discharge. The cost savings under the committee bill would be $3.4 million for fiscal year 1980.

The PRESIDING OFFICER (Mr. PRYOR). The time of the Senator from Wyoming on his amendment has expired.

Mr. SIMPSON. I ask unanimous consent that I be allocated further time against the bill.

The PRESIDING OFFICER. The Senator may make that request.

Mr. SIMPSON. I do make that request, that the further time be allocated against my time on the bill.

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

Mr. SIMPSON. Under current law, veterans who receive care in a VA facility on an outpatient basis are provided nonprescription drugs on the authorization of a VA physician.

The initial legislation would have eliminated this provision as it applies to non-service-connected veterans who were not receiving pension, were not permanently housebound or were not in need of aid and attendance. Cost savings for this provision if enacted would have been $15.5 million for fiscal year 1980.

The committee bill modifies the initial legislation by providing that those non-service-connected veterans who are eligible for pension, using the income standard, would continue to receive their medications.

I think that is an important point to bear in mind. In addition, the Administrator would prescribe by regulation conditions under which nonprescription drugs would be provided to any non-service-connected veteran in order to avoid substantial hardship. Cost savings under the committee bill would be $3.4 million for 1980.

The committee bill has a unique provision which would "tie" the effective date of these cost-saving proposals to a requirement that the number of full-time employees in VA hospitals be increased to its authorized level during 1980 and thereafter. And now the chairman has effectively addressed that with an amendment. In effect, the bill as amended by the pending amendment, assures the veteran that veterans' hospitals will be adequately staffed. This would achieve the purpose of refocusing VA spending to the high priority areas while at the same time achieving some cost savings. Thus, before the cost-saving provisions could become effective, and in order to remain in effect, sufficient personnel and funding must have been allocated to the Department of Medicine and Surgery.

The primary reason for this "tying" process is to avoid the effect of having approximately 2,000 full-time employees diverted from manpower requirements in presently existing VA facilities in fiscal year 1980 in order to meet the manpower needs of new VA activations scheduled for that year. That is an important point to consider in this legislation, that we have manpower needs that must be met in new medical facility activations.

I would assure Senators that the members of our Committee on Veterans' Affairs continue to believe deeply in the adequate staffing in our VA medical facilities. We desire the most complete health care for this country's veterans who have performed military service to our Nation. Support of S. 1039 will assure the continuation of a long history of congressional recognition of those who gave much when this Nation demanded much of them.

Mr. President, I have concluded my remarks.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will someone yield me some time?

Mr. CRANSTON. I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I must rise in support of the pending amendment to S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

At the markup of S. 1039, May 3, by way of proxy, I voted against the Humphrey amendment and to support the position of the committee with respect to the three administration-proposed cost-savings measures, which were made to tie in to additional VA health care personnel resources.

In supporting the position of the com-

mittee, I am inclined to say that my heart is with the position taken in the Humphrey amendment, which, I understand, has the full support of the veterans' organizations. I have always tried to support the position of the veterans' organizations and the position which the committee finds itself in with respect to this issue is indeed a difficult one. I am persuaded in this matter, however, by two important considerations. The first consideration is that the money saved by the three cost-saving provisions adopted by the committee will be diverted into additional health care resources within the VA health care system. In other words, the money saved by the committee proposal will go where it is needed most. The second consideration is an overwhelming mandate by the electorate for the Congress to save money in every reasonable and rational way. I think the committee has acted reasonably and rationally with respect to the position it has taken on these three measures.

Mr. President, I commend the able and distinguished chairman for having a deep and abiding interest in our veterans. I share his feeling that we ought to do everything we can to help our veterans.

As a result of his work on this matter, however, the administration has now made certain concessions which I think will be satisfactory. In view of that, I intend to support the pending amendment.

I would like to question the distinguished Senator from California, the chairman of the committee, on this point:

As I understand, you stated that you recently received information and assurances from OMB that there will be adequate staffing and funding for VA hospitals. Would you explain exactly how this new agreement will work?

Mr. CRANSTON. Mr. President, I believe I can best explain by reading from a letter dated June 15 from Max Cleland, who states:

> I am pleased to advise you that the Director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.
>
> The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The letter goes on, but that gives the main intentions.

Mr. THURMOND. In other words, according to this letter, then, it is understood that the 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget?

Mr. CRANSTON. That is correct.

Mr. THURMOND. So this is a very favorable concession, as I understand, to the veterans' hospitals, and will provide a more adequate health service and give the veterans an improved institutional situation over that existing heretofore?

Mr. CRANSTON. It most certainly is, and it is conditioned on the cost-savings provisions remaining in the bill, which the Senator has indicated he will support.

Mr. THURMOND. In view of that concession by the administration, and the modification now being made by the administration, Mr. President, I will support the pending amendment.

Mr. CRANSTON. I am delighted that the Senator will support the pending amendment.

Mr. STONE. Will the floor manager of the bill yield me 5 minutes?

Mr. CRANSTON. I do not know if I have 5 minutes.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. There are 5 minutes remaining.

Mr. STONE. Can I take 5 minutes on the bill, by unanimous consent?

Mr. CRANSTON. I will yield 3 minutes on the amendment and 2 minutes on the bill.

Mr. STONE. I thank the distinguished chairman. I shall be able to make my statement within that time.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. CRANSTON. If the Senator will withhold, I would like to get the yeas and nays. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STONE. Mr. President, since joining the Senate Veterans' Affairs Committee, I have been cooperative with its efforts on behalf of our Nation's veterans, and I would like to commend our distinguished chairman, Senator ALAN CRANSTON, for all of his work in this area. Today, however, I have to disagree with Senator CRANSTON and a majority of members of the committee in their approach to saving costs that are contained in S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

While there are several provisions of S. 1039 which lend support to the needs of veterans, they are combined in the same package with three proposals that erode support for veterans that I am unable to support. So, I am joining Senator HUMPHREY in his efforts to delete these sections.

First, S. 1039 proposes to eliminate reimbursements for travel expenses to VA hospitals for non-service-connected disabled veterans except those receiving VA pension benefits. Even then, the bill proposes that the veteran pay the first $25 and then share half the remaining costs up to $150 a year.

Mr. President, we are talking about eliminating benefits to a group of veterans who are, according to current law, unable to defray the expense of such travel. In addition, travel reimbursements have already been limited by Congress in 1976 to the actual cost by public transportation. I do not think we should limit reimbursements again.

Senator CRANSTON has now proposed a modification of S. 1039 as reported by the committee. Under its provisions, the veterans would pay the first $4 of each trip to a VA facility up to an annual total cost of $100. While this will benefit those veterans who take a few long trips, I believe it will still place a financial burden on many veterans.

The second feature of S. 1039 that I find unacceptable is the elimination of over-the-counter drugs, medicines, and medical supplies. All non-service-connected disabled veterans except those receiving VA pensions (the same group that would no longer be eligible for travel benefits) would also be denied this assistance from the VA, some of which is needed for their survival. Although the second part of Senator CRANSTON's amendment to allow service-connected disabled veterans with ratings of 50 percent or less to continue to receive these drugs is an improvement, I still do not believe it goes far enough.

The third section of S. 1039 that troubles me is the limitation on outpatient dental services to recently discharged veterans who do not have service-related, compensable dental conditions. The bill would reduce the eligibility period for dental care from 1 year to 6 months from the date they left the service. According to the committee report and the Veterans' Administration, this benefit should be the responsibility of the Department of Defense. However, rather than seeking to assign the responsibility for these services to the proper department, S. 1039 seeks to reduce its availability in order to cut VA costs.

Finally, S. 1039 seeks to tie these cost-savings proposals to the receipt of assurances by OMB that there are sufficient personnel levels at VA medical facilities. I do not think that veterans' benefits should be used as a bargaining tool for VA personnel.

Mr. President, when I add these proposed cutbacks with others that have occurred and are occurring—for example, the 3,100 hospital bed cuts, personnel reductions, and the rejection of veterans with non-service-related injuries for treatment at VA hospitals—I detect a progressively destructive incrementalism of reductions that are becoming too big an accumulating bite out of our expressed commitments to serving the best interests of veterans. I view S. 1039 as a bit-by-bit, but escalating attack on a tradition of high commitment to those men and women who fought our wars.

Senator HUMPHREY's amendment has the support of the Disabled American Veterans, the American Legion, the Veterans of Foreign Wars, and the Paralyzed Veterans Association.

I, therefore, urge my colleagues to join me in supporting Senator HUMPHREY's amendment and voting no on the Cranston amendment.

I think procedurally there can be and probably will be an amendment offered to substitute the existing provisions of law for this Cranston amendment. In that case, I would urge my colleagues to vote with me for the Humphrey substitute which should be forthcoming shortly.

Mr. President, I thank the distinguished chairman and ranking member for letting me make these remarks.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senator STROM THURMOND be added as a cosponsor of my amendment.

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

Mr. CRANSTON. How much time do we have remaining on the amendment?

The PRESIDING OFFICER. There are 2 minutes remaining on the amendment.

Mr. CRANSTON. Is there any other Senator who wishes to speak on the amendment? If not, I am prepared to yield back——

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

The PRESIDING OFFICER. The Senator from California has the floor at this time.

Mr. CRANSTON. I am prepared to yield to the Senator for that purpose. The time comes out of the time on the amendment, and there are only a couple of minutes left.

I yield to the Senator from New Hampshire.

I yield the floor.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time on the amendment?

Mr. CRANSTON. I yield the floor.

The PRESIDING OFFICER. The Chair will recognize the Senator from New Hampshire.

Mr. STONE. Mr. President, I ask for recognition for 1 minute.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. I yield 1 minute.

Mr. STONE. Mr. President, in the event that Senator HUMPHREY chooses to offer an amendment to a later section of the bill to restore the existing provisions of law in lieu of the Cranston amendment, then I would urge my colleagues to vote "no" on the pending amendment and vote "yes" on the Humphrey amendment which will be forthcoming at the conclusion of the consideration of the pending amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The manager of the bill has 40 seconds remaining.

Mr. CRANSTON. I yield 40 seconds to the Senator from New Hampshire.

Mr. HUMPHREY. I thank the Senator. I would like to suggest to my colleagues very quickly that the essence of what is going on here today is the cutting of existing benefits. The administration has promised to properly staff VA hospitals if Senators will agree to cutting existing benefits. That is the essence of what is going on here. I contend that hospitals ought to be properly staffed to begin with, and that we ought not to be cutting existing benefits. It is a very bad precedent to set, and one which will be very upsetting to the veterans groups and citizens of our country.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PRESSLER. Mr. President——

The PRESIDING OFFICER. Senators may yield time on the bill if they wish.

Mr. PRESSLER. Will the Senator yield?

Mr. CRANSTON. If I yield 2 minutes from the bill, is that adequate?

Mr. PRESSLER. Yes.

I rise in strong support of Senator HUMPHREY's remarks and on his amendment to be offered. It does seem to me that we are very quietly cutting benefits. I have felt rather strongly, particularly in regard to Vietnam veterans, that never before in our history have we been so willing to quietly cut benefits which we have not done before in our Nation's history. This is an investment in our veterans. It is also a right. It has been a tradition in this country to recognize military service and to properly care for our veterans.

I felt badly that the effort to give veterans the options of where to go for psychological training was a mistake. I feel that the administration is making a mistake in its current efforts to cut back.

I applaud the efforts of the Senator from New Hampshire.

Mr. CRANSTON. Mr. President, Senator JENNINGS RANDOLPH is necessarily absent today to attend the funeral in Charleston, W. Va., of his former administrative assistant and employee of over 15 years, James W. Harris.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

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

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of his former aide, James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. JAVITS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 73, nays 5, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—73

| | | |
|---|---|---|
| Armstrong | Hart | Packwood |
| Baucus | Hatch | Percy |
| Bellmon | Hatfield | Pressler |
| Bentsen | Hayakawa | Proxmire |
| Boren | Heflin | Pryor |
| Boschwitz | Heinz | Riegle |
| Bradley | Helms | Roth |
| Bumpers | Huddleston | Sarbanes |
| Burdick | Inouye | Sasser |
| Byrd, | Jackson | Simpson |
| Harry F., Jr. | Jepsen | Stafford |
| Cannon | Johnston | Stevens |
| Church | Kennedy | Stevenson |
| Cranston | Laxalt | Stewart |
| Culver | Levin | Talmadge |
| Danforth | Long | Thurmond |
| DeConcini | Lugar | Tower |
| Dole | Magnuson | Tsongas |
| Domenici | Mathias | Wallop |
| Durenberger | McClure | Warner |
| Durkin | Melcher | Weicker |
| Exon | Metzenbaum | Williams |
| Garn | Morgan | Young |
| Glenn | Muskie | Zorinsky |
| Goldwater | Nelson | |

NAYS—5

| | | |
|---|---|---|
| Bayh | Hollings | Stone |
| Chiles | Humphrey | |

NOT VOTING—22

| | | |
|---|---|---|
| Baker | Gravel | Pell |
| Biden | Javits | Randolph |
| Byrd, Robert C. | Kassebaum | Ribicoff |
| Chafee | Leahy | Schmitt |
| Cochran | Matsunaga | Schweiker |
| Cohen | McGovern | Stennis |
| Eagleton | Moynihan | |
| Ford | Nunn | |

So Mr. CRANSTON's amendment (UP No. 262) was agreed to.

Mr. CRANSTON. Mr. President I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

● Mrs. KASSEBAUM. Mr. President, I was unavoidably detained in my return to Washington this morning while the Senate was debating the Cranston amendment to S. 1039, the veterans' grants program bill. Had I been present, as intended, I would have voted for Senator CRANSTON's amendment. I ask that this statement appear in the RECORD immediately following the vote on that amendment.●

Mr. CRANSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. Will the Senator suspend momentarily, until the Senate comes to order, The Senate will be in order.

The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I rise to take a few minutes at the outset to indicate my support of the Veterans' Affairs Committee and its distinguished chairman. Senator CRANSTON, against

the Humphrey amendment, which I understand will be offered today.

Unfortunately, I cannot be in the Senate Chamber immediately after 12 o'clock, and the Senator from California has been good enough to yield me a few minutes now.

First of all, Mr. President, I emphasize that no member of this party is more committed or more devoted to the interests and welfare of our Nation's veterans than is the distinguished Senator from California (Mr. CRANSTON).

As chairman of the Budget Committee, on which he served until he was forced to leave because of our rules with respect to multiple committee membership, I was in a position to observe his performance as chairman of the Veterans' Committee. Within the Budget Committee and on the Senate floor, he always placed the highest priority alongside the needs of our Nation's veterans.

I emphasize that at the outset, because there is great temptation, with respect to issues involving veterans and other groups which are organized across the country, to conclude that all their needs are of the same priority levels.

Mr. President, as the Senate has made clear in its official actions this year, we live and serve in a time when budget austerity across the board is a high priority. However, true budget austerity requires not only that we eliminate waste from the budget but also that we apply a discriminating test against priorities of varying importance.

If we are truly to achieve a balanced budget in 1981—and that is a commitment of this Senate and of this Congress—we must be willing to distinguish between high-priority needs and low-priority needs; and that is precisely what the Veterans' Committee has sought to do with respect to those provisions of the pending bill to which the Humphrey amendment will address itself.

It is for that reason I am more than happy to support the Veterans' Committee and its distinguished chairman in this effort to insure that high-priority needs of the veterans are protected and that low-priority needs are reduced in order to meet them.

It is for that reason, Mr. President, that I rise in opposition to the amendment to be offered by the distinguished Senator from New Hampshire, my neighbor, Senator HUMPHREY.

In brief, the Humphrey amendment, as I understand it, proposes to delete provisions in the reported bill which would achieve approximately $38 million in savings from non-service-connected benefits and provide additional health-care personnel for VA hospitals. These savings were recommended by the President as well as the Veterans' Affairs Committee.

As every Senator knows, Congress last month adopted a very tight budget plan which will reduce the deficit sharply in fiscal year 1980 in order to make possible the balanced budget in fiscal year 1981.

As chairman of the Budget Committee I can attest to the long and difficult road to be traveled between that initial budget plan and the reality of the balanced budget. There are still many hurdles to clear.

The economy must slow down but not too much or too fast.

The public must accept some belt tightening if inflation is to be brought under control and if we are to weather our current energy problems without serious disruptions.

But above all, Congress must demonstrate leadership of the kind demonstrated by Senator CRANSTON and his committee through its willingness to curb Federal spending.

It must work hard to eliminate unnecessary spending—spending that no longer serves a useful purpose.

But it must work even harder to eliminate spending that does serve a useful purpose, but which is of a lower priority than other spending.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Maine have expired.

Mr. CRANSTON. I yield an additional 2 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for an additional 2 minutes.

Mr. MUSKIE. Mr. President, such spending reductions are painful, but sacrifices have to be made in all areas of the Federal Government in order to get the budget under control.

The Veterans' Affairs Committee has demonstrated this willingness. In this bill, the committee proposes a reduction in certain veterans' health benefits which the committee, as well as the President, has found to be of lower priority than other benefits. The committee has not said that these benefits do not serve a useful purpose. It is simply taking the position that in times of tight budgetary resources, these benefits are of a lower priority and can be eliminated without destroying the essential character of any Federal program.

I applaud the Veterans' Affairs Committee for its courage and responsibility. It is setting an example for all other committees of the Senate. It is showing the American people—especially those in States which would mandate a balanced Federal budget—that Congress can make hard choices to reduce spending.

Mr. President, here is a test for all of us in the Senate as well as the members of the committee. It is not easy to take the leadership in establishing this kind of policy, this kind of budgetary prudence. It is much easier to say yes to all those who press us for increases in Federal spending.

Mr. President, unless we as a body are willing to follow the leadership of committees which make such discriminating and prudent decisions as the Veterans' Affairs Committee has in this case, unless we are willing to follow them in these situations where we are pressured hard by constituents back home to go a different course, we will never achieve a balanced budget.

You and I can identify many, many groups in this country that are organized to bring pressure upon Congress. But if we cannot set an example of willingness to say we can go just so far with respect to the Federal Treasury and no further, we will never achieve a balance budget.

We set the balanced budget goal this spring, Mr. President, and I urge the Senate to begin demonstrating today its commitment to that goal in the only way that counts: by voting to hold spending down in an intelligent, priority-oriented way.

Again I congratulate my friend from California, Senator CRANSTON, for his devotion to the real interests of the veteran as well as his devotion to the economic needs of the country.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

The Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from Maine very much for his very strong and very helpful statement.

No support could mean more to these efforts to provide priorities in meeting the needs of the veterans. We have many needs for those who have service-connected and non-service-connected disbilities but priority should certainly go to those who have service-connected needs, some of them very great, and the effort underway now by the committee is to insure that those needs are the ones that are met first.

I thank the Senator very much.

I thank him also for coming to the floor at this time to speak briefly. I know he has to leave Capitol Hill briefly now and will not be present at a more appropriate time when the Humphrey amendment is being debated, presuming it will be offered. I thank him very much for coming to the floor at this time and making a statement.

AMENDMENT NO. 206

(Purpose: To delete provisions in title II amending existing law with respect to travel expenses, dental care, and reimbursement for drugs, medicines, and medical supplies)

Mr. HUMPHREY. Mr. President, I have a printed amendment at the desk which I call up and ask that the clerk state.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposed amendment numbered 206.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, beginning with line 5, strike out all down through line 25 on page 7.

On page 8, line 1, strike out "SEC. 202" and insert in lieu thereof "SEC. 201."

strike out all down through line 9 on page

On page 11, beginning with line 13, strike out all down through line 9 page 13.

On page 13, line 10, strike out "SEC. 205" and insert in lieu thereof "SEC. 202".

On page 13, line 15, strike out "SEC. 206" and insert in lieu thereof "SEC. 203".

On page 14, beginning with line 20, strike out all down through line 22 on page 16 and insert in lieu thereof the following:

"SEC. 204. The amendments made by this title shall take effect on October 1, 1979.".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the following Members of the Senate be added as cosponsors of my amendment, the distinguished Senator from Florida (Mr. STONE), the distinguished Senator from Arizona (Mr. GOLDWATER), the distinguished Senator from South Dakota (Mr. PRESSLER), and the distinguished Senator from New Hampshire (Mr. DURKIN).

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

The Chair at this time asks the Senator from New Hampshire: Is this the amendment on which the Senator plans to utilize 2 hours of his time?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HUMPHREY. Thank you, Mr. President.

Mr. President, I begin by commending the chairman of the Veterans' Affairs Committee and its members for making a sincere effort to mandate proper staffing levels in our veterans' hospitals. Nothing could be more commendable. I certainly support them in that effort. I am not opposed to that at all.

I think it is a shame that the administration—and let us face it, this is an administration effort in here today—in past years has shifted funds around, funds that were intended to provide for adequate staffing levels in VA hospitals but which were used for other purposes. I think that is very unfortunate indeed.

But, as I said earlier, Mr. President, the essence of what is going on here, the essence of this administration's move, is to cut existing veterans' benefits and benefits which are highly valued, I might say, as evidenced by the very strong support of the major veterans' organizations for my amendment.

Mr. President, the Senate today is considering an important measure, one which will affect veterans all over this country. Many of the provisions in S. 1039 are commendable and will work to the better health of our Nation's veterans. I refer specifically to the chiropractory section, which will provide an essential service to veterans.

However, S. 1039 also contains three sections which will have a detrimental effect on veterans' health. These three provisions reduce existing benefits. My amendment simply deletes these benefit-cutting sections.

The veterans' organizations are strongly supporting my amendment. The American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars, all oppose the benefit-cutting provisions of S. 1039. Clearly, veterans oppose this proposed reduction in existing veterans' benefits.

Let me explain what these three provisions are, and why they will be damaging to the health of veterans.

The first cut proposed is that in the area of travel reimbursement. Currently, a needy veteran who files a certificate of need showing that he or she is unable to defray the cost is eligible for travel reimbursement from the VA for travel to VA facilities.

The amendment which Senator CRANSTON succeeded in passing a moment ago somewhat softens the harsh cuts in the bill as it was reported out of the committee. To be sure that is the case. Nevertheless, my amendment would restore these benefits entirely.

To return once again to the issue of travel reimbursement, the cuts mean that a needy veteran who may be a frequent user of VA facilities would have to pay out up to $100 a year. The administration has a special provision for those who are especially needy—that is, those single veterans making approximately $3,900 a year or less will still receive those benefits—but those veterans who have an income greater than that, those who have the princely income of $4,000, will see existing benefits cut.

The figure for a married veteran is approximately $5,100. The administration is saying, "You are making so much money you are one who falls under what Senator MUSKIE called a moment ago a low-category priority. And we are going to do away with the existing benefits."

I suggest it is very unfair and a bad precedent to set.

A second cut proposed by S. 1039 is in the area of over-the-counter drugs. Currently, the veteran who files a certificate of need showing that he or she is unable to defray the cost is eligible for free nonprescription drugs at the VA pharmacy. S. 1039 limits this important benefit to pensioned veterans only. I feel that this provision will deny this benefit unfairly to veterans who are financially needy, yet slightly above the pension level of $3,900 for a single veteran. This denial of an existing benefit is wrong, and will be an unfair burden on many needy veterans. My amendment deletes this provision from S. 1039.

A third area where S. 1039 proposes a cut is in the area of dental care. Currently, a serviceman who is discharged honorably or generally has 1 year in which to apply for free dental care at an outpatient facility. S. 1039 cuts this period to 6 months.

Now, this is a symbolic cut, not a substantive cut. It will save very little money. Veterans will simply use this benefit early rather than late. The cut is symbolic, then, because it is demonstrative of an attitude of "let's start cutting back on veterans' benefits." My amendment deletes this section, keeping this dental benefit at its current status.

I would say to my colleagues that veterans have earned these benefits. Veterans deserve these benefits, and I ask my colleagues not to betray the trust that veterans have placed in our hands.

I am a strong battler for a balanced budget. Mr. President, I ran on the pledge that I would be the toughest skinflint in the U.S. Senate, doing my utmost to take away that honor from Senator HARRY F. BYRD, JR., who held it last year. As a matter of fact, in the Veterans' Affairs Committee I voted against new benefits saying that this is not the time, because of our precarious financial situation, for new benefits.

But I maintain staunchly, Mr. President, that if we order our priorities properly, we can afford to maintain existing benefits. How can you argue against that? We spend $11 billion or $12 billion for CETA. If we can spend tens of thousands of dollars in Lorton Reformatory to train criminals to be plumbers when they are not eligible for parole until the year 2000, if we have money for that, but somehow we do not have money to keep our pledge to veterans, that is wrong.

If we can spend hundreds of millions of dollars overseas to foreign nations in the way of foreign assistance, much of it very ungratefully received, then we can spend this money for the veterans. We have got money to do that. But we do not have enough money to keep the faith, keep our pledges to veterans.

It does not make sense to me, Mr. President, and I will not be accused of being a spendthrift. I intend to be the toughest skinflint in the U.S. Senate or I will die trying, but I believe veterans' benefits are not the place to make the cut. Heaven knows there are much better places, and places much more deserving, and I certainly appreciate very highly the support of my colleagues on this amendment.

Mr. President, the managers of this bill sent each of the Members a "Dear Colleague" letter that stated that my amendment would undercut efforts to "reorder VA health care priorities." Indeed, this letter states that the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans.

I ask, then, why does the American Legion support my amendment? The American Legion, which represents several million veterans nationwide, even goes so far as to state that if the Humphrey amendment is defeated here today, the Legion must oppose S. 1039.

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why would the Veterans of Foreign Wars support my amendment to delete these provisions?

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why does the Disabled American Veterans organization support the Humphrey amendment?

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why does the Paralyzed Veterans of America organization support my amendment?

I think it is clear that these fine, distinguished organizations have the best interests of the Nation's veterans in mind when they support my amendment to delete these benefit-cutting provisions.

I think it is a matter of more than passing interest that they have taken a great deal of interest in this bill, a great deal of interest in my amendment, and are watching closely.

It comes down to a question of whether we are going to cut existing benefits, whether we are going to honor our pledges.

In effect, the administration has stated that if we will accede to these cuts in existing benefits, then the administration will agree to properly staff VA hospitals. That is called giving with

one hand and taking away with the other, and it is a pretty bad deal.

In the first place, VA hospitals ought to be staffed properly without any conditions, without any deals, good or bad. That is just the way it ought to be, and that is the way I feel.

I think this is a bad deal to trade-off existing benefits on the promise that we will get something, the veterans will get something they deserve in the first place.

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

The PRESIDING OFFICER (Mr. BAUCUS). Who yields time?

Mr. CRANSTON. Mr. President, I yield to the Senator from Oklahoma such time as he may need on this amendment.

Mr. BELLMON. Mr. President, it is with some reluctance that I rise in opposition to the amendment by the distinguished Senator from New Hampshire, and I do it primarily on budgetary grounds.

This year, as every Member of the Senate knows, we are facing a very tight budget, and it is essential that we pursue all reasonable and equitable savings that we can find. The Veterans' Committee, which is quite aware of this need, has reviewed its priorities and reported a bill which has cost-savings in areas of low priority, and where abuses are often found. In my opinion, they have been very judicious in the savings they have recommended. They certainly have not taken a meat-ax approach, and this is a savings measure which I believe the full Senate should support.

The limitations on travel, drug, and dental benefits found in this bill affect only—and I want to emphasize the point, affect only—non-service-connected or noncompensable disabilities. The veterans with service-connected disabilities will still receive full benefits, as under current law. The veteran on a pension, or who meets the income standards, will be required to pay a maximum of $100 per year in travel costs and will still receive, free of charge, any over-the-counter, nonprescription drugs he or she might need.

In addition, this bill grants the Administrator flexibility to deal with the unusual nonprescription drug needs of any veteran, regardless of income. Thus, the savings from this bill will come from pruning benefits to the nonneedy veterans.

Mr. President, I intend to support S. 1039, but I would like to make clear a few reservations I have on the VA staffing issue raised by this bill. I am concerned about the increase in VA health care staff in light of a 1977 National Academy of Sciences study which found, nationwide, there are adequate VA health care personnel for the patients being treated.

I ask unanimous consent that excerpts from this study be included at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BELLMON. This NAS study found uneven workloads between and within hospitals, inappropriate criteria for allocating staff, and inadequate utilization of allied health professionals, such as nurse practitioners, physicians' assistants, and dental hygienists. Before we grant increases in health care staff, we should make sure the existing staffing levels are being used efficiently. I urge the Veterans' Affairs Committee to review carefully the present allocations of VA health care staff and the VA's procedures for managing these staff resources in light of the National Academy of Sciences report. As a member of the Appropriations Committee, I will also seek to assure careful attention to this matter.

Again, Mr. President, I must say that I oppose the amendment by Senator HUMPHREY because I feel the savings which are possible in the bill as it has come from the committee make good sense. They do not in any way diminish the benefits to veterans with service-connected disabilities, nor do they diminish benefits to veterans who can meet the income test. The small savings that will result from this bill are going to come by pruning benefits to the nonneedy veterans who can very well pay the small additional cost that this bill would anticipate.

EXHIBIT 1

EXCERPT FROM STUDY OF HEALTH CARE FOR AMERICAN VETERANS

A report prepared by the National Academy of Sciences National Research Council, submitted to the Committee on Veterans' Affairs, U.S. Senate, July 7, 1977, pgs. 272–273.

STAFF

Systemwide, the numbers of nurses and supporting patient-care personnel on acute medical and surgical bed sections in VA hospitals are adequate for the patients being treated. But there is uneven distribution of such staff in relation to workload, both among hospitals and within individual hospitals (Chapter 5). Nurses are particularly affected by this problem: some units are understaffed, others overstaffed. The uneven distribution apparently stems mainly from the criteria used in allocating staff, which assume that patient-care requirements in all acute-medical and surgical bed sections are similar. In fact, the Committees found very large differences in patient-care requirements among and within hospitals in the same type of units. The variation is due to differences in admission and retention practices. But the differences in numbers of staff among patient-care units are not correlated with these differences in requirements.

More staff is provided for patient care in the psychiatric units of general hospitals than in psychiatric hospitals. As a result, on the average, about 5 times as much planned treatment time per week is provided by professionals (psychiatrists, psychologists, social workers, registered nurses to psychiatric patients in general hospitals as is provided by the staff in psychiatric hospitals is sufficient to provide only custodial care (Chapter 5).

The VA depends heavily on part-time attending staff physicians and on residents for its physician services in hospitals that provide three-fourths of the medical and surgical care and half the psychiatric care (as measured by numbers of patients treated per year). These categories of physicians are available as a result of affiliations with medical schools. (Chapter 16.)

Physician-to-patient ratios vary greatly: in the hospitals studied by the Committee, there was a range in the number of staff physicians (FTEE) per 100 patients of 6–20, and of total physicians (including house-staff), of 6–59. The professional judgments of the Committee's site-visitors indicate that the quality of care and the adequacy of physician staffing are not well correlated. Thus, in the sample of 21 general hospitals, six clinical services were rated as providing care of inadequate quality, but only two of these were considered to be inadequately staffed with physicians. Among 38 services deemed to be adequate in quality of care, 18 were thought to have inadequate numbers of physicians. Three of 11 services judged to be providing care of outstanding quality were rated inadequate in physician staffing. (Chapter 9.)

In the long-term nursing-care-units—both nursing homes and intermediate-care units—staffing of nursing personnel was found to vary considerably. In general, the intermediate-care units are less adequately staffed than the nursing homes. The Committee found that the amounts of nursing staff available were not well correlated with differences in workload. As was found to be the case in the acute-care units, the staffing allocation criteria used for the long-term nursing-care units are not adequately sensitive to differences in staffing requirements among units (Chapter 14). Compared with staffing found in an illustrative good-quality private nursing home, the VA nursing home units on the average appear to be adequately staffed.

VA dental staffing is clearly inadequate to treat all eligible veterans who require dental treatment, but the productivity of VA dentists could be improved if more hygienists and dental assistants were employed. (Chapter 13.)

Mr. CRANSTON. Mr. President, I am delighted to yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I rise to oppose the amendment by our distinguished colleague from New Hampshire. I do so for several reasons, but without hesitation at all.

I recognize that there are some veterans organizations which might well be supporting the amendment offered in good conscience by the Senator from New Hampshire. However, I am also a member of the Budget Committee, and I follow my majority leader and the ranking minority member of the Budget Committee in opposing the amendment that has been proposed.

I might well have supported the amendment of the Senator from New Hampshire had it not been for the so-called Cranston compromise that was offered and passed here a few moments ago, by a substantial majority.

Mr. President, I am a veteran. I am a member of the American Legion. I am a lifetime member of the Veterans of Foreign Wars. I am an honorary member of the Pearl Harbor Survivors Association; and I am known as a defender of veterans' rights. But I also recognize and realize, as all veterans must realize and recognize, that we are in a pinch.

I would suggest that the compromise amendment that was just passed here, which I referred to a moment ago, is one that assures that service-connected disabilities will be properly and fully cared for. I would suggest that in times like these, where indeed, in some of the veterans hospitals, we are having difficulty in getting the professionals to be

there to care for, particularly, those with service-connected disabilities, we must consider that the first priority at this time. I am not saying that therefore the veterans hospitals forever in the future should not recognize the needs of needy veterans who have disabilities that were not directly connected with their service to their country. Nevertheless, I think the compromise that we passed here this morning has addressed the matter very effectively as the Senate votes on this matter today.

You know, one of the things I have learned in my few short months here as a Member of the U.S. Senate is that oftentimes there is a great deal of inconsistency in the votes on the floor of this body. When this vote is taken—and I suspect that there will be rollcall vote—I will be very much interested to check back and see who supports the amendment of the Senator from New Hampshire, and to compare that vote with a vote on this floor a few weeks ago for those who wanted to make a meat-ax $29 billion reduction in the budget for the next fiscal year.

Somewhere along the line, we all have to recognize and face up to the realities of today; and I would suggest that those of us who, in good conscience, say that one of the things we must do now is balance the Federal budget as quickly and as responsibly as we can, must resist the temptation to support every good sounding piece of legislation that comes down the pike, regardless of the pressures that might be brought to bear on us to support such legislation.

The fact of the matter is that I have had some contacts from constituents back home in Nebraska who would like me to support this amendment. But I honestly believe that I am discharging my duties to our veterans, for whom I am very compassionate, by voting for the earlier Cranston amendment, and I would urge my colleagues to support basically the Budget Committee of the Senate and basically the Veterans' Affairs Committee of Senate by voting down the Humphrey amendment, recognizing that it does have some appeal in representing certain segments of our society.

Everything we do in this body is a matter of balance and legitimate and honest compromise. I believe the Cranston amendment addresses this matter as well it can be addressed for this particular session.

I thank the Chair, and I thank the Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from Nebraska very much for his very heartful contribution to this discussion. I am very grateful to him, as I am also to the Senator from Oklahoma (Mr. BELLMON), whose statements, in concert with that of the chairman of the Budget Committee (Mr. MUSKIE), have been most helpful as indicating the necessity not only to balance the budget, but also to establish some priorities.

Mr. HUMPHREY. Mr. President, the distinguished ranking minority member of the Budget Committee (Mr. BELLMON) used a term I have heard used several times in this discussion: The term "nonneedy veterans."

Perhaps that term deserves definition. Under the administration's budget-cutting proposal, "nonneedy" is essentially defined, in the case of single veterans, as anyone making $3,900 or more, or, in the case of anyone with a dependent, a married man, $5,100. Anyone making above those princely salaries is designated by the administration as nonneedy.

I disagree with that definition, and I do not think we ought to be taking benefits away from individuals who need them so much. We are not talking about highly successful businessmen making $30,000 or $40,000 a year. They do not go to veterans' hospitals. We are talking about some of those who may be less fortunate.

Two or three weeks ago we commemorated Memorial Day. We recently commemorated the Vietnam veterans, who have not been held in such high regard as they may deserve. Probably 90 percent of the Members of the Senate made speeches during those periods, using lofty words and thoughts to evoke sentiment and patriotism.

Well, here is the nitty-gritty: Here is our chance to keep the faith. Speaking of keeping the faith, I recall from one of my own Memorial Day speeches a few lines from John McCrae's beautiful poem "In Flanders Field." The lines are these:

> To you from falling hands we throw
> The torch; be yours to hold it high.
> If you break faith with us who die
> We shall not sleep. . . .

Are we going to break the faith with those who gave up their lives in the defense of their freedom? What do they mean by "faith?" They mean, of course, keeping the country free, so that their sacrifice will not have been in vain; but they also mean honoring not only themselves, but those veterans whom God spared, those who are still with us today.

"Keep the faith." Do we do that by cutting benefits when we do not have to, when cuts could easily be made in much more wasteful areas? Not in my opinion.

The distinguished chairman of the Veterans' Affairs Committee and his able assistant, the ranking minority member of Veterans' Affairs Committee, have circulated several "Dear Colleague" letters. In one of them, on page 2, they contend that the provisions of the bill were carefully designed by the committee so that abusive and unnecessary costs would be curbed.

Well, no doubt there are abuses. There are always a few bad apples in every barrel. But are we going to punish everyone for the sins of the few? If there are abuses, it is an administration problem, and it ought to be handled on that basis.

As to the terms "unnecessary costs," in whose view are these costs unnecessary? Certainly not in the view of the veterans. Not in my view. These are necessary costs; these are honorable costs; these are just costs. I regret very much the negativism of the administration's attempt to portray these benefits as unnecessary, unneeded, and deserving of elimination.

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

Mr. CRANSTON. Mr. President, we on the Committee on Veterans' Affairs and in the Congress have, in the past, been frustrated in our efforts to meet one of our top priorities—assuring adequate staffing of VA health care facilities. The fiscal year 1979 HUD-Independent Agencies Appropriations Act, Public Law 95-392, included an appropriation of $54.7 million more for the VA's medical care account than the administration had requested in its fiscal year 1979 budget. Included within that increase was an amount, $32.3 million, intended to forestall the need to divert VA medical care staff from existing facilities to staff the activation of previously approved facilities which were to come on line in fiscal year 1979. VA witnesses at a January 25, 1979, hearing on other legislation testified that, instead of allowing those funds to be used for the purpose intended, the administration had required that the funds be used to defray the costs of the October 1978 pay raise for VA employees paid under the medical care account. In fact, the VA was required to absorb $98.3 million of the costs of the October 1978 pay raise by means of reductions in the operations of VA health care programs, reductions which have exacerbated the difficulties that VA health care programs are now experiencing in trying to accommodate themselves to stringent personnel resource limitations.

That choice of using money appropriated by Congress for more staff to give more adequate medical aid to veterans in our hospitals, using that money instead for pay raises, lies at the heart of the problem we are wrestling with today on the Senate floor.

That disposition of the $55 million congressional add-on, is, as I have repeatedly stressed to the administration, a matter of major controversy and is viewed by many as a "back door" rescission, inconsistent with the Impoundment Control Act of 1974.

At the same time, the administration has placed other stringent limitations in fiscal year 1979 on personnel ceilings in the VA's Department of Medicine and Surgery, resulting in cutbacks in the provision of needed health services. This situation will almost certainly grow substantially worse under the administration's proposed budget for fiscal year 1980.

In order to stay within current administration limitations for VA programs for fiscal year 1979, the VA indicates that it will employ 3,273 full-time-equivalent employees—FTEE's—fewer under the medical care account than contemplated by the fiscal year 1979 appropriations measure and will further reduce the number of VA medical care employees by 443 FTEE's in fiscal year 1980. These reductions are being implemented despite the fact that new activations in fiscal year 1979 will require approximately 1,500 more FTEE's in fiscal year 1979.

In fiscal year 1980, additional new activations will require approximately 1,600 more FTEE's. Under the administra-

tion's budget for fiscal year 1980, the personnel resources for these previously approved and initiated activations are to be acquired from existing facilities. Thus, the VA's fiscal year 1980 budget documents state:

> Activation of new facilities in fiscal year 1980 or in the future will require staffing that, in effect, will be derived from the managed reduction of employment within existing facilities. * * * The reductions of employment thus estimated for existing facilities amount to 1,650 FTEE's in fiscal year 1980.

Thus, Mr. President, despite the very clear, express congressional intent to the contrary, VA health care personnel are being spread progressively thinner, and there is cause for genuine concern both for the quality of VA care and for the capacity of the system to provide the services which are projected for fiscal years 1979 and 1980.

We strongly believe that this process of "robbing Peter to pay Paul" is unacceptable and has already begun to impair the quality and availability of VA health care. Since merely appropriating the funds to provide the needed staff has not worked, the pending measure proposes another way to deal with the staffing problem—by shifting funds from low-priority programs to the high-priority staffing need for new VA health care activations. This approach also serves our national goals of restraining Federal spending and helping to balance the budget as part of the effort to fight inflation by assuring that, to the extent possible, adequate staffing is achieved in a way that does not involve an increase in overall spending levels.

To accomplish this, the pending measure would do two things: First, it would place limitations on certain expenditures for purposes which are not central to the VA health-care mission. These limitations tightening up on eligibility for non-service-connected travel reimbursements, nonprescription drugs, medicines, and supplies for outpatient care of non-service-connected veterans, and free postservice outpatient dental care for noncompensable dental conditions—have been carefully designed so that abuses and unnecessary costs would be curbed and that no truly needy veteran would be denied necessary health care or access to such care. Second, the bill would apply the cost savings resulting from these economies to restore badly needed staffing to VA health care facilities. The mechanism for achieving this realinement is to condition the entry into actual effect, and the continuing legal effect, of the three cost-savings provisions the VA being provided the authority to employ in its health care system not less than the number of employees contemplated by appropriation acts.

The amendment of the Senator from New Hampshire (Mr. HUMPHREY), however, would totally strike the provisions for increased VA hospital staffing and cost-savings and thus completely undercut our efforts to reorder VA health care priorities so as to make economies where indicated and to provide more adequate staffing for VA health care facilities.

Mr. President, as indicated previously, we believe strongly that in these times of fiscal austerity even programs of the high priority traditionally and properly afforded for veterans should be subject to some belt tightening to squeeze out unnecessary spending and to assign priorities in the use of scarce VA resources. And we firmly believe that the reordering of priorities that this bill would achieve is truly in the best interests of our Nation's veterans.

Mr. President, I would like briefly to explain the purposes and effects of the cost-savings provisions now in the bill that the pending amendment proposes to strike. First, with respect to the proposed limitations on beneficiary travel reimbursement, under current law as amended in 1976 by legislation that originated in this body, a veteran with no service-connected disability is generally entitled to reimbursement for travel and related expenses in traveling to and from a VA health care facility only if he or she has been determined, based on his or her annual declaration and certification, to be unable to defray the expenses of such travel.

That restriction on travel reismbursement was added because of the rapid increase in beneficiary travel that had occurred over the preceding several years and the decision by OMB that further increases in the use of travel benefits would have to be absorbed within the VA's already strained medical program budget.

For various reasons, however, the 1976 law changes have not operated as a major factor to restrain beneficiary travel costs. Expenditures for this purpose were $54 million in fiscal year 1977, $61.8 million for fiscal year 1978, and are estimated to be $65.2 million for the current fiscal year. Let me stress, Mr. President, that this is not money being paid for health care. It is for traveling.

The committee thus saw existing law as not adequate to carry out the 1976 purpose of limiting travel reimbursements to non-service-connected VA beneficiaries who are truly unable to defray the cost of such travel expenses.

Mr. President, as an alternative approach, therefore, S. 1039 would provide a fixed, workable standard of need for purposes of eligibility for reimbursement of beneficiary travel expenses for non-service-connected disabled veterans by limiting eligibility to those veterans who are receiving a VA pension under section 521 of title 38 or who meet the applicable income standard for receipt of such a pension. The applicable financial need test—far more generous than under any other Federal or State need-based income maintenance program—would be $3,902 per year for a single veteran and $5,112 for a veteran with one dependent—plus $660 for each additional dependent—and $6,243 for a single veteran in need of aid and attendance, with similar increases for dependents. Reimbursement by the VA to such a veteran in a fiscal year would be limited under the pending measure in such a way as to require only that the veteran who has no service-connected disability bear a reasonable portion of the total costs in order to receive free medical care from the VA.

Mr. President, I wish to emphasize two critical aspects of this provision. First, the limitations on reimbursement would not apply to any veteran who has a compensable service-connected disability—even when the care that he or she is receiving is for a non-service-connected disability; and, second, the committee bill would provide that even non-service-connected veterans would be fully reimbursed, as under current law, for the expenses of travel that, for medical reasons, is undertaken by ambulance, other emergency vehicle, or other special vehicular mode.

Mr. President, the amendment already adopted today on this issue is designed to overcome some difficulties that have come to light since the bill was reported. We have now amended the bill to take into account the problems that might have been encountered under the $25 deductible and $75 copayment provision in the reported bill by veterans having to travel substantial distances between their homes and VA hospitals. The pending measure thus now provides that once the veteran pays $4 for a particular trip, the VA will pay the rest of the cost of that trip, and that, if any veteran pays out $100 in a particular year under this system, the VA will pay all the rest of the costs of beneficiary travel.

With respect to the provision concerning care for service-connected, noncompensable—that is, zero-rated—dental conditions that are unrelated to service trauma, recently discharged veterans are now eligible for VA outpatient dental treatment for those conditions if they apply at any time within 1 year after discharge from active duty, regardless of the duration of active duty service.

However, it seems highly improbable that an individual whose service was limited to only a few days' or months' duration could develop dental conditions of a nontraumatic nature—generally cavities—such that the VA should assume responsibility for providing comprehensive dental care services, which average $660 per beneficiary. Let me repeat that, $660 for each veteran patient. Moreover, the full year given the potential beneficiary to apply clearly seems too long because dental conditions totally unrelated to military service could well develop during that postservice period and the substantial, additional costs of treatment for such conditions are not properly the responsibility of the Federal Government.

Thus, Mr. President, the pending measure would authorize dental care for such a veteran only if he or she had served on active duty for at least 180 days and then makes application for treatment within 6 months after discharge.

The amendment of the Senator from New Hampshire (Mr. HUMPHREY) proposes the deletion of this provision on the grounds that a veteran who has

served his country should not be denied an existing benefit.

Mr. President, the Senator's opposition is ill-founded. This provision is prospective in effect and would not deny a benefit to any existing veteran. All—I repeat, all—veterans who were discharged during the year prior to the enactment date of this legislation would retain eligibility for this benefit and would have the full year from date of discharge in which to apply.

With respect to those discharged after the date of enactment, I submit that this provision treats those persons fairly and would make adequate provision for the care of dental conditions that can rationally be considered to have resulted from service without allowing VA health resources to be spent unwisely. I am convinced that we just cannot affort to refuse to make fully justified economies in this area when the funds that could be saved are so badly needed to provide more adequate staffing for sick and disabled veterans—for veterans with service-connected disabilities who will suffer due to inadequate staffing in VA hospitals if the Humphrey amendment is adopted.

Finally, Mr. President, with respect to the provision regarding the furnishing of nonprescription drugs, medicines, and supplies in connection with outpatient care for non-service-connected disabilities, VA witnesses testified before our committee that the routine provision of such products as aspirin, cough syrups, and antacids for minor symptoms represented a considerable expense to the VA health-care system. For example, nonprescription analgesics—primarily aspirin—account for approximately 12.4 percent—nearly $2 million annually—of the nonprescription products presently being provided to veterans receiving outpatient care.

The committee bill would establish new criteria for the provision of outpatient nonprescription drugs, medicines, and supplies for the treatment of non-service-connected disabilities. It would limit the provision of such products for non-service-connected disabilities to veterans who are receiving a pension under section 521 of title 38 or who meet the applicable income standard for receipt of a pension. This is the same financial need criterion that would be applied by the provision in the bill proposing to limit eligibility for beneficiary travel reimbursement of non-service-connected veterans. Thus, a veteran qualifying for one benefit would automatically qualify for the other.

In addition, the committee bill would require the Administrator to establish by regulation the conditions under which nonprescription drugs, medicines, and supplies would be provided to any non-service-connected veteran in order to avoid substantial hardship that would otherwise result from the extraordinary cost to a veteran of obtaining such products commercially.

Mr. President, the Senator from New Hampshire, in the statement made in the CONGRESSIONAL RECORD when he first submitted his amendment on May 22, characterized this provision as a "cruel betrayal" and a "callous action." In making these remarks, the Senator has either forgotten or ignored the fact that, under regulations required by the committee bill, nonprescription products would be provided to any veteran in order to avoid economic hardship. Thus, no veteran would suffer economic hardship as a result of a condition that would require expensive nonprescription products or nonprescription products over an extended period of time. In light of the pressing need to increase staffing levels in the VA health-care system, the moneys presently expended to supply pharmacy items such as aspirin and cough syrup on a routine basis to non-service-connected veterans, could more effectively be used to increase staffing with no reduction in the quality of VA health care; in fact, we believe that the VA's ability to provide quality care would be enhanced.

Mr. President, in closing, let me stress that the Committee on Veterans' Affairs has been receiving increasing numbers of complaints from veterans' organizations, individual veterans, and health professionals employed by the VA regarding serious staffing shortages in VA health-care facilities and the threat posed by such shortages to the quality of care provided by VA facilities. Both the complaints and the threat to the integrity of the VA health-care system are genuine and must be addressed as our highest priority. Our recent effort to assure adequate staffing of VA hospitals through the appropriations process has been an exercise in futility, and I know of no reason to believe—in fact, all indications are to the contrary—that, in the absence of this legislation, any future effort to increase the size of the overall VA budget to accommodate additional staffing needs would be successful.

Thus, I firmly believe that it is essential to take this opportunity to pass a measure that provides a workable solution to the problem of assuring that the staffing needs of the VA health-care system are met.

Mr. President, the Humphrey amendment seems to be based on the premise that Congress has, in the past, been infallible in enacting laws creating veterans' benefits and that, therefore, those laws should never be re-examined, the priorities that they reflect should never be questioned, and that no benefit—no matter how unessential or peripheral to the actual needs of veterans—should be evaluated to determine whether the moneys being spent for it could be put to better use to meet more compelling needs. Mr. President, I reject that premise. In the pending measure, the Committee on Veterans' Affairs and our floor amendment have done precisely what my colleague's premise suggests that it cannot or should not do, it has carefully and clearly identified low priority areas where scarce moneys can be saved and put to far better use to meet a presently critical need.

Therefore, Mr. President, for all those reasons, I urge my colleagues to reject the amendment of the Senator from New Hampshire.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. CRANSTON. Mr. President, before the Senator proceeds, may I ask a question?

A number of Senators asked as to the time when there might be a vote. This morning, some were asking why we voted as early as we did on the earlier amendment. Would the Senator agree by unanimous consent that we set a time of 2:30 for a vote on this amendment?

Mr. HUMPHREY. Certainly. I need, perhaps, another 10 minutes. Unless the distinguished chairman of the Veterans' Affairs Committee intends to proceed further, I will be ready at that point to yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that a vote be held at 2:30 on the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator.

Mr. HUMPHREY. Mr. President, the distinguished Senator from California brought up the point that with regard to the dental benefits which the administration would cut, that this is a prospective provision.

That is quite true. But it is prospective only—only—with regard to the dental provisions. It is retroactive with regard to the transportation provisions and the over-the-counter drugs provision. That is, existing benefits—I repeat, existing benefits—will be taken away.

We are going to be asking those who vote against my amendment, those who vote to uphold the administration to ask needy veterans to tighten their belts. I submit that these needy veterans should be the last group to be asked that.

Again, we are talking about veterans, not about veterans who are fabulously wealthy, not about veterans who have high salaries, but the veterans who use the VA hospital and facilities, who generally speaking, are not that well-to-do. Then can hardly be described as nonneedy.

Once again, the definition of needy is any single veteran making over $3,900; any married couple, any veterans, married or with one dependent, making over $5,100, are defined by the administration as nonneedy.

I certainly reject that definition.

It was mentioned earlier in the discussion that it is a bad principle to rob Peter to pay Paul. I could not agree more. That is why I am opposed to making a deal with the administration, such that if we cut existing benefits they will get something they should have anyway, namely, adequately staffed hospitals.

I am opposed to robbing Peter to pay Paul. I think it is a bad provision. If we do it this year, what request will they have next year, what existing benefits will they want to cut in the name of some other lofty suggestion?

When we begin to make bad deals, we can only expect to be pressed to make other bad deals.

I say by the way of summary, Mr. President, that this is an administration

proposal. It was not offered by any Senator on his own. It was offered on behalf of the administration, and administration which, in my opinion at least, and in the opinion of most veterans groups, has clearly established itself as an anti-veteran administration.

This bill as it stands now, unless my amendment passes, cuts existing benefits, cuts existing existing travel benefits, cuts existing dental benefits, cuts existing benefits that provide over-the-counter drugs to our veterans.

I suggest it is a very bad precedent to make this kind of a bad deal. The burden of these cuts will fall, basically, on the needy, despite the administration's description of them as being non-needy.

I point out once again that every major veterans organization is alarmed at and opposed to this administration proposal and is fully supporting my amendment to restore the benefits that will be cut if my amendment fails.

I think these veterans, Mr. President, see the danger expressed a moment ago in making a bad deal. I think it is only rational to expect next year the administration will be back with another deal, cut these benefits and we will do something else for you, that they ought to do in the first place.

If the distinguished chairman of the Veterans' Affairs Committee is willing, I would like to pose, without losing my right to the floor, two questions to him.

First, I ask the Senator from California, is it not true that a veteran with one dependent, making, say, $6,000, will be losing certain existing transportation benefits?

Mr. CRANSTON. If he had no service-connected disability and was not receiving aid and attendance for a non-service-connected disability, he would then be required simply to pay $4 per trip.

Mr. HUMPHREY. Yes. He would be losing a benefit that presently exists.

Is that not correct?

Mr. CRANSTON. I did not hear that.

Mr. HUMPHREY. A veteran in that category would be losing a transportation reimbursement benefit that presently exists.

Mr. CRANSTON. As to a veteran with a non-service-connected disability, he would be receiving less assistance.

Mr. HUMPHREY. Yes.

Mr. CRANSTON. But the effort here is to insure that veterans with service-connected disabilities do not experience a decline in the quality of their medical care.

The consequence of the Senator's amendment would be exactly that.

So he is choosing to preserve travel subsidies, of a sort, for non-service-connected veterans, with the situation then being that veterans, many of them with serious service-connected disabilities, will not receive the care they need because there would be inadequate staffing in veterans hospitals.

Mr. HUMPHREY. Yes. But——

Mr. CRANSTON. I am glad the Senator said "yes" because that is the consequence.

Mr. HUMPHREY. Yes. The answer, essentially, disregarding the staffing provision, is "yes" the veteran will be losing existing transportation reimbursement provisions.

Not wanting to give my temporary adversary the opportunity to make another speech, I think I will not ask him the second question I had in mind.

Let me state simply, in conclusion, that originally the committee version would have saved approximately $36 million. It will save less now under the amendment adopted some time ago. It will save less than $35 million. I do not know what, but it will save less than $35 million.

That is a lot of money, to be sure. But measured against the budget next year, of what?—$532 billion?—it strikes me we are cutting in the wrong place, that there are tremendous opportunities to limit waste elsewhere.

This is not waste. These are justifiably accorded benefits that ought to be upheld today.

I hope my colleagues will do so by supporting me on my amendment.

If the chairman of the Veterans' Affairs Committee is prepared to yield back his time at this point, I am, also.

Mr. CRANSTON. We are not prepared to yield back our time. We will use the time we have. There are two other amendments before 2:30.

Mr. HUMPHREY. I reserve the remainder of my time.

Mr. President, do I correctly understand that Senator CRANSTON. does not intend to address this amendment further?

Mr. CRANSTON. I do intend to address this amendment further. Senator SIMPSON is about to do so, as will others. When there is nothing more to be said on this amendment, when those favoring it and those opposed to it have said what they wish to say, we can take up other amendments and return to this amendment at 2:30 for the vote.

Mr. HUMPHREY. I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield such time as he may need to the Senator from Wyoming (Mr. SIMPSON).

Mr. SIMPSON. Mr. President, I inform my good colleague from New Hampshire that I am his temporary adversary in this matter, and that I must certainly enter the fray at this particular time.

Let me summarize some of the things I have listened to in the debate and make a comment or two.

I preface these remarks with the statement that I am a veteran and a lifetime member of the VFW. My home post is in the wilds of Cody, Wyo., and I am proud to serve as a member of that body.

I have followed very closely the proposed legislation since it has been presented to the Veterans' Affairs Committee early in my term. I have followed closely the hearings. I have followed closely the memoranda presented, the testimony of veterans, and the testimony of witnesses from the Veterans' Administration. So when I hear the statement that things have been afoot here which would "quietly cut" veterans' benefits, undercut the position of veterans in America, and turn our backs on the veterans of America—those assertions are entirely unfounded.

In the brief review that Senator CRANSTON has so ably provided, we have learned exactly what happened. Very simply staffing funds were diverted from VA hospitals and health care facilities and used to defray costs of pay raises for VA medical personnel. That is what happened—nothing more strange than that, which was bizarre enough.

The adoption of the amendment of the Senator from New Hampshire would be injurious to the service-connected disabled veteran. There is no question about that.

In America, we are blessed with relative wealth, but no unlimited wealth. The thing that is most important and which should not be forgotten is that veterans received more than their share of such wealth and have been given extraordinary consideration by Congress, both past and present, and obviously in the future.

If you were to look at legislation which came out of the 95th Congress, you would have to refer to it as the Congress of the veteran in America. We met every reasonable need expressed by veterans' organizations collectively and by veterans individually.

However, one of the problems that we must now address is the staffing of new Veterans' Administration activations within the constraints of budget necessities. Staffing, for new activations are not now being funded, and that is the issue that we are considering in this bill.

The amendment just adopted provides for reasonable travel benefits for non-service-connected veterans receiving outpatient treatment. There is no question whatever that we take care of our veterans in America. We do that with appropriate medical and allied professional skill. We do it with counseling and employment assistance. And we do it with compassion and with generosity.

All the cost savings provisions that are in this bill, referred to as limitations, would not apply in any way to a veteran who has a compensable service-connected disability. It seems that this consideration is being ignored continually—even, of course, when the care they are receiving is for non-service-connected disabilities.

We come now to the issue of nonprescription drugs. If we observe the testimony of witnesses at the hearings, we find extensive provisions of analgesics, aspirin, antacids, cough syrups, Ace bandages to non-service-connected veterans in an outpatient capacity. It was never intended that the VA provide such a service, and it is at a tremendous cost to this Government.

Look briefly at the issue of dental care. It certainly cannot be said that we do not provide dental care for our veterans in VA facilities. We have more than 1,000 dentists on the payroll of the Federal Government who are employed in Veterans' Administration facilities. We meet every need of the veteran with regard to dental care, up through 12 months after discharge.

In the committee proposal we are reasonably imposing a 180-day minimum service before such treatment will be

provided. Additionally we reasonably require that the veteran apply for such dental treatment within 180 days of discharge. These are not unreasonable limitations. Those who need and require such care will still receive it.

The 180-day active service requirement is consistent with length-of-service criteria for various other types of veterans' care to include GI bill benefits and employment assistance.

Then, of course, we have another requirement that will deny such dental services where the Department of Defense provides such services within 90 days of discharge. In such a situation VA dental care would not be necessary.

It seems to me, as I observe the arena about me, that legislation seems to be a reaction to problems and never a response. There is quite a difference in these two terms. There are always those who will take advantage of a system or a program. There are those who will gimmick the system. That happens in America with great regularity. There is always fraud afoot.

The age of the ripoff is here on every level. Veterans do it. Those in my profession—lawyers—do it. You name the group, and there always will be some who are attempting to take unfair advantage of the system.

The problem is that when we discover such actions, we usually react with punitive legislation. Fortunately, we have not done that in this instance. I think we have compassionately made amendments to correct some abuses in the system. There have been abuses, and we are attempting to correct those abuses and at the same time provide for better health care for our Nation's veterans.

So when we are accused of turning our backs on the plight of the needy veteran in an attempt to generate unwarranted pressures, I think we in America suffer from a disease which I refer to as "compassion fatigue." We all feel compassion, but the pressures of those who would use our compassion to thwart genuine reform serve only to make it more difficult to discern the true needs of our veterans.

However, that is not what has occurred in this bill. We have not turned our backs on the needy veteran, the poor veteran, the veteran below the poverty level. Nor have we turned our back on the service disabled veteran. Such an accusation has a hollow ring when we observe the level of attention that always has been given to our veterans over the course of many, many years in this country, and often with a strain on our financial resources.

So I certainly challenge any statement that would raise a specter of anti-veteran feeling in this body, because I believe that serves only to obscure a debate on the merits of our proposals.

Mr. HUMPHREY. Mr. President, my friend from Wyoming stated in his remarks that the bill as it now stands, absent my amendment, would not be injurious to disabled veterans.

One of the groups most acutely interested in disabled veterans, the Disabled American Veterans organization, as well as the Paralyzed Veterans Organization, disagree.

As a matter of fact, the American Legion disagrees; the VFW disagrees.

The American Legion in a letter to me states:

> We are strongly supporting the Humphrey amendment.

The VFW in a letter to me says:

> However, in the event the Humphrey amendment fails, I urge each and every one of you not to pass this legislation but to return it to the Senate Veterans' Affairs Committee for further study.

In other words, they consider it flawed in its present form, as do I.

Once again, I am not opposed to properly staffing veterans' hospitals. I am very much in favor of it. I think it is dastardly when the administration is refusing to do so and playing tricks with appropriations for this purpose.

But what it comes down to is whether we are willing to make a deal. Are we willing to cut existing veterans' benefits that will in fact impact on needy veterans in order to get something in the way of staffing that the veterans' hospitals should have in the first place?

I feel and the veterans organizations feel that this is a bad precedent to set, that if we accept it in this case, if we accede to it, the administration will be back with similar proposals next year.

So I hope I can conclude by pointing out that the critical issue is whether or not we are going to cut existing veterans' benefits. That is the administration's proposal. They would cut travel benefits to any veteran making, let us say, $6,000 or more. They would cut over-the-counter drug benefits to any veteran making that same princely salary. And they would cut in certain ways an existing dental benefit.

I urge my colleagues and I hope very much they will support me in this. I feel these are unjust cuts. I feel there are much better places to cut Heaven knows, there are much better places. Let us not cut existing benefits to veterans. They deserve them. They earned them. They are better than first-class citizens, in my opinion.

Let me point out once again that I have opposed new programs proposed by veteran organizations. I have voted against them and was one of the few Senators on the Veterans' Affairs Committee to vote against new programs, because I do not think we can afford anything new now for anyone unless we want to go bankrupt.

But I state once again that if we order our priorities properly we can afford to fund existing veteran benefits, and I remind my colleagues once again that these cuts, which are so greatly resented and which would be a bad precedent, will amount in dollars to something less than $35 million.

There are better places to make cuts. These are important benefits, and I urge my colleagues to uphold them.

I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, the Senator from New Hampshire, in arguments in support of his amendment, has, in several respects, inaccurately described the cost-savings provisions of the committee bill as amended by my amendment. I believe it is in my colleagues' interest to explain these provisions in order to correct those inaccuracies so that my colleagues will have a clear understanding of the real issues in this debate.

TRAVEL REIMBURSEMENT

In discussing this provision of the committee bill, as amended earlier today, the Senator from New Hampshire makes the statement that even the poorest veteran would be required to pay the costs of travel to and from VA facilities. However, the Senator ignores the fact that the proposed limitation applies only to veterans who have no service-connected disability. Any service-connected veteran would continue to be eligible for reimbursement of all allowable travel expenses regardless of the status of the condition for which he or she seeks care—that is, even if he or she is seeking care for a non-service-connected disability. All we are proposing is that a veteran with no service-conected disability whatsoever seeking free care in a VA facility pay a fair proportion of the travel costs associated with obtaining free health care. We are not proposing a reduction in a health care benefit for any veteran. In fact, by tying the effectiveness of this proposed limitation on travel expenses reimbursement—a benefit that, by the way, is enjoyed by no other segment of our society, rich or poor—to a substantial increase in the staffing level of the VA health care system, we are enhancing the quality and quantity of health care benefits for all veterans eligible for VA health care.

I also note that, in the Senator's May 30, 1979, "Dear Colleague" letter and May 22, 1979, statement in the RECORD, he stated that the income standard for the financial need test applicable to this provision is $3,550. That simply is not true and the Senator was so advised specifically during the committee's markup of this legislation. As of July 1, the income standard under the current VA pension program will be increased by 9.9 percent. This increase will thus occur 3 months before the earliest date—October 1, 1979—that this provision could go into effect.

I have difficulty understanding why the Senator from New Hampshire made such a misleading statement. Although he used a correct figure today, I have difficulty understanding why the Senator failed to note that the applicable income standards are substantially higher for, among others, veterans with dependents and for those eligible for aid and attendance. Thus, I wish to clarify once again for my colleagues the fact that the income standards would be, for example, $3,902 for a single veteran, and $5,112 for a veteran with one dependent plus $660 more for each additional dependent and that the standard for a single veteran in need of aid and attendance would be $6,243, with similar increases for dependents.

These financial-need tests of the VA pension program are, as I have indicated previously, far more generous than under any other Federal or State need-based income maintenance program.

Based on these explanations of how this provision would operate I very much

hope my colleagues will understand that this beneficiary travel provision is fair and reasonable and will not place an undue burden on any veteran, and that it is far wiser to eliminate unnecessary spending in this area in order to assure more adequate staffing in VA medical facilities.

NONPRESCRIPTION DRUGS

Mr. President, the Senator from New Hampshire (Mr. HUMPHREY) in his "Dear Colleague" letter and May 22, 1979, statement in the RECORD has characterized the provision of the committee bill limiting eligibility for the provision of nonprescription drugs, medicines, and supplies as a "cruel betrayal" and a "callous action."

I wish to say to the Senator from New Hampshire that I resent that language. I have served in this Senate now for over 10 years doing my utmost to see to it that veterans' needs are met in the health care area, where I have had primary responsibility for these more than 10 years, and I am not about to betray cruelly or in any other way the needs of veterans, and I do not believe I have ever advocated any action that is callous to veterans.

I do not believe that the Senator from West Virginia, Senator RANDOLPH, who came to Congress before Franklin Roosevelt entered the White House and who has been a dedicated supporter of veterans through all these years he has been in Congress, has ever been involved in any cruel betrayal of veterans.

I do not believe that Senator STROM THURMOND and I do not believe that Senator ALAN SIMPSON would engage in any cruel betrayal of the true needs of the American veterans. They are their staunchest supporters.

The Senator also referred to a betrayal of trust. I believe that the betrayal of trust is to those wounded veterans from Vietnam and elsewhere, to those with service-connected disabilities lying helpless in veterans' hospitals whose care will be less adequate, and less efficient, whose needs will be less regularly and carefully attended to if we do not have adequate staffing in VA hospitals. They will be the victims of any betrayal if the betrayal exists.

The Senator spoke of breaking faith with those who gave their lives. I do not see the connection between that remark and the fact that we are dealing with aspirin, cough syrup, and travel expenses for non-service-connected veterans. That is the only topic that we were discussing in terms of a cutback unless the Senator's amendment is adopted, in which case there will be a serious cutback in the quality of medical care for service-connected veterans.

The Senator said that he came here intending to be a skinflint in regard to expenditures. Well, I think in that regard it is a matter of establishing priorities, of determining where needs are great and seeing to it that those needs are met first, and the effort by the committee on this legislation is to do exactly that.

I would like to point out again that the Humphrey amendment seems to be based on the premise that the Congress has in the past been infallible in enacting laws creating veterans' benefits.

I have been engaged in the process for 10 years now, and I do not believe we have been infallible. I do not believe that those laws should never be reexamined, that the priorities they reflect should never be questioned.

I do not believe that no benefit, no matter how unessential or peripheral to the actual needs of veterans or how secondary to higher needs, should be reevaluated to determine whether the money being spent for it could be put to better use to meet more compelling needs. I reject that premise. I believe we have a responsibility, as Senator MUSKIE and Senator BELLMON and others have made plain, to be very careful in spending taxpayers' money and in regard to veterans to make sure we meet their priority needs and their service-connected needs first when choices need to be made, and we do have to make a choice at the present time.

In regard to the nonprescription drugs provision, let me say that this provision is designed to continue the provision of any nonprescription product to a veteran with a service-connected disability and to any non-service-connected veteran whose income does not exceed the VA pension income standard—the same financial need test that I have just described. In addition, this provision would require the Administrator to establish by regulation conditions under which nonprescription products would be provided to any other non-service-connected veteran in order to avoid substantial hardship that would otherwise result from the cost to the veteran of purchasing such products commercially. Thus, the only real effect the committee bill as previously modified today would have on the provision of nonprescription products would be that the routine provision of inexpensive nonprescription products for the treatment of minor conditions would be continued just for those veterans with service-connected disabilities and truly needy veterans. Frankly, I cannot see how the failure to provide a non-service-connected veteran whose income exceeds the liberal income standard we have established with an occasional bottle of aspirin or cough syrup could in any way be characterized as a "cruel betrayal" or a "callous action", and I just do not understand that characterization of what we are seeking to accomplish.

The Senator, in his May 30, 1979, letter, and May 22, 1979, CONGRESSIONAL RECORD statement failed to note that this provision has no applicability whatsoever to service-connected care. I do not understand why that point has been ignored.

DENTAL PROVISION

In his CONGRESSIONAL RECORD statement of May 22, 1979, the Senator from New Hampshire characterized as "unfair" the provision of the committee bill limiting eligibility for dental benefits of certain veterans. In describing the provision, the Senator states that it would limit this dental care to 6 months rather than 1 year after a veteran's discharge.

I regret to say that apparently the Senator has badly misinterpreted this provision. It would make little change in the current practice of the VA. In providing dental care to these veterans, under current regulations, such a veteran has 3 years from the date he or she makes application to the VA in which to obtain all dental care that is indicated at the time of application. All that this provision of the committee bill would do is establish as eligibility criteria a minimum period of active-duty service—180 days—and a requirement that the veteran make application within 6 months after the date of discharge. If we are providing expensive dental care for a veteran's service-connected dental conditions—and the VA estimates that the average cost of providing outpatient dental care is $660 per beneficiary—it seems eminently logical to me that we establish parameters within which we can fairly confidently assume that the conditions are, in fact, service-connected; that is, that the veteran's dental conditions quite likely developed or at least were measurably aggravated by his or her active duty service and that we are not providing extensive dental care for conditions that developed after discharge.

Also, as I have previously indicated, this provision would not limit any existing veteran's eligibility for the care involved. It would be applicable only prospectively.

PERSONNEL NEEDS

Further, Mr. President, the Senator from New Hampshire, in his May 22, 1979, CONGRESSIONAL RECORD statement and in his May 30, 1979, Dear Colleague letter, states that the approach taken in the committee bill of tying cost-savings to increased staffing in VA facilities is paradoxical, taking away with one hand and giving with the other, and that we can afford to maintain existing programs even in an era of tight budgets if we order our priorities properly.

Frankly, I find the Senator's statements on this legislation and his actions in committee paradoxical. As the Senator should know, the Committee on Veterans' Affairs and the Congress have attempted to increase staffing levels in VA health-care facilities in order to maintain the quality and quantity of health care delivered in such facilities and we have been frustrated. Faced with the conflicting needs of staying within a tight budget framework and of increasing the staffing ceiling of the VA Department of Medicine and Surgery, the committee determined, as the Senator from New Hampshire has recommended, that we had to try to work within the existing budget level and reorder our priorities by trimming the fat away from some low priority programs in order to find the necessary moneys to support additional personnel. I would stress that under our approach all veterans who use VA facilities would profit from the enhanced quality and quantity of care which would be available in such facilities.

The Senator has alleged that there is clearcut evidence that non-service-con-

nected veterans are being turned away from VA hospitals. To the extent that this is the case, I would submit that, in large measure, it is because VA hospitals do not have the staff to handle the patient demand. The Senator from New Hampshire tells us this morning that he supports additional VA hospital staffing. Yet, if the Senator would recall, he voted against including a recommendation in our March 15, 1979, report to the Budget Committee that funds—$31.5 million—for additional staffing be included in the first concurrent budget resolution. That being the case, I am anxious to learn from the Senator how he recommends that the Congress should address the staffing needs of VA facilities within the current budget framework and, at the same time, maintain existing programs.

In sum, Mr. President, I believe that, if my colleagues understand the equitable nature of the cost-saving provisions of this legislation and appreciate the great importance of providing strong assurance of more adequate staffing in VA health-care programs, they will enthusiastically support the committee bill as earlier modified. For I am convinced, Mr. President, that we in this body can make an important contribution to the VA health-care system today and that we can make that contribution—not by blindly opposing any reasonable efforts to eliminate unnecessary spending in low priority areas—but by rejecting the Humphrey amendment and thus supporting this legislation to protect the integrity of the VA hospital system and to assure its ability to provide quality care.

● Mr. DOLE. Mr. President, I rise in support of Senator HUMPHREY's amendment to delete benefit cutting sections in S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

Mr. President, the committee's action to reduce health care benefits is intended to focus on non-service-connected veterans. However, I strongly suspect these cuts will eventually affect all veterans.

These cuts will affect, for example, the catastrophically disabled veterans who might be paralyzed from battle wounds. Yet this veteran might wish to go to the hospital for a non-service-connected ailment such as pneumonia—and this veteran would be affected by these cuts. Yes, both service and non-service-connected veterans will be harmed by these cuts—these cuts hit hardest at the needy veteran.

Veterans have earned these benefits by their courageous duty to our country. We must not, at this date, start taking these benefits away. Cutting these benefits will work a real hardship on veterans all across this country. Cutting these benefits will have a harmful effect on the health of veterans all across the country.

While these cuts will harm veterans across the board, I want to point out that they will have the additional disastrous consequence of cutting back on non-service-connected care at VA hospitals. Already, we have seen evidence of cutbacks of non-service-connected care. Indeed, many veterans with non-service-connected ailments have been illegally turned away from VA hospitals for necessary and important care. This is plain and simply wrong. The non-service-connected veterans, in many cases, needs the VA hospital system. He does not want to go to the charity ward.

Mr. President, the non-service-connected veterans needs the VA hospitals. This veterans earned VA hospital care. And, I submit, the VA hospital needs the non-service-connected veteran too. As much as 40 to 50 percent of the care given in VA hospitals is given to the non-service-connected veteran. If we start cutting back on these benefits, it will be the first step down the road of eliminating the non-service-connected care from the VA hospitals. And this would be the beginning of the end of the VA hospitals.

Non-service-connected care is essential to the maintenance of a good VA health care system. In order to attract good doctors and nurses, the VA hospitals must provide a variety of health care. The non-service-connected veteran contributes to a well-rounded type of health care facility, a facility which is able to offer many different methods of treatment.

Mr. President, we simply must not start the process of cutting back our non-service-connected veterans benefits. That approach is too dangerous for the veteran and for the VA system.

Reducing benefits on one hand in order to maintain adequate health care on the other does not make sense. Mr. President, this is no way to treat veterans who have given so much to this great country. Veterans have earned both the e benefits and a good health care system.●

Mr. MORGAN. Mr. President, I rise in support of S. 1039 as reported by the Veterans' Affairs Committee and in opposition to the amendment offered by the Senator from New Hampshire.

Mr. President, this was not an easy decision, but I believe it is a necessary one if we are to ensure that adequate staffing is restored and maintained in VA health-care facilities.

Mr. President, as the veterans back in North Carolina know, I have long recognized their right to certain benefits and compensation because of the sacrifices they have made in the service of their country, and I have consistently supported their legislative goals. And, although I realize that some of the Washington-based veterans' organizations disagree with me, I believe that by voting against Senator HUMPHREY's amendment, I am again voting in the best interests of the veterans back home.

Title II of the bill, as reported by the committee, would put some limits on reimbursement for health care services to veterans with non-service-connected disabilities, and apply the money saved to improving staff levels at VA health care facilities. In short, what it would do is to divert limited resources from lower priority services to the crucial need of making sure that we have enough doctors and nurses in the VA hospitals.

To understand why this is necessary one has to review our recent, unsuccessful efforts that VA facilities would have adequate staff. For fiscal year 1979, the Congress appropriated $54.7 million more for VA health care services than the administration asked for. Of this amount, we clearly stated that $32.3 million should be used for additional personnel. This budget increase was needed because new hospitals and clinics had been opened, and the administration was intending to transfer people from existing facilities rather than hiring more.

In December, I became aware of rumors that the administration was going to ask the Congress for permission not to spend the extra health care funds we had appropriated. I immediately wrote the President to express my concern about this. Shortly thereafter I received a response which said that while they had considered asking the Congress for permission not to spend the money, this idea had been rejected.

I thought that was the end of this matter, but I was wrong. On January 25 of this year, VA witnesses testified that the administration intended to use the extra health care funds to pay for the October 1978 pay increase, rather than to hire additional personnel. In fact, they not only used the extra $32.3 million we had given them for additional personnel for pay raises, but also another $65 or so million out of the health care account.

I and a number of other Senators have expressed our concern over this, but to no avail. Meanwhile, the entire VA health care system is in great turmoil, staffing levels are getting dangerously low, and there have been cutbacks in the provision of needed health care services. Right now, the VA is employing 3,273 medical personnel less than is needed. This shortfall will grow to over 6,000 in the next 1½ years if no additional personnel are hired, as the VA intends.

Faced with a deteriorating VA health care system, the Senate had to take some action. Some people suggested that we simply pass a law mandating that the administration hire the additional staff. This was the simplest option, but it ignored the fact that the country is presently undergoing inflation in excess of 10 percent, and that one of the reasons for this is too much Federal spending. The taxpayers of this country are demanding that Federal spending be tightly controlled, and it would be difficult, if not impossible, to pass a bill that would have simply increased the demands on the budget.

So, the Veterans' Affairs Committee decided to try another approach. They undertook a serious review of the VA health care system in order to see if there was any waste that could be eliminated, or if there were services which were clearly of lower priority than making sure the hospitals had enough doctors and nurses. This review led the committee to propose title II of this bill. Title II would tighten up on reimbursement for travel expenses for veterans with non-service-connected disabilities, limit the present practice of providing free nonprescription drugs, such as aspirin, to non-service-connected veterans receiving outpatient care, and end free outpatient dental care for dental problems that cannot be attributed to the veterans' service in the military. However, the VA is prohibited from enforcing the cost savings unless it also hires

the extra medical personnel that are crucially needed.

S. 1039 may not be the perfect solution to the problems facing the VA health care system. But, it is the only reasonable solution that we can enact quickly enough to insure that the VA is still capable of providing needed medical services. By voting for Senator HUMPHREY's amendment we would, in effect, be saying that nothing should be done, that we should allow the VA to continue to provide lower priority services while denying needed treatment to those who have been injured in combat.

Mr. President, in conclusion, I can only say that I am voting against Senator HUMPHREY's amendment because I do not believe it is in the best interests of the veterans of this country.

The PRESIDING OFFICER (Mr. BRADLEY). Who yields time?

Mr. CRANSTON. If there is nothing more to be said on this amendment, I suggest that we proceed to the other amendments.

The PRESIDING OFFICER. Is the Senator asking unanimous consent to set this amendment aside?

Mr. HUMPHREY. I object. I object, Mr. President, for the time being.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 34 minutes and 10 seconds remaining.

Mr. HUMPHREY. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. I regret very much, Mr. President, that the distinguished chairman of the Veterans' Affairs Committee seems to have been offended by the language of my letter. In fact, I do regard these cuts as callous and cruel, but I have no doubt he feels otherwise. I have no doubt that he feels these cuts are justifiable, that we are not breaking our faith.

I am not trying to impugn the character of Senator CRANSTON or any member of the committee, but I do personally regard these cuts as a callous and a cruel betrayal because in fact when you come down to the final analysis we are cutting existing veterans' benefits, and the major veterans' organizations, who are not disinterested in this and spend a great deal of time studying issues such as this, weighing the pros and cons, happen in this case to disagree with the administration and the distinguished chairman of the Veterans' Affairs Committee. They think these benefits ought not to be cut, that we ought not to agree to this deal under which if we cut benefits the administration will do what it should do anyway, namely, properly staff VA hospitals.

I am attempting to ascertain the wishes of the chairman of the Veterans' Affairs Committee, Mr. President, so that we in turn can make some disposition of this amendment.

Mr. CRANSTON. We can either yield back the time we have remaining on this amendment, or we can temporarily lay it aside and take up two other amendments.

The PRESIDING OFFICER. There is an order that this amendment shall not be voted upon until 2:30.

Mr. CRANSTON. Right.

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. If we go on to other amendments, will there be a vote on this amendment at 2:30 sharp?

The PRESIDING OFFICER. Unless the Senate is in a quorum call or voting on another amendment, the vote will be at 2:30 promptly.

Mr. HUMPHREY. Fine. I am willing to yield back the remainder of my time if Senator CRANSTON is.

Mr. CRANSTON. I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from California request that this amendment be temporarily laid aside?

Mr. CRANSTON. No; we will just yield back our time and then go on to other matters.

UP AMENDMENT NO. 263

(Purpose: Directs the Secretary of HEW to perform an epidemiological study of the long-term health effects of exposure to chemicals called "dioxins")

Mr. CRANSTON. Mr. President, on behalf of the Senators from New York (Mr. JAVITS and Mr. MOYNIHAN) and myself, as well as the Senator from Illinois (Mr. PERCY), I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and others, proposes an unprinted amendment numbered 263.

Mr. CRANSTON. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Add at the end of the bill the following new action:

SEC. 304. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects, and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendations as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate Committees of the Congress not later than 30 months after the date of the enactment of this Act.

Mr. CRANSTON. Mr. President, I am happy to join with the Senators from New York and the Senator from Illinois in offering this amendment. I think that the question of possible long-term health effects from human exposure to dioxin needs to be addressed as quickly as possible. As Chairman of the Committee on Veterans' Affairs, I have had an intense interest in the health effects of dioxin exposure, because of the presence of dioxin as a contaminant in "agent orange" and other herbicides used in the Vietnam conflict. Vietnam veterans have made me aware of their concerns about ill health following their exposure to dioxin.

Mr. President, Agent Orange was the military name for an herbicide or defoliant used in Vietnam from 1962 to 1971. It was 50–50 mixture of chemicals "2,4-D" and "2,4,5-T". When 2,4,5-T was manufactured, an unavoidable contaminant called "dioxin" was present. Dioxin is called one of the most toxic materials produced by man. The 2,4,5-T produced during 1965 and 1968, 2 years of heavy Agent Orange use, had high concentrations of dioxin contamination according to a report prepared by the Office of Science and Technology Policy of the White House.

Agent Orange was sprayed from aircraft, helicopters, and on the ground to defoliate areas in Vietnam. When sprayed from aircraft and helicopters ("Operation Ranch Hand"), it was for the purpose of denying jungle cover to the enemy and occasionally for destroying food crops that might be used by the Vietcong. When sprayed by hand, it was used to clear vegetation around bases, and encampments to improve visibility.

Mr. President, 2,4-D and 2,4,5-T have been used alone or in mixtures in this country since the late 1940's to control weeds in lawns and agricultural crops, to control vegetation along rights of way and highways, and, by the Forest Service, to control unwanted plants in national Forests. The levels of dioxin in the 2,4,5-T produced for domestic use in the 25 years of use in this country are not known with any degree of accuracy, and so forth, by the Forest Service for vegetation control and commercially on pasturelands and rice crops. On March 1, 1979, the Environmental Protection Agency announced the first emergency ban in the agency's history—against further domestic use of 2,4,5-T. This action followed an apparent increase in miscarriages among women in an Oregon town after nearby forests were sprayed with 2,4,5-T.

Although massive doses of 2,4-D and 2,4,5-T can produce acute illness, they have generally been considered to be quite safe when used in appropriate amounts. When the contaminant dioxin was present in significant quantities, however, the possibility of acute toxic effects was increased. Long-term toxic effects from dioxin are poorly understood. Because dioxin has been shown to cause birth defects, cancers, and various other disorders in laboratory animals, there is understandable concern that these same problems might be found in humans. The studies needed to answer these questions, however, have either only recently been started or have not been done at all. The limited epidemiologic studies that have been started—Seveso, Italy, and the EPA

study in Oregon that led to the recent ban of 2,4,5-T—are not far enough along to provide reliable information about long-term effects of dioxin exposure. These studies should not be duplicated by the study called for by the amendment.

Concern about the effects of agent orange in Vietnam veterans surfaced 1½ years ago through media focus in Chicago and Portland on the possibility of long-term effects in humans. Approximately 500 claims for service-connected disability have been filed with the VA for such problems as cancer, nervousness, birth defects, and miscarriages. Only those claims for the one proven long-term dioxin effect—a skin condition called "chloracne"—have been allowed. The denial of almost all agent orange claims by the VA is viewed by some Vietnam veterans as suggestions that a deliberate "coverup" of irresponsible action by the Federal Government is being carried out in much the same way as information about adverse health effects from radiation was withheld from nuclear weapons test participants in the 1950's and 1960's—a subject on which the Veterans' Affairs Committee is holding hearings this Wednesday.

In view of these concerns and events on February 7, 1979, I urged the President to begin the larger-scale epidemiologic studies necessary to define the long-term effects of human exposure to dioxin (copy of letter attached). On April 30, 1979, I issued a press release characterizing the VA's efforts to deal with the agent orange question as insufficient, and spelled out the steps I considered necessary to answer the serious questions raised about agent orange exposure. Since then I have been following closely the progress of the Advisory Committee on Health-Related Effects of Herbicides which has been charged by the White House with the responsibility of organizing the epidemiologic studies required to try to answer these difficult questions.

Mr. President, I ask unanimous consent that my February 7, 1979, letter to the President, the March 2, 1979, response from Presidential Assistant Stuart Eizenstat, and my April 30, 1979, press release be printed in the RECORD at this point.

There being on objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
*February 7, 1979.*

HON. JIMMY CARTER,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: I know you share my concern that the chemicals we use may have serious, long-term effects on our health that are unknown. The issue of the long-term effects on humans of the use of herbicides both in this country since the late 1940's and in the Indochina Conflict during the 1960's is of great concern to me. I am writing to you because I believe that a coordinated Federal interagency effort is badly needed to deal with this issue.

I believe that it would be tragic if exposure to herbicides in general and to the herbicide contaminant dioxin in particular had long-term health effects which we permitted to remain unrecognized, thus allowing additional persons to be harmed because of continuing exposure to a toxic substance. There is, as the Veterans' Administration has acknowledged, special cause for concern for the welfare of veterans who were exposed to dioxin, due to its presence in "Agent Orange" and other heribicides, during their service in the conflict in Vietnam; and it would be inexcusable if any resulting harm to them was not discovered because the issue was inadequately studied.

The toxicology of dioxin is not well enough understood at this time to answer questions about the long-term health consequences of exposure to this chemical agent. For example, we do not know whether the finding of long-term toxic effects in animals also applies to humans. We also do not know whether publicity surrounding the "Agent Orange" issue has created needless anxiety and contributed to a number of complaints of psychological origin or whether the publicity has prompted individuals to seek medical care with complaints that are related to dioxin exposure.

I understand there is one long-term study of a group of persons exposed to dioxin in Seveso, Italy, in 1976. I think it critical that additional groups and individuals exposed to dioxin be studied in such a way as to answer some of the questions raised above. There are numbers of persons in the United States who have been exposed to dioxin who should logically be included in such a study. One group, as stressed previously, consists of those service personnel who were exposed to dioxin in the Indochina Conflict in the 1960's. I've been unable to learn of any comprehensive, long-term epidemiological studies underway in this country to follow that group.

Although the Veterans' Administration has established written policies and procedures to start a "registry" of veterans who present themselves to VA medical facilities with complaints which the veteran feels might relate to herbicide exposure. I am concerned that this registry will be far from adequate for purposes of developing scientifically valid and definitive information about the effects of dioxin on our Vietnam veterans. Sound epidemiologic methods certainly require a much more broad-based method of sampling than waiting for those who happen to use VA health-care services to seek care at VA facilities.

Likewise, the VA's recently announced research program to search for traces of dioxin in the body fat of veterans exposed to dioxin in Indochina is not capable of providing complete answers to the questions that are raised. Although I agree that this study may supply "another piece" of the total puzzle, it certainly cannot be considered to be a comprehensive investigation into all the significant, relevant issues.

Thus, I strongly urge that serious consideration be given to starting a major, long-term epidemiologic study of individuals exposed to dioxin. Appropriate epidemiologic methods should be used to select both individuals exposed to dioxin in the Indochina Conflict in the 1960's and persons exposed to dioxin in this country since the 1940's to be followed by such a study. Other federal agencies with some involvement in the issues—the Department of Defense, the Department of Health, Education, and Welfare, the Department of Agriculture, and the Environmental Protection Agency—should participate. The study should span sufficient time to obtain solid background data for determining the long-term health effects of the chemical on humans and the validity of claims against the government relating to dioxin exposure. The study should also look at the effects of publicity on the presentation of complaints relating to possible health problems arising from dioxin exposure.

As Chairman of the Committee on Veterans' Affairs and a member of the Health Subcommittee of the Human Resources Committee, I strongly believe that these issues are of such importance to the people of the United States in general and to Vietnam veterans in particular as to warrant the major, long-term study that I have suggested. I respectfully urge that you give these suggestions your most serious consideration.

With warmest personal regards,

Cordially,

ALAN CRANSTON,
*Chairman.*

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WASHINGTON, D.C.,
*March 2, 1979.*

HON. ALAN CRANSTON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR CRANSTON: On behalf of the President, I would like to thank you for your recent letter regarding the long-term health effects of the herbicide dioxin.

The Administration, and particularly the Veterans Administration, have been aware of the growing anxiety and concern of many Vietnam veterans and others exposed to dioxin. We also share with you the concern over any unnecessary apprehension by the public as well as the need for a greater understanding by the medical community of dioxin's toxicology. I am sure that you are aware of VA's current policy and practice on Agent Orange disability claims. The VA has been working for some time with other appropriate agencies, including the Departments of Defense and Agriculture, the National Academy of Sciences, the Environmental Protection Agency, the National Cancer Institute, the Food and Drug Administration, and the Institute of Environmental Health Sciences, on the dioxin issue.

Recently, the VA Administrator has submitted a formal request for the establishment of an advisory committee on herbicides to the Administrator of the General Services Administration. The advisory committee has been approved and will be established very soon. We expect that during its twelve month mandate the advisory committee will advance recommendations to resolve the complex and compelling questions involved with this issue. Furthermore, we will request that the advisory committee consider, as soon as possible, the need for and feasibility of a major long-term epidemiological study of individuals exposed to dioxin as you have suggested. I will ask my staff to monitor the deliberations of the committee as well as seek the guidance of other appropriate White House staff on the question of undertaking such a study. My staff will be reporting back to you on this matter.

We appreciate your taking the time to share with us your concern over this issue and for forwarding your thoughtful recommendation.

Sincerely yours,

STUART E. EIZENSTAT,
*Assistant to the President for Domestic Affairs and Policy.*

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SENATE COMMITTEE ON VETERANS' AFFAIRS

Senator Alan Cranston (D., Calif.) said today "bureaucratic delay" by the Veterans' Administration is "needlessly adding to the fear and uncertainty" of Vietnam veterans who were exposed to the jungle defoliant called Agent Orange.

Cranston, who is Chairman of the Senate Veterans' Affairs Committee, called on the VA to "move more aggressively to learn the truth about Agent Orange and determine if veterans have legitimate reason for their anxiety."

The defoliant, which was used by U.S. forces in Vietnam in the 1960's, was a mixture of two herbicides, one of which contained a toxic contaminant called dioxin. Dioxin is known to cause birth defects, cancer and various other disorders in laboratory animals.

Cranston noted that the Federal Environ-

mental Protection Agency has ordered a temporary ban on domestic uses of the herbicide 2,4,5-T, which is the dioxin-tainted ingredient in Agent Orange.

The E.P.A. took the action following an increase in miscarriages among women in an Oregon town after nearby forests were sprayed with the weed-killer. Herbicide 2,4,5-T has been used in the U.S. since the 1940's to clear weeds and unwanted foliage from forests and pastures, along rights-of-way and on some home lawns.

"It may be that Vietnam veterans are no more threatened with serious health hazards from dioxin than are some civilians," Cranston said. "The problem is we just don't know for sure."

Meanwhile the Veterans' Administration "is not sending out clear signals," he said.

The VA has announced plans to advise Vietnam veterans of potential dangers from dioxin exposure, Cranston noted. At the same time, because the long-term health effects of exposure to dioxin are unclear, the agency has turned down nearly all of some 500 claims for disability compensation on dioxin-related grounds.

Last February Cranston urged President Carter to initiate a multi-agency, long-range epidemiologic study of the effects of dioxin exposure on veterans and certain civilians. For example, he said valuable information might be obtained from follow-up studies on Forest Service employees who carried out herbicide spraying on federal lands years ago.

"The VA has been given the responsibility to lead this kind of investigation, but the matter has been relegated to an advisory committee," Cranston said. "It could be many more months before committee members are chosen and before they hold their first meeting."

Cranston said the VA has taken some useful action on the Agent Orange question. A registry is being kept of veterans who enter VA health care facilities complaining of what the veteran believes is a dioxin-related ailment. "But the agency is proceeding at too limited and too leisurely a pace," he said. For example, the VA announced, approximately 3 months ago, that it will conduct tests on certain volunteers to determine if dioxin can be stored in body fat.

"This tissue sample study should have been completed months ago—there were plenty of volunteers." "The VA has shown an inexcusable lack of priority for this study," Cranston said.

Mr. CRANSTON. I agree completely with the Senators from New York and the Senator from Illinois that the resources of the Department of Health, Education, and Welfare are the most appropriate ones available for conducting the authoritative epidemiologic study required. I congratulate the senior Senator from New York on his thoughtful treatment of this important question in sponsoring this amendment, thank him for his cooperation with me in developing its provisions, and, as its principal cosponsor, I urge its adoption.

CRANSTON/JAVITS/PERCY AMENDMENTS TO S. 1039

● Mr. JAVITS. Mr. President, I strongly support this amendment to S. 1039 to empower the Secretary of HEW to conduct an epidemiologic study of the health effects of herbicides containing the toxic chemical compound dioxin on populations which may have been at risk of exposure, and to report to the Congress the findings of the study within 2½ years.

There has been much recent furor over the possible health hazards of dioxin contamination. During the period of the Vietnam conflict, until 1970, the U.S. forces in Vietnam used the herbicide commonly known as agent orange containing 2,4,5-T in its defoliation program. In 1969, the U.S. Bionetics Research Laboratory found the dioxin contaminant of agent orange to be teratogenic—causing fetal abnormalities. The U.S. Government withdrew agent orange from Vietnam in 1970, and restricted 2,4,5-T use in the United States to commercial forestry and clearing for right-of-way use. Since the introduction of agent orange, numerous medical complaints have been heard from individuals exposed to dioxins. In 1978 alone, approximately 1,100 persons entered VA hospitals with possible dioxin related ailments, including various forms of cancer, birth defects in children, stillbirths, impotency, psychological, and dermatological disorders.

Such medical complaints have not been heard solely from veterans or their dependents. Earlier this year, the Environmental Protection Agency banned the use of 2,4,5-T for most commercial purposes, after the reports from an EPA-commissioned study produced evidence linking the herbicide with a high incidence of miscarriages in an area of heavy use. Yet, to date, there have been no comprehensive, retrospective studies of the health conditions of human populations which may have been exposed to dioxins. Although the evidence certainly points to a potential hazard to human health of dioxin exposure—the 1976 chemical plant explosion in Seveso, Italy, which contaminated the area and the resultant abnormally high rate of birth defects and skin lesions is but the most recent powerful example—there has been no direct scientific linkage made.

Mr. President, these issues have not gone unnoticed by the Senate. Earlier this year Senator CRANSTON, chairman of the Veterans' Affairs Committee, wrote to Max Cleland, Veterans' Administrator, expressing his deep concern over the medical complaints of veterans exposed to agent orange. So, too, has my friend, senior Senator from Illinois, Senator PERCY, voiced his concern for these veterans and expressed strongly his belief that the Federal Government should make a concerned effort to address the issue of dioxin exposure. The VA has responded by establishing an Advisory Committee on the health-related effects of herbicides, including representatives from the Federal bureaucracy, veterans groups, and the medical and scientific professions. Although the establishment of this Advisory Committee is an important first step, it can only be complementary to a study providing us with evidence of the extent of the exposure problem and the health condition of those exposed to dioxins. Our amendment will mandate such a study to be conducted in the proper context, and its results will enable us to proceed further in developing Federal policy respecting dioxins. I urge approval of this amendment.●

Mr. CRANSTON. Mr. President, I am delighted to ask unanimous consent that the name of the distinguished Senator from Wyoming (Mr. SIMPSON), the ranking Repulican member of the Veterans' Affairs Committee, be added as a cosponsor of the pending amendment.

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

Mr. CRANSTON. If there is nothing more to be said on the amendment, I believe we should proceed to its adoption.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back the remainder of his time?

Mr. SIMPSON. Yes, I would, Mr. President.

The PRESIDING OFFICER. The Senator has some time in opposition.

Mr. SIMPSON. I am a cosponsor of the amendment, Mr. President.

Mr. CRANSTON. It would be ill-becoming the Senator to oppose the amendment under the circumstances.

I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (UP No. 263) of the Senator from California (Mr. CRANSTON).

The amendment was agreed to.

Mr. CRANSTON. Mr. President, pending the arrival of the senior Senator from New Hampshire (Mr. DURKIN), who has an amendment, 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. 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.

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## AUTHORIZATION FOR VICE PRESIDENT TO APPOINT COMMITTEE FOR JOINT SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States be authorized to appoint a committee of the Senate to join a similar committee on the part of the House to escort the President into the Chamber of the House of Representatives later today for the joint session.

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 assistant legislative clerk proceeded to call the roll.

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

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

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## VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The Senate continued with the consideration of S. 1039.

UP AMENDMENT NO. 264

(Purpose: To provide for priority in outpatient VA treatment for veterans of World War I)

Mr. DURKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN), for himself and Mr. STONE, proposes an unprinted amendment numbered 264.

Mr. DURKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . Section 612(1) is amended by inserting at the end thereof the following new clause:

"(5) To any veteran of World War I."

Mr. DURKIN. Mr. President, the amendment which I have sent to the desk will increase medical care to veterans of the First World War by granting them special priority for Veterans' Administration outpatient services and treatment. This move is long overdue.

This amendment offers tremendous benefits to World War I veterans and promises significant cost savings to the Federal Government. Under my amendment, World War I veterans are provided outpatient medical services at $22.90 per day, when appropriate, instead of admitting them to hospitals on an inpatient status, for which they are all eligible under current law, at a cost of $133.68 per day to treat their disabilities as though the medical illness is service connected.

During the last Congress, I worked hard with my colleagues to insure congressional approval of the $800 annual rate increase for World War I veterans under the Pension Improvement Act. The amendment I am offering now is aimed at helping all veterans of the First World War, many of whom receive no pension whatsoever from the Veterans' Administration.

These men, who currently number about 600,000, were never offered many of the advantages which have been available to veterans of subsequent wars, such as employment counseling, readjustment benefits, and GI educational benefits.

The average age of our World War I veterans is 80 years old. These people have earned our help, and need it now.

Specifically, my amendment gives every World War I veteran priority status for receiving Veterans' Administration outpatient treatment and medical care. Its passage will signify a renewed commitment by this Congress to those veterans who served during such a difficult war, and who have too long been neglected. We must take actions on behalf of the health needs of World War I veterans, because these actions are deserved.

It is my understanding the amendment has been cleared on both sides.

I ask that Senator STONE be added as a cosponsor.

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

Mr. CRANSTON. Mr. President, I appreciate the concerns of the Senator from New Hampshire that in many instances it might be more appropriate and cost-effective to provide outpatient care to veterans of World War I in lieu of more costly inpatient care. In my view, his amendment, which would include needy veterans of World War I as the fifth priority for receipt of non-service-connected outpatient care, after care of veterans for service-connected disabilities, veterans who are at least 50-percent disabled, veterans with service-connected disabilities, and veterans with severe non-service-connected disabilities, represents a reasonable approach to addressing the needs of World War I veterans. Although the amendment is not entirely without problems, I think we can resolve any difficulties I might have with the amendment during conference, and, thus, I am willing to accept the Senator's amendment.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I also appreciate the concerns of the Senator from New Hampshire for the health care of the veterans of World War I. This distinguished group of our Nation's veterans are faced with the special health problems associated with the every increasing passage of time alone. They are a group whose diminishing numbers require the dedication of greater health care and domicilliary assets. The health care problems faced by these veterans must be carefully considered by the Veterans' Affairs Committee of the Senate to insure that the entire problem is addressed.

While I believe that this amendment is an appropriate step in providing better health care for the veterans of World War I, I will accept it—and do accept it—with the understanding that it will receive further review during conference consideration.

I thank the Chair.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CRANSTON. I yield back my time.

Mr. DURKIN. I yield back my time.

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

The amendment was agreed to.

Mr. DURKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. DURKIN. I thank the chairman and the ranking minority member of the committee.

Mr. CRANSTON. I thank the Senator from New Hampshire.

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 immediately following the rollcall vote on the Humphrey amendment, we go to a third reading.

The PRESIDING OFFICER. The Chair reminds the Senator from California that the committee substitute must be disposed of prior to third reading.

Mr. CRANSTON. I ask unanimous consent that we dispose of the committee substitute and then go to third reading immediately upon the conclusion of the vote on the Humphrey amendment.

The PRESIDING OFFICER. After the committee substitute is disposed of, if it is agreed to, we will automatically go to third reading.

Mr. CRANSTON. I ask unanimous consent that upon the conclusion of the vote on the Humphrey amendment we go immediately to the committee substitute and then third reading.

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

Mr. CRANSTON. Mr. President, do we still have time pending on the bill?

The PRESIDING OFFICER. The Senator from California has 6 minutes, and the Senator from Wyoming has 27 minutes.

Mr. CRANSTON. I yield back all time except any that may be consumed by quorum calls.

The PRESIDING OFFICER. The Chair points out to the Senator from California that under the precedents, 6 minutes is not enough time to suggest the absence of a quorum. The Senator may yield back the time and then suggest the absence of a quorum.

Mr. CRANSTON. I yield back all my time.

Mr. SIMPSON. Mr. President, I yield back my time.

Mr. CRANSTON. 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.

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## DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed temporarily to the consideration of Calendar No. 208. That measure is scheduled for consideration following the pending measure and vote will not

occur on the Humphrey amendment until 2:30 p.m. So there are 15 minutes that the Senate could utilize in perhaps getting some opening statements out on the Department of Energy bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 673) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980 and fiscal year 1981, and for other purposes,

There being no objection, the Senate proceeded to the consideration of the bill, which had been reported from the Committee on Armed Services with an amendment, and from the Committee on Energy and Natural Resources with amendments.

The amendment of the Committee on Armed Services is to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,428,741,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $196,501,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80–AE–4, Addition to computer facility, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80–AE–5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80–AE–6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80–AE–7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80–AE–8, Advanced size reduction facility, Rock Flats Plant, Golden, Colorado, $10,000,000.

Project 80–AE–9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80–AE–10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80–GPP–1, General plant projects, $25,400,000.

Project 80–PE&D–1, Plant engineering and design, $16,700,000.

Project 71–9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77–11–c, 8'' Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78–16–d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78–16–g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 79–7–b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79–7–c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79–7–l, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79–7–n, Utility system restoration, Y–12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79–7–o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80–AE–2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80–AE–3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80–GPP–1, General plant projects, $15,000,000.

Project 80–PE&D–1, Plant engineering and design, $7,000,000.

Project 77–13–a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78–18–e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79–7–i, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management.

Project 80–GPP–1, General plant projects, $8,880,000.

Project 80–PE&D–1, Plant engineering and design, $21,320,000.

Project 77–13–f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A–E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $108,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related to management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80–PE&D–1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $8,500,000.

(2) For naval reactors development:

Project 80–AE–1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80–GPP–1, General plant projects, $3,300,000.

Capital equipment not related to construction $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all

general plant projects carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectual and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

SEC. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77-13-f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

SEC. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commercial operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as effecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

The amendments of the Committee on Energy and Natural Resources are as follows:

On page 18, line 16, strike "$108,890,000" and insert "$114,890,000";

On page 18, line 20, insert the following:

(4) For Naval Petroleum Reserves, $78,200,000.

On page 19, line 8, strike "$8,500,000" and insert "$15,500,000";

On page 19, beginning with line 9, insert the following:

Project 75-3-b High energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000, for a total project authorization of $62,500,000.

The amendment of the Committee on Energy and Natural Resources are as follows:

That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATION EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,428,741,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $196,501,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80-AE-4, Addition to computer facilities, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80-AE-5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80-AE-6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80-AE-7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80-AE-8, Advanced size reduction facility, Rocky Flats Plant, Golden, Colorado, $10,000,000.

Project 80-AE-9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80-AE-10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80-GPP-1, General plant projects, $25,400,000.

Project 80-PE&D-1, Plant engineering and design, $16,700,000.

Project 71-9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77-11-c, 8'' Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78-16-d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78-16-g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 79-7-b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79-7-c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79-7-l, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79-7-n, Utility system restoration, Y-12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79-7-o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80-AE-2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80-AE-3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80-GPP-1, General plant projects, $15,000,000.

Project 80-PE&D-1, Plant engineering and design, $7,000,000.

Project 77-13-a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an ad-

ditional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78-18-e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79-7-i, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management:

Project 80-GPP-1, General plant projects, $8,880,000.

Project 80-PE&D-1, Plant engineering and design, $21,320,000.

Project 77-13-f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A-E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $114,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

(4) For Naval Petroleum Reserves, $78,200,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment, not related to construction, and related management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80-PE&D-1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $15,500,000.

Project 75-3-b, High energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000, for a total project authorization of $62,500,000.

(2) For naval reactors development:

Project 80-AE-1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80-GPP-1, General plant projects, $3,300,000.

Capital equipment not related to construction, $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant projects carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectual and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

SEC. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77-13-f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

SEC. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commerical operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as affecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, the bill before the Senate, S. 673, authorizes appropriations for the research, development, production, maintenance, and retirement of nuclear weapons. Allied programs, involving inertial confinement fusion, naval reactors development, and security and safeguards, are also included.

The majority of the programs included in this bill are under the jurisdiction of the Committee on Armed Services; however, several programs have potential civilian application and are, therefore, jointly reviewed by the Committees on Armed Services and Energy and Natural Resources.

I should emphasize that in the development and production of nuclear weapons, the Department of Energy acts as a "contractor" for the Defense Department. The Defense Department defines its nuclear weapons requirements—necessary scheduling as well as weapon characteristics—and the Energy Department produces the nuclear weapons to meet those requirements. The bill before us authorizes the appropriations necessary to meet those production schedules.

The administration requested new budget authority for these programs in the amount of $3,053,988,000. Recommendations by the Armed Services Committee reduced that request by about $85,000,000 to $2,968,798,000. Recommendations by the Committee on Energy and Natural Resources would increase the Armed Services Committee total by $18,300,000. The resultant figure for new authority is well below the President's request.

Never has the production of nuclear weapons been more important. On the eve of the debate on the SALT II Treaty, it is painfully obvious that we must maintain a credible, reliable nuclear deterrent. Only such a deterrent force can forestall the unthinkable prospect of nuclear war. Notwithstanding the necessity to maintain a credible nuclear deterrent, there are a few impressions held by the general public that need to be corrected:

First, the number of nuclear weapons in the inventory is not increasing significantly—basically we are bringing new weapons into the inventory at about the same rate that we are decommissioning and dismantling old, obsolete weapons.

Second, the total yield in our stockpile is going down; as accuracy improves, equivalent damage can be assured at lower yield levels.

Finally, the weapons that are being produced today are being optimized for reliability and safety. These nuclear weapons are more capable and, therefore, more effective as deterrents. Furthermore, improved protective features being designed and built into today's weapons virtually eliminate the danger of accidental or unauthorized detonations.

The committee report highlights several areas of special concern. Let me elaborate on two of those concerns.

One of the unique national assets available to this country is the system of three research and development laboratories that do the developmental work on nuclear weapons. Since the early 1950's Los Alamos, Lawrence Livermore, and Sandia Laboratories have kept this country well out in front of its potential adversaries in nuclear weapons technology. I often reflect on the foresight and good judgment of the creators of these laboratories who perceived the desirability of friendly competition that exists and has existed between Los Alamos and Livermore

After all, where else would you find a knowledgeable, qualified expert to critically assess a nuclear weapon R. & D. effort if you did not have a competing laboratory? Unfortunately, these laboratories (which, by the way, contribute heavily in research areas other than nuclear weapons) are coming under increasing pressure from antinuclear interests. The contractural arrangements between Los Alamos and Livermore and the University of California, that have functioned so effectively since the laboratories were founded, seem to be coming apart—largely the result of antinuclear pressures and California politics. I am disturbed to see this situation develop—but one thing should be made absolutely clear. These laboratories are a national asset—they do not "belong" to a university, a State, or a region.

If the contractural arrangement with the University of California proves to be unsatisfactory, then the Energy Department and the administration should act rapidly to find a new contractor or set up a new procedure for administering the laboratories. Should it become necessary, the Congress will have to legislate another arrangement for these laboratories. The capability provided by these labs is the cornerstone on which our national security is built. We cannot let that capability be diluted.

My second concern involves the recent rash of attempts to print nuclear weapons secrets in open publications. I cannot comprehend the rationale that leads some to suggest that making public nuclear secrets is in the national interest. I am specifically referring to the Moreland article that the Progressive magazine is seeking to print. According to knowledgeable people in the nuclear business, the information in that article could reduce by up to 5 years the time necessary for a potential nuclear state to produce a fusion weapon. I do not know how accurate that assessment is, but if, by its publication, the article contributes to nuclear proliferation, it would violate the provisions of the Atomic Energy Act. I applaud the action of the administration and the courts to date on this issue. I sincerely hope that the provisions of the Atomic Energy Act will be strictly enforced.

Mr. President, I am confident that we bring to the Senate a good bill and I urge its favorable consideration.

Mr. President, there is agreement on both sides. The action here by the committee was unanimous.

I yield to my distinguished friend from Texas, Mr. TOWER.

Mr. TOWER. Mr. President, I thank my distinguished colleague from Washington.

Mr. President, when the Joint Committee on Atomic Energy was abolished on February 4, 1977, in accordance with Senate Resolution 4, its responsibilities were divided between the Armed Services Committee and the Energy Committee. This legislation, S. 673, dealing with the military applications of atomic energy has been referred jointly to these two committees. A companion bill, S. 688, deals with the civilian use of atomic energy and was referred only to the Energy Committee.

Title I of S. 673 deals with weapons activities, verification and control technology, materials production, and defense waste management. For these purposes the committee recommended $2.5 billion, or about $80 million less than the President requested.

Title II of the bill deals with inertial confinement fusion, naval reactor development, security and safeguards, and naval petroleum reserves, and was jointly referred. The combined recommendations for these items totaled $540 million.

Recognizing the importance of our nuclear weapons programs, in this age of the Soviet strategic arms buildup, and efforts at strategic arms limitations, the committee took a particularly close look at the weapons activities of the Department of Energy.

The recommendation of the committee includes authorization for the delivery of five nuclear weapons—the W-78 Minuteman III, the W-7 Trident, and the W-20-3 Lance missile warheads and two bombs—the B-61-3 and B-61-4. Predelivery production expenditures are also authorized for the W-80-1 air-launched cruise missile, the W-84 ground-launched cruise missile, the W-79 8-inch artillery projectile, and the B-83 modern strategic bomb.

The committee also examined the development of new or modified warheads for follow-on strategic and tactical nuclear weapons systems anticipated in the 1980's. For example, the fiscal year 1980 recommendation will include research and development programs related to the W-79 8-inch artillery round, the W-80 air-launched cruise missile warhead, the W-84 ground-launched cruise missile warhead, and the B-83 strategic bomb, along with other programs.

Also, requirements related to the MX missile, the Trident II SLBM, the advanced strategic air-launched missile, and the Pershing II missile are anticipated.

Over the last several years, this committee has carefully examined the development of enhanced radiation (ER)/neutron warheads for the W-70-3 Lance missile and the W-79 8-inch artillery projectile. In last year's fiscal year 1979 report, the committee recommended that enhanced radiation components for these warheads "be procured and made ready for contingency deployment." The committee made this recommendation based on the assumption supported by testimony that procurement of these components would permit rapid deployment of ER weapons to Europe if required.

However, in this year's hearings, the committee has learned that ER components being produced will not be ready for contingency deployment. Because of the lengthy delay involved, the committee wonders if production of ER components is providing us with any timely ER capability at all. For that reason, the committee has requested the Department of Defense and the Department of Energy to review this situation and provide a joint report on deployment schedules under various production options.

Because of its belief in the need for an ER capability, the committee requested a report from the Department

of Defense last year on the timing of a final decision on production and deployment of ER weapons. The report received was considered by this committee to be unresponsive. Speaking for the administration, Deputy Secretary of Defense Duncan reiterated the remarks by the President on April 7, 1978, I quote:

> The ultimate decision regarding the incorporation of enhanced radiation features into our modernized battlefield weapons will be made later and will be influenced by the degree to which the Soviet Union shows restraint in its arms programs and force deployments affecting the security of the United States and western Europe.

Duncan concluded:

> The Administration has not yet reached a judgment regarding Soviet restraint nor is there a specific timetable for doing so.

Because this response gives the committee no better information than it had a year ago, on the timing and criteria for an "ultimate decision," the committee has renewed its request of the Secretary of Defense for a responsive report on that subject.

The committee remains committed to weapons design and deployment philosophies which stress effectiveness, reliability, safety and security. Our budget recommendations provide funding for the surveillance and maintenance of existing stockpile weapons for the development of fail-safe systems to prevent accidental detonation or tampering and upgrading equipment associated with the nuclear weapons complex. Overall, the committee recommended $1.7 billion for weapons activities, about $20 million more than the budget request.

In recent years, the United States has conducted a restrained but steady nuclear weapons testing program. However, the authorization request for fiscal year 1980 is significantly lower than the request for fiscal year 1979. This reduction is the result of budgetary constraints and the assumption that a comprehensive test ban treaty is near and would cut short any programs underway. The committee believes that certain warhead options being considered for M-X and Trident should not yet be foreclosed. It believes that nuclear weapons testing should continue at a sustained level until such testing is limited by actual international agreement. For that reason, the committee restored funding for the fiscal year 1980 nuclear weapons testing program back to the fiscal year 1979 level.

The committee's decision to maintain the level of nuclear weapons testing should not be viewed as a premature judgment on the merits of a comprehensive test ban treaty. However, the committee has sought, in its recommendations, to address two of the problems associated with a comprehensive test ban treaty; namely, verification and the reliability of the nuclear weapons stockpile. The fiscal year 1980 verification program includes the demonstration of the technical feasibility of a regional seismic detection system and includes the production of certain "National Seismic Stations" which might be deployed in conjunction with a comprehensive test ban treaty.

Satellite sensors designed to detect nuclear explosions in the atmosphere are also being funded. Thus, the committee recommends taking the first steps toward producing the actual hardware which would be necessary to help detect Soviet nuclear tests which might be limited or banned under possible test ban treaties. I should note that in its fiscal year 1979 supplemental authorization bill, the committee also gave its support to research in this area by the Defense Advanced Research Projects Agency.

With respect to maintaining the reliability of the nuclear weapons stockpile, conducting a sustained level of nuclear weapons testing now should assist in evaluating and maintaining the reliability of our nuclear weapons stockpile under a comprehensive test ban. Also, it should help to maintain the expertise necessary to evaluate and correct reliability problems in our nuclear weapons during a comprehensive test ban.

The committee believes that a strong technological base related to nuclear weapons physics and related technologies is vital to our national security. The committee is concerned about the declining emphasis on defense programs at our Nation's nuclear weapons laboratories. Since 1970, funding for defense R. & D. has been reduced by about 20 percent in real terms and manpower has been reduced nearly 25 percent.

At Lawrence Livermore Laboratory and Los Alamos Laboratory, only about half of the workload is for defense programs. The committee has taken no action to redirect the nondefense activities at the nuclear weapons labs, but it has served notice that it will watch this development carefully. The committee did, however, add $7.5 million to increase, by 50 man-years at each laboratory, the amount of effort being devoted to basic nuclear weapons research. The committee was concerned that budget restraints were impinging too severely on the vital intellectual center of our nuclear weapons sciences.

The DOE military applications authorization bill provides not only for the design and procurement of nuclear weapons but also for the security and safeguard of those weapons and for the disposal of nuclear wastes created by defense programs. This bill, S. 673, provides funding for physical security technologies and nuclear materials management technologies which will prevent the unauthorized acquisition and use of nuclear materials. This program also provides technical data for international safeguard programs.

Inevitably, defense nuclear programs produce transuranic and other high-level radioactive wastes for which safe disposal is required. Acceleration of the transfer of existing high-level wastes to new facilities will be accelerated under the fiscal year 1980 budget.

In particular, the committee supports the original objective of the Waste Isolation Pilot Plant (WIPP) program in New Mexico. WIPP began as a demonstration project to store nuclear wastes created by defense nuclear weapons programs. More recently, the program was expanded to include storage of civilian reactor wastes, a proposal which has generated much local controversy.

The committee believes that the Department of Energy should take into account the legitimate concerns of the State of New Mexico. Nevertheless, the committee has recommended that the WIPP project be redirected to its original objectives, and that the focus should be on the long-term storage of defense nuclear waste only. This should reduce many of the concerns of the people of New Mexico, while at the same time facilitating this project so important to our national security.

In S. 673, the committee continued its support for the inertial confinement fusion programs which provide some important spinoff for nuclear weapons technology, even as it offers future energy production possibilities. In S. 673, the committee also continued its strong support for our naval reactor development program. The amount requested for that program was approved.

On a related issue, I would like to insert the following remarks from my colleague, Senator WILLIAM COHEN of Maine:

> I would like to express my continued concern over the progress of the government's efforts to fully investigate the problem of low-level radiation for federal workers. My constitutents working at the Portsmouth Naval Shipyard and workers at other installations across the country have heard reports that the radiation exposure may constitute a health hazard and they have patiently been awaiting definitive information based on thorough research. As I have said in various hearings at which this situation has been discussed, I am not satisfied that the government is doing all it can, as expeditiously as at can, to provide the real answers that are needed. It is critical that the workers at Portsmouth and their counterparts be given the facts, so that unnecessary fears can be allayed and so that they know just where they stand. DOE has, I know, undertaken the study through Johns Hopkins University which appears to be perhaps the most complete to be initiated to date. With plans for combining various research efforts under one umbrella, I continue to seek assurances that there will be no delays and that quality research efforts will provide some answers at the earliest point possible under the highest scientific standards and controls.

I simply want to associate myself with the remarks of my distinguished colleague, Senator JACKSON, and note that, in summary, the committee recommended $2.9 billion for the Department of Energy military application authorization or $85 million less than the President requested. However, our recommendations were based upon careful policy and management judgments and I believe our overall recommendations enhance and strengthen our defense nuclear programs. I urge all of my colleagues to join in support of S. 673 as reported by the Senate Armed Services Committee.

Mr. JACKSON. Mr. President, as previously mentioned, the Committee on Energy and Natural Resources had joint

referral of title II, which includes four defense-related programs with potential civilian applications—the Nuclear Materials Security and Safeguards, Inertial Confinement Fusion, Naval Reactor Development programs, and Naval Petroleum Reserves.

The Committee on Energy and Natural Resources held hearings on the budget request for these programs, and recommended four amendments to the amendment in the nature of a substitute reported by the Senate Armed Services Committee. The Energy Committee recommended amendments were as follows:

On page 18, line 22, strike the figure "$108,980,000," and insert "$114,890,000."

On page 19, line 1, insert "(D) For Naval Petroleum Reserves, $78,200,000."

On page 19, line 13, strike the figure "$8,500,000" and insert "$15,500,000."

On page 19, lines 14 through 17, insert the following:

Project 75-3-b, High Energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000 for a total project authorization of $62,500,000;

The first amendment pertains to the initial confinement fusion program funds for operating expenses. The Committee on Energy and Natural Resources recommended an increase in the authorization for operating expenses by $6 million for activities which may lead to the perfection of laser fusion as an energy source. Of this amount $5.5 million is intended for additional expenses associated with operating a 12 terawatt National Laser Users Facility. The remaining $0.5 million is for increased operating funds for industrial activities involving upgrading an existing laser to the 4 terawatt level.

By adopting the third amendment, the committee increased the authorization for capital equipment not related to construction by $7 million for laser fusion activities. Of the increase $2.5 million is for equipment needed to improve diagnostic and data collection capabilities at the 12 terawatt National Laser Users Facility. An additional $4.5 million is intended for capital equipment procurement needed to upgrade an existing industrial laser system to the 4 terawatt level and to procure additional diagnostic equipment necessary to interpret experiments.

The committee also expressed its continued support for the on-going activities in the initial confinement fusion program at the national laboratories and other research centers as provided for in the President's budget. By its action to increase the funding for energy-related activities, the committee is not suggesting that a reallocation of funds within the program should be made if additional funds are not appropriated for these purposes.

The committee in its fourth amendment merely approved the additional authorization of $8,000,000 requested in the budget submitted to the Congress for project 75-3-b, high energy laser facility, Los Alamos Scientific Laboratory, N. Mex. The increased authorization would provide for the current total estimated cost of $62.5 million even though the appropriations for the Project including the fiscal year 1980 request do not exceed the existing statutory authorization level.

Because the existing authorization is sufficient to provide for the additional appropriation in the fiscal year 1980 request, the Committee on Energy and Natural Resources is willing to accede to the Armed Services Committee position that no increased authorization is necessary this fiscal year. However, this agreement is not to be construed as a lack of commitment to completion of project 75-3-b. When additional authorization is requested, then the committee expects to approve it.

In its second amendment the committee approved an increase of $5,300,000 for the authorization for the Naval Petroleum Reserves. This increase from $72,900,000 to $78,200,000 will allow continuation of the hydrocarbon exploration program at Naval Petroleum Reserves No. 1 and No. 2 in both the Stevens and Carneros zones. The committee wishes to point out that the exploratory drilling has added, to date, 25,000,000 barrels of additional oil reserves. By adopting this amendment the Committee rejected the idea inherent in the budget request that the search for oil and gas on the Naval Petroleum Reserves (NPR) be terminated. However, the Senate Armed Services Committee deleted funding for the NPR program with the explicit objective of enacting legislation, H.R. 3354 to provide direction to the NPR program.

As chairman of the Committee on Energy and Natural Resources, I have written to the chairman of the Committee on Armed Services and asked for rereferral of H.R. 3354 when it is reported from that committee. With the prospect of enacting separate legislation, the Committee on Energy and Natural Resources will accede to the recommendation to delete the NPR program funding from this bill.

While the committee did not recommend changes in the budget request for the naval reactor development or nuclear materials security and safeguards program, the committee noted that last year it had recommended initiation of a program for training foreign nationals in safeguards techniques using existing facilities, such as the Barnwell Nuclear Fuel Plant to carry out section 202 of Public Law 95-242. To date, the DOE has not followed that committee directive. The committee strongly reiterated its intent that the DOE implement a pilot project at the Barnwell Plant in safeguards training, utilizing the safeguards systems developed with the fiscal year 1979 program funding. In fact, such a training program could still be initiated with available funding in fiscal year 1979 to lay the groundwork for a fiscal year 1980 program.

Mr. JACKSON. Mr. President, I yield to the distinguished senior Senator from Idaho to offer an amendment.

The PRESIDING OFFICER. Floor amendments are not in order.

Mr. JACKSON. Mr. President, I ask unanimous consent that the amendment of the Committee on Armed Services in the nature of a substitute, and the two amendments of the Committee on Energy and Natural Resources on page 18, line 16, and on page 19, line 8, be agreed to and that the amendments as agreed to be considered as original text of the bill for purposes of further amendment, and that the other amendments of the Committee on Energy and Natural Resources be rejected.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there objection? The Chair hears none, and it is so ordered.

Mr. JACKSON. Mr. President, I yield to the senior Senator from Idaho.

UP AMENDMENT NO. 265

Mr. CHURCH. Mr. President, I thank my good friend, the Senator from Washington, very much for yielding.

I send to the desk an unprinted amendment and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 265:

On page 13, line 22, strike "$196,501,000" and insert in lieu thereof "$216,501,000".

Mr. CHURCH. Mr. President, this amendment deals with the defense waste management program, which is an area of great importance to those States in which nuclear waste from the defense programs are currently stored. These wastes have been stored in temporary and interim facilities since the beginning of the defense nuclear programs. We still today do not have permanent solutions in hand for disposing of these hazardous materials. For instance, in Idaho we have stored vast amounts of transuranic waste from the nuclear weapons program over the largest aquifer in the State. The waters from this aquifer are used for irrigation purposes and actually feed the waters of the Snake River which is so important to the overall economy of the State of Idaho. For more than 10 years, the Atomic Energy Commission, the Energy Research and Development Administration, and now the Department of Energy have made promises to the people of the State of Idaho that these wastes would be removed. It is crucial to fulfilling this promise that the nuclear waste activities for defense programs be maintained at an adequate level.

There are also activities at the Hanford Reservation in the State of Washington and at the Savannah River Reservation in South Carolina which, as I am sure the senior Senator from Washington fully agrees, need immediate and on-going attention. There is an opportunity, with additional funds in the defense waste management program, to improve the status of existing waste storage and move toward permanent waste storage repositories.

I certainly do not mean by this amendment to be critical of the Senate Armed Services Committee for the reductions in the budget request which they have recommended to the Senate. In this year of tight budgets and the need to reign in excessive government spending, I heartily concur in the need for economy and strong justification for the use of funds where programs are

growing. However, the urgency of the nuclear waste management problem in the mind of the American public is such that if we are in err in funding for the defense waste management program, then I would hope that we would err on the side of being too aggressive. We must solve problems in the interim-storage, long-term storage, and transportation areas which cannot be achieved without adequate funding. In particular, if we succeed in convincing the House of Representatives to continue the waste isolation pilot project (WIPP) in New Mexico, then we need to accelerate activities such as the Slagging Pyrolysis Incinerator Facility at the Idaho National Engineering Laboratory and to develop the transportation system for moving the wastes from Idaho to WIPP.

For these reasons, I am offering an amendment to restore $20 million of the $53.3 million reduction in the administration's request to Congress for operating expenses associated with the defense waste management program.

Mr. JACKSON. Mr. President, I support this amendment. The original budget submission for defense waste management was $347 million. That has been cut substantially in the Senate Armed Services Committee and even more in action taken by the House Armed Services Committee. This increase offered by Senator CHURCH will give us a better posture in conference. It is needed, and I support it.

Mr. CHURCH. I thank the Senator very much, and I move the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. JACKSON. I yield back my time.

Mr. CHURCH. I yield back my time.

Mr. TOWER. I associate myself with the Senator from Washington in accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 266

(Purpose: To increase the authorization for funds for weapons activities testing by $12,800,000 and authorization for funds for steam plant improvements at Oak Ridge, Tennessee, by $15,500,000)

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 266.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 13, line 18, strike out "$1,428,741,000" and insert in lieu thereof "$1,441,541,000".

On page 15, between lines 19 and 20, insert the following:

Project 78-18-d, steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, an additional sum of $15,500,000, for a total project authorization of $25,500,000.

Mr. JACKSON. Mr. President, after the Committee on Armed Services had ordered this bill reported, a request was received from the administration for supplemental authorization for two items in the fiscal year 1979 Department of Energy National Defense Programs Act. I ask unanimous consent that a copy of that request be placed in the RECORD at the conclusion of my statement on this amendment.

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

(See exhibit 1.)

Mr. JACKSON. On June 6, 1979, the Armed Services Committee discussed this proposed fiscal year 1979 supplemental request and unanimously voted to add the items as a committee amendment to the pending measure.

As I mentioned, the request involves two items. First, there is an increase of $12.8 million to permit the Department of Energy to do two additional nuclear weapons tests. Second, there is an increase of $15.5 million to install air pollution equipment at the central steam plant in Oak Ridge, Tenn. Details of the request are in the administration's letter which I have made a part of the RECORD. The total addition of $28.3 million still leaves the bill about $44 million under the President's request.

Mr. President, I move the adoption of the amendment.

EXHIBIT 1

DEPARTMENT OF ENERGY,
*Washington, D.C., May 17, 1979.*

Hon. WALTER F. MONDALE,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: I am transmitting herewith a draft bill prepared by the Department of Energy (DOE). Also enclosed is a section-by-section analysis of the draft bill.

The bill would amend Public Law 95-509, the FY1979 authorization for appropriations for DOE's national security programs, in two respects. Section 101 would amend section 101 of Public Law 95-509 to increase the authorization for appropriations for Weapons Activities testing by $12.8 million, as requested in the President's letter to you dated March 27, 1979. Section 102 would amend section 103(13) of Public Law 95-509 to increase by $15.5 million the funding authorization for steam plant improvements at DOE's Y-12 Plant in Oak Ridge, Tennessee. $8.5 million of this item was included in the Department's FY 1979 Supplemental Request to the Congress, January 1979, at pages 0003-0010 under the hearing of Project 78-17-d. An additional $7 million is required in future years. Further details on the amendments are provided in the section-by-section analysis.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

JAMES R. SCHLESINGER,
*Secretary.*

Enclosures.

DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY SUPPLEMENTAL AUTHORIZATION ACT OF 1979

A bill to amend Public Law 95-509 to increase the authorization for appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States in Congress assembled,* That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Supplemental Authorization Act of 1979."

TITLE I—NATIONAL SECURITY PROGRAMS

SEC. 101. Section 101 of Public Law 95-509 is amended by the revision of subsection (1) as follows:

"(1) For Weapons Activities, $1,249,994,000;".

ADDITIONAL AUTHORIZATIONS FOR PREVIOUSLY AUTHORIZED PROJECTS

SEC. 102. Section 103 of Public Law 95-509 is amended by the revision of subsection (13), as it first appears in section 103, as follows:

"(13) For project 78-17-d, steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, $22,500,000; for a total authorization of $25,500,000."

FISCAL YEAR 1979 DOE SUPPLEMENTAL AUTHORIZATION FOR NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY

SECTION-BY-SECTION ANALYSIS

SEC. 101. This provision would increase the Fiscal Year 1979 authorization for appropriations for operating expenses for Weapons Activities by $12,800,000 for additional testing, as shown in the following table:

| | Current authorization | Amended authorization | Amendment |
|---|---|---|---|
| WEAPONS ACTIVITIES | | | |
| Research and development | $374,694,000 | $374,694,000 | |
| Testing | 210,000,000 | 222,800,000 | +$12,800,000 |
| Production and surveillance | 652,500,000 | 652,500,000 | |
| Total | 1,237,194,000 | 1,249,994,000 | +12,800,000 |

Early in FY 1979 special studies were initiated by both the Department of Defense and the Department of Energy on the adequacy of nuclear stockpile performance testing in view of a possible near-term comprehensive test ban. These studies have resulted in the identification of an additional requirement for weapons testing activities totaling $12.8 million. More specifically, this would provide for underground tests of the Minuteman III (W-78) warhead and the Poseidon (W-68) warhead to be proof tested as soon as possible in light of the importance of maintaining a high credibility for strategic systems during a test ban period and the possibility of a long period during which problems with these weapons could not be resolved by testing.

SEC. 102. This provision would authorize additional appropriations of $15,500,000 for project 78-17-d, Steam Plant Improvements, Y-12 Plant, Oak Ridge, Tennessee. The scope of the project would be increased in order to meet particulate emission standards in accordance with Public Law 95-95, the Clean Air Act Amendments of 1977. The total estimated cost of this project is increased from $10,000,000 to $25,000,000 to provide for the procurement and installation of emisison control devices to meet the aforementioned standards.

Public Law 95-95 established a mandatory date of July 1, 1979, for compliance with the

Clean Air Act requirements and provides for fines up to $25,000 per day for noncompliant facilities. Tests on the Y-12 steam plant boilers have documented that the boilers are noncompliant and the Oak Ridge Operations Office has been cited by the Environmental Protection Agency for noncompliance. It is impossible to achieve compliance by July 1, 1979. However, the requested amended authorization and supplemental appropriation will permit the Department of Energy to proceed on a schedule that will bring the plant into compliance.

The PRESIDING OFFICER. The hour of 2:30 having arrived——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the vote be delayed, if it is agreeable to the manager, Mr. CRANSTON, that the vote be delayed 5 minutes. The managers of the now-pending measures say they can complete action thereon in 5 minutes.

Mr. CRANSTON. I have no objection.

ORDER FOR YEAS AND NAYS ON UP AMENDMENT NO. 206 TO S. 1039

Mr. HUMPHREY. Mr. President, reserving the right to object, I will not object, but I would like to be assured that I will have the opportunity to ask for the yeas and nays, and that I do not have to do it now.

The PRESIDING OFFICER. The Senator will have that right.

Mr. HUMPHREY. Shall I do that now?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from New Hampshire may request the yeas and nays on his amendment at this point.

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

Mr. HUMPHREY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I yield back the remainder of my time on the amendment.

Mr. TOWER. Mr. President, I yield back my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. UP 266) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I know of no further amendments. I think we can go to third reading.

Mr. TOWER. Mr. President, let us go to third reading; then I have another comment I would like to make.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 673) was ordered to be engrossed for a third reading, and was read the third time.

Mr. TOWER. Mr. President, I think this is an appropriate time, while the Senator from Washington is on the floor, for me to say that I think he has made a very constructive contribution to the SALT debate in the things that he has said in recent days. Some have labeled his comments as being somewhat strident; however, I do not find them so.

The SALT debate is an adversary proceeding; the proponents of the Strategic Arms Limitation Treaty have made it an adversary proceeding by suggesting that those who oppose it might be warmongers, or might be somewhat less than concerned with keeping the peace in this world.

If in fact we have made important concessions, if we have either wittingly or unwittingly engaged in appeasement, we may very well have created a situation in which SALT II war would be more likely and not less likely. It occurs to me that history is replete with examples of instances when nations have appeased potential aggressors only to find themselves at war later on. If indeed the United States should wind up in a position of measurability conferred to the Soviet Union as a result of this tradeoff, I suggest that the Soviets might find the risks somewhat more acceptable than otherwise, and there might be even more imminent danger of war.

I thank the Senator from Washington (Mr. JACKSON) for putting this debate in the proper perspective.

Mr. JACKSON. Mr. President, I thank my friend from Texas for his very fine comments.

I think we can go to a vote.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. JACKSON. I yield back my time.

Mr. THURMOND. Mr. President, I support the Department of Energy National Security and Military Application of Nuclear Energy Authorization Act of 1980.

This bill recommends total expenditures of $2.9 billion, a decrease of $85 million below that requested by the administration. The bulk of these reductions came in the waste management account.

The action of the committee is centered in three areas. First, nuclear weapon testing; second, nuclear material production; and third, waste management.

NUCLEAR TESTING

First, the administration has requested a significantly lower level of testing for fiscal year 1980. These reductions are a cause for concern, especially in view of the high level of Soviet testing and lagging U.S. weapons development.

Since the need for further testing is obvious, it appears the request is an attempt to move the United States toward a comprehensive test ban treaty. Once again we are asked to take unilateral steps without Soviet concessions.

Recognizing our needs in this area, the committee has increased this request by $33 million. Combined with $12.8 million in the fiscal year 1979 defense supplemental, this will permit testing in fiscal year 1980 at the modest fiscal year 1979 level.

MATERIALS PRODUCTION

In the area of materials production the committee added $17.8 million to the bill to permit the three production reactors at the Savannah River Plant near Aiken, S.C. to operate at the same level as last year. Had the administration request been approved, the reactors would have been operating at two-thirds capacity, an inefficient rate and one which would not meet our weapon needs. Such a low rate could also threaten one of the three reactors to the extent it might be shut down.

WASTE MANAGEMENT

Mr. President, the committee made $53 million in reductions in the waste management account, although this cut leaves the program up 17 percent over that of last year.

The committee made it clear in its report that these reductions were not to affect funds planned for on-going programs. The largest program is at Savannah River where defense wastes are being transferred to new tanks. The committee intends that the $39 million requested for this work be provided out of the funds allowed.

It should also be made clear that the initial efforts to plan for the waste solidification plant at Savannah River has the full support of the committee. This is an important program now moving into the design stage.

These positions are consistent with the report language which states:

The reductions made by the committee are not to affect the ongoing interim waste management operations or long term waste management concept studies, but will require the judicious selection of new initiatives under long term waste management technology.

HEAVY WATER FUNDS

Mr. President, one other matter deserves attention. In this bill, the President's request provided that full funding of the Nation's only heavy water plant be dependent upon foreign sales.

This is a risky approach. If for some reason foreign sales do not materialize, this facility could be threatened. Because of corrosion this facility cannot be restarted and construction of a new plant could run as high as $600 million.

If assurances on these sales cannot be verified by the time of the House-Senate conference, I will support the House approach whereby $4 million was added in this account.

In closing, I wish to commend the able subcommittee chairman, the junior Senator from Washington, Mr. JACKSON, for his usual outstanding work in this area. He brings to nuclear energy matters a great deal of experience and expertise. We were also ably assisted by the subcommittee staff director, Mr. Jim Smith and his assistant, Ms. Marie Fabrizio Dickinson.

Mr. President, I urge the Senate act promptly and favorably on S. 673.

● Mr. McGOVERN. Mr. President, I feel a strong sense of irony as we consider this authorization bill today for the Department of Energy's military programs.

Several hours ago, the SALT II Treaty was signed at the summit meeting in Vienna.

According to the text of SALT II, both the United States and the Soviet Union are conscious that nuclear war would

have devastating consequences for all mankind. Both countries reaffirmed their desire to reduce nuclear arms and, according to the text, are keeping in mind the goal of achieving general and complete disarmament. Both sides pledged to exercise restraint in the development of new types of offensive strategic arms.

Yet we have just voted on a bill which will provide one of the largest increases in the budget for nuclear weapons activities in recent years.

This bill will increase weapons activities funding for the Department of Energy by $209,000,000 above fiscal year 1979 levels, a 14 percent overall increase or a 7 percent real increase. In the year of SALT II and the year of austerity budgets, this is a phenomenal increase.

A large portion of the real growth will fund new weapons production under SALT II, including the W78 Minuteman III warhead and the W76 Trident I warhead. Research and development for strategic weapons covered by the SALT II Treaty include the W80 air-launched cruise missile, the B83 modern strategic bomb, the W84 ground launched cruise missile, the MX ICBM and the Trident II submarine-launched ballistic missile.

This bill illustrates the dilemma which I feel about SALT. On the one hand, I am encouraged by the summit meeting and by the conclusion of the treaty. On the other hand, I find that despite the treaty we are moving ahead with an expansion of nuclear weapons production which is allowed under the treaty.

It is obvious that the treaty is not putting much of a dent in weapons production—and in fact it may even be accelerating it as each side seeks to build up to the maximum extent allowed under the treaty ceilings.

But there is another disturbing feature in this bill. The Armed Services Committee has added funds for additional nuclear weapons testing not requested by the Department of Energy in what seems to me to be an attempt to use its influence in the bureaucratic war being waged against the Comprehensive Test Ban Treaty. Once again the lesson seems to be: use an impending arms control treaty as a kind of deadline to speed up testing programs. We are witnessing here a reversal of the wise arms control policy of President Kennedy when he instituted a "we won't test if you don't" policy for atmospheric nuclear testing. Today the policy seems to be "We must expand testing if we want to negotiate an end to testing."

Mr. President, I have been speaking out in recent weeks about the difficult time I will have supporting a continuation of our current arms control strategies which accomplish the illusion but not the reality of arms control and arms reduction. The juxtaposition of this bill with the SALT II Treaty signing reconfirms my extreme unease over this situation.●

Mr. DOMENICI. Mr. President, I would like to address a question to the distinguished Senator from Washington who is managing this bill today. As the Senator from Washington knows, the Department of Energy, the Nuclear Regulatory Commission, the Interagency Review Group on Nuclear Waste Management, and the National Governors Conference have all supported the concept of "consultation and concurrence" between State and Federal authorities in the ultimate disposal of radioactive wastes. In the legislation we are about to pass the Secretary of Energy is directed to pursue this concept with the State of New Mexico regarding its legitimate interest in the waste isolation pilot project. My question is, is it the intent of this language that the Secretary of Energy be authorized to establish a process of consultation and concurrence with New Mexico?

Mr. JACKSON. In response to my good friend, let me say that the language in this provision, which he so graciously helped to draft, is quite clear. I would expect that the first step in this "consultation and concurrence" requirement would be for the Secretary of Energy and the State concerned to jointly agree on a means—a process—for accomplishing the consultation and concurrence required by the law. Such a process may be subject to change by both parties as the project proceeds, but I see no way to accomplish the consultation and concurrence that this provision requires without some formalized, jointly acceptable review procedures.

Mr. JAVITS. Mr. President, I wish to extend my appreciative thanks to the Senate Armed Services Committee for its responsiveness to the needs of the hundreds of thousands of New Yorkers who live near the nuclear waste disposal site at West Valley, N.Y. S. 673, the authorization measure before the Senate today, contains tangible proof of the Congress concern for the problems of the high level waste disposal which have arisen as storage sites at the now inoperative reprocessing plant owned by Nuclear Fuel Services have begun to deteriorate. The passage of this authorization marks the Federal Government's assumption of its proper responsibility for helping New York pay the cost of the cleanup.

The committee's report earmarks $5 million for the Department of Energy to carry on a nuclear waste management demonstration program to solidify the wastes now at West Valley, and to transport the wastes to an appropriate Federal repository. This authorization also contains a provision for the Department of Energy to decontaminate and decommission the facilities used for the project.

The entire project will eventually cost around $200 million and will take 10 years to complete. Today's authorization takes us the first crucial step along the road. Both houses of Congress have now approved similar authorizations to begin the urgently needed cleanup of the West Valley reprocessing wastes. An amendment, offered by my colleague in the House, Representative STAN LUNDINE, is contained in the civilian portion of the DOE authorization and the differences will have to be resolved in a House-Senate conference after passage of this bill by both Houses.

I express my deep appreciation to the distinguished Senator from Washington, Senator HENRY JACKSON and his staff, who have been of immense help in drafting and passing this measure—to Chairman STENNIS, and the committee's ranking minority member Senator TOWER.

Of course this is a first step. Some of the further issues to be resolved are contained in a letter dated June 7, 1979, from Secretary of Energy James Schlesinger to New York's Governor Hugh Carey, and I ask unanimous consent that the text be printed in the RECORD following my remarks. However, there is no question that Senate passage of this bill is an important milestone in the West Valley cleanup.

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

DEPARTMENT OF ENERGY,
*Washington, D.C. June 7, 1979.*

Hon. HUGH L. CAREY,
*Governor of New York, Executive Chamber, State Capitol, Albany, N.Y.*

DEAR GOVERNOR CAREY: The U.S. Department of Energy, on behalf of the Administration, is strongly committed to assisting the State of New York in the development of a program for disposition of the nuclear waste located at the Western New York Nuclear Services Center, West Valley, New York. We believe such a program is required in the national interest, in the interest of the State of New York, and in the interest of the local communities involved. It is our hope that such a program can proceed in the earliest possible time frame, consistent with sound planning and appropriate acceptance of responsibilities.

Our commitment to the development of a program for West Valley is part of a larger effort of this Administration to develop and implement a comprehensive national program for the responsible management and safe isolation of nuclear wastes from the environment. Heightened sensitivity to energy supply issues in general, and to nuclear power specifically, has resulted in a strong and impressive public response to the recently issued "Report of the Interagency Review Group (IRG) on Nuclear Waste Management." It is in the context of dealing with the many national issues involved in nuclear waste management, as identified in the IRG report, that we assign a high priority to resolving the West Valley situation.

We are pleased with the status of discussions between Commissioner Larocca for the State, and Messrs. Deutch and Bateman for the Administration, in advancing a solution for West Valley. Substantial progress has been made in defining mutual concerns, actions, and responsibilities. We are hopeful that a comprehensive program for the site can be developed and agreed to in the near future, permitting action by the Congress in the current budget cycle. In this regard, an amendment by Mr. Lundine and Senator Moynihan, providing start-up funding for a program of solidification of the high-level liquid wastes, is presently under review by the Administration.

The Department of Energy is prepared to accept overall management responsibility and bear a portion of the costs of a program of high-level liquid waste solidification storage, transfer to a Federal repository of the solidified wastes, and decontamination and decommissioning of all facilities associated with these activities. We would look to the State and to the commercial operator, Nuclear Fuel Services, Inc. (NFS), to take certain positive actions and to bear certain financial and other responsibilities. Because of the relationships existing between the State and NFS, we would look to the State to establish the respective roles of each party for non-Federal responsibilities.

With regard to the high-level burial area (the NRC licensed burial area), we would

support an effort by the NRC to determine whether any further action is needed in the interest of public health and safety.

Careful consideration should be given to resumption of operations under State license of the low-level burial area (the State-licensed burial area) for disposal of low-level wastes from nuclear power, medicine, research, and industrial programs operating in New York and the Northeast. In the course of our discussions we have considered the possibility of the spent fuel storage pool at West Valley serving as a candidate site in a National Away From Reactor (AFR) Storage program. This site, as well as others, was identified as a candidate by the IRG and in our discussions of the "Spent Nuclear Fuel Act of 1979" that was transmitted to the Congress earlier this year.

In the absence of an AFR program nationally, and the absence of interim storage capacity to serve the states and regions, New York, like many other states, will begin to exhaust storage capacity at operating reactor sites in the not-too-distant future. The Department continues to believe that consideration of West Valley as an AFR site should proceed. However, Congress has not acted to establish a National AFR program and Congressional action as well as compliance with both the process required by the National Environmental Policy Act and NRC technical criteria would be necessary prior to the selection of an AFR site. We recognize that failure to meet present NRC seismic criteria would make the existing spent fuel pool an unsuitable candidate for an AFR. In any event, we would expect to consult with you as discussed in the IRG report prior to proposing the location of such a facility in New York.

During the same period in which we have been discussing with New York a program for West Valley, the Department is developing an active program to establish a permanent waste repository for nuclear wastes in our Nuclear Waste Terminal Storage (NWTS) program. The Salina formation in the Finger Lakes area of New York has been identified by the NWTS Task Force as a possible site for such a repository. However, at the request of the State of New York, we have discontinued Federal investigation of the site as a candidate site for a permanent geologic repository. Deputy Secretary O'Leary has stated to you in a letter dated March 22, 1978, that the Department is committed to proceed only with State concurrence in such site investigation. This continues to be our position.

With your cooperation, I am confident that a program can go forward in the near future, and I look forward to working with you, the State, and the communities involved.

Sincerely,

JAMES R. SCHLESINGER, *Secretary*.

● Mr. MOYNIHAN. Mr. President, I rise in praise of the Senate's acceptance of S. 673, the Department of Energy authorization for national security programs. This bill contains a provision of great importance for the country and for my State; it authorizes the Department of Energy to begin a program designed to solidify and remove highly radioactive liquid reprocessing wastes now stored in buried steel tanks at West Valley, N.Y. I wish to thank my distinguished colleague, the Senator from Washington, who quickly and characteristically understood the national significance and importance of this issue and who unhesitatingly responded to our proposal.

The project to be undertaken at West Valley will be an important and intergal part of this country's nuclear waste management program. I commend my colleagues for their vision in recognizing the national benefit of this program.●

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

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 673), as amended, was passed, as follows:

S. 673

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,441,541,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $216,501,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80-AE-4, Addition to computer facility, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80-AE-5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80-AE-6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80-AE-7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80-AE-8, Advanced size reduction facility, Rocky Flats Plant, Golden, Colorado, $10,000,000.

Project 80-AE-9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80-AE-10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80-GPP-1, General plant projects, $25,400,000.

Project 80-PE&D-1, Plant engineering and design, $16,700,000.

Project 71-9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77-11-c, 8-inch Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78-16-d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78-16-g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 78-18-d, Steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, an additional sum of $15,500,000, for a total project authorization of $25,500,000.

Project 79-7-b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79-7-c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79-7-l, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79-7-n, Utility system restoration, Y-12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79-7-o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80-AE-2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80-AE-3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80-GPP-1, General plant projects, $15,000,000.

Project 80-PE&D-1, Plant engineering and design, $7,000,000.

Project 77-13-a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78-18-e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79-7-i, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management:

Project 80-GPP-1, General plant projects, $8,880,000.

Project 80-PE&D-1, Plant engineering and design, $21,320,000.

Project 77-13-f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A-E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $114,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80-PE&D-1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $15,500,000.

(2) For naval reactors development:

Project 80-AE-1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80-GPP-1, General plant projects, $3,300,000.

Capital equipment not related to construction, $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant project carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectural and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

SEC. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77-13-f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

SEC. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commercial operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as affecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no objection, the title of the bill will be appropriately amended.

There being no objection, the title was amended so as to read:

A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to S. 673.

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

Mr. JACKSON. Mr. President, I ask unanimous consent that the bill as passed be printed in full, with amendments.

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

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my thanks to Mr. JACKSON and Mr. TOWER for stepping into the breach here and utilizing time that would otherwise have been wasted in enacting a piece of legislation that was scheduled to follow the veterans' bill.

I also express my appreciation to Mr. CRANSTON and Mr. HUMPHREY for their willingness to delay final action on the Veterans' Administration measure so as to permit action on the Department of Energy.

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## VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume the consideration of S. 1039. The pending question is on agreeing to the amendment of the Senator from New Hampshire (Mr. HUM-

PHREY). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN), are necessarily absent.

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

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of his former aide James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), and the Senator from Pennsylvania (Mr. SCHWEICKER), are necessarily absent.

The PRESIDING OFFICER. Have all the Senators in the Chamber voted?

The result was announced—yeas 40, nays 52, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—40

| | | |
|---|---|---|
| Armstrong | Glenn | Nelson |
| Baker | Goldwater | Pressler |
| Bayh | Hatch | Pryor |
| Boschwitz | Hatfield | Roth |
| Burdick | Heflin | Sarbanes |
| Byrd, Robert C. | Heinz | Sasser |
| Chiles | Helms | Stennis |
| Church | Hollings | Stevens |
| Cochran | Humphrey | Stewart |
| Culver | Jepsen | Stone |
| DeConcini | Laxalt | Tower |
| Dole | Long | Warner |
| Durkin | McClure | |
| Garn | Mathias | |

NAYS—52

| | | |
|---|---|---|
| Baucus | Huddleston | Pell |
| Bellmon | Inouye | Percy |
| Bentsen | Jackson | Proxmire |
| Biden | Javits | Ribicoff |
| Bradley | Johnston | Riegle |
| Bumpers | Kassebaum | Schmitt |
| Byrd, | Kennedy | Simpson |
| Harry F., Jr. | Leahy | Stafford |
| Cannon | Levin | Stevenson |
| Chafee | Lugar | Talmadge |
| Cranston | Magnuson | Thurmond |
| Danforth | McGovern | Tsongas |
| Domenici | Melcher | Wallop |
| Durenberger | Metzenbaum | Weicker |
| Eagleton | Morgan | Williams |
| Exon | Moynihan | Young |
| Hart | Muskie | Zorinsky |
| Hayakawa | Packwood | |

NOT VOTING—8

| | | |
|---|---|---|
| Boren | Gravel | Randolph |
| Cohen | Matsunaga | Schweiker |
| Ford | Nunn | |

So Mr. HUMPHREY's amendment (No. 206) was rejected.

Mr. CRANSTON. I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I move to recommit S. 1039 to the Senate Committee on Veterans' Affairs for further consideration.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Will the Senators have a moment's patience? The parliamentary question is being resolved.

The Chair is advised that a motion to recommit will be in order after the committee amendment is disposed of because of the prior agreement to go to the committee amendment immediately after the last vote.

The question is on agreeing to the committee amendment.

The committee amendment, as amended, was agreed to.

Mr. CRANSTON. I move to reconsider.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. Will the Senator kindly desist?

The Senate is not in order. There is a technical situation which must be followed closely. Will the Senate be in order?

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I move that S. 1039 be recommitted to the Senate Committee on Veterans' Affairs for further consideration. I ask for the yeas and nays.

Mr. SIMPSON. Mr. President, I move to lay the Humphrey motion on the table.

The PRESIDING OFFICER. Is there——

Mr. HUMPHREY. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. I move to lay the Humphrey motion on the table. I think it is neither appropriate nor——

The PRESIDING OFFICER. The matter is not to be debated.

The Chair is advised that until the time on the motion to recommit has been used or yielded back, a motion to lay on the table is not in order. There are 20 minutes on the motion.

Do the sponsors wish to yield back their time?

Mr. HUMPHREY. Mr. President, assuming the other side will agree to yield back theirs, I yield back my time.

Mr. CRANSTON. Yes, we yield back.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SIMPSON. Mr. President, I move to table the pending motion.

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

Mr. HUMPHREY. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

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

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of his former aide James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

The PRESIDING OFFICER (Mr. HEFLIN). If there is anybody in the Chamber who has not voted, let him come forward.

The result was announced—yeas 73, nays 19, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—73

| | | |
|---|---|---|
| Armstrong | Hart | Pell |
| Baucus | Hayakawa | Percy |
| Bellmon | Heinz | Pressler |
| Bentsen | Hollings | Proxmire |
| Biden | Huddleston | Pryor |
| Boschwitz | Inouye | Ribicoff |
| Bradley | Jackson | Riegle |
| Bumpers | Javits | Sarbanes |
| Byrd, | Johnston | Sasser |
| Harry F., Jr. | Kassebaum | Schmitt |
| Byrd, Robert C. | Kennedy | Simpson |
| Cannon | Leahy | Stafford |
| Chafee | Levin | Stennis |
| Church | Long | Stevenson |
| Cochran | Lugar | Talmadge |
| Cranston | Magnuson | Thurmond |
| Danforth | Mathias | Tower |
| DeConcini | McGovern | Tsongas |
| Dole | Melcher | Wallop |
| Domenici | Metzenbaum | Warner |
| Durenberger | Morgan | Weicker |
| Eagleton | Moynihan | Williams |
| Exon | Muskie | Young |
| Garn | Nelson | Zorinsky |
| Glenn | Packwood | |

NAYS—19

| | | |
|---|---|---|
| Baker | Hatch | McClure |
| Bayh | Hatfield | Roth |
| Burdick | Heflin | Stevens |
| Chiles | Helms | Stewart |
| Culver | Humphrey | Stone |
| Durkin | Jepsen | |
| Goldwater | Laxalt | |

NOT VOTING—8

| | | |
|---|---|---|
| Boren | Gravel | Randolph |
| Cohen | Matsunaga | Schweiker |
| Ford | Nunn | |

So the motion to lay on the table the motion to recommit was agreed to.

● Mr. DOMENICI. Mr. President, I am extremely pleased to see the Veterans' Affairs Committee addressing the most disturbing issue of reduced staffing at our veterans' health care facilities.

In particular, our veterans hospital in Albuquerque, N. Mex., already suffering overcrowding conditions and strained staff levels, is confronted with the possibility of losing as many as 15 full-time employees. Without a doubt, such a reduction in staff is catastrophic and will have severe repercussions on the important health care services offered the veteran recipient.

I have contacted Administrator Cleland expressing my very deep concern over such cutbacks in full-time employees at our veterans facilities. Such reductions affect the hospitals' ability to maintain adequate standards of patient care. It is essential that the services our hospitals provide are maintained, and I urged the Administrator to defer such reductions until the full consequences of 'mplementation can be determined.

At this time of rising inflation and costs, it is imperative we make every possible attempt to stay within our budget guidelines. Unfortunately, difficult de-

cisions must be made in order to stretch our dollars as far as possible. I recognize the committee has made some controversial choices. They have determined it is best to maintain health care services at existing facilities. In order to accommodate this decision, they have increased the President's request for health-care personnel to meet anticipated requirements at new veterans facilities. In effect, Mr. President, our present facilities, such as those located in Albuquerque will not undergo personnel cuts in order to staff new hospitals. I wholeheartedly endorse this decision.

I wish it were possible to do more for this Nation's veterans. But, considering important budget limitations, I am extremely pleased the committee is meeting health care requirements by increasing the health care staffing issue.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3892, the House-passed measure.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3892) to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. CRANSTON. Mr. President, I move that H.R. 3892 be amended by striking all after the enacting clause and inserting in lieu thereof the text of S. 1039 as amended.

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

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. THURMOND. Mr. President, I support S. 1039, as amended. The basic purpose of this bill is to maintain and improve the quality of care within the health care delivery system of the Veterans' Administration.

The Senate Committee on Veterans' Affairs held hearings on April 10, 1979, and considered much of the legislative proposals that are before us today. Such proposal included issues of whether the authorizations of appropriations for the program of grants for the construction of State veterans' homes and for the exchange of medical information program should be extended, and whether the rates of per diem payments to State veterans' home should be increased. The realinement of certain health care benefits was discussed. These included the limitation on travel expense reimbursement, dental benefits, and nonprescription drugs, medicines, and supplies. Also, the mechanism of tying the cost savings realized by these limitations to insure the maintenance of adequate personnel levels at VA hospital was discussed at great length. In addition, certain miscellaneous issues were heard which concerned the personnel qualification for psychologists, and a citizenship requirement for podiatrists and optometrists.

Mr. President, the committee considered an additional issue which I believe to be of extreme importance. S. 196 which has 11 cosponsors—6 are members of the committee—authorizes chiropractic treatment to veterans on an outpatient basis. This would be a 4-year pilot program with annual reimbursements on behalf of the veteran limited to $200. Total expenditures in any fiscal year for chiropractic services under this program could not exceed $4 million.

Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally a number of States include these services under their medical assistance programs.

During hearings on S. 196, the chiropractic services bill, the committee heard excellent testimony from Dr. James E. Reese, Jr., Dr. J. F. McAndrews, and Dr. Bruce Nordstrom, all of whom represented the International Chiropractic Association. These witnesses testified that during fiscal year 1979 it is estimated that the 24,000 doctors of chiropractic practicing in the United States will see 1.4 million patients, many of whom are veterans. I believe this method of health care is desired and beneficial to many, and it should be included in the VA health care system. I also would like to express my appreciation to Dr. Bruce Ehlich of Chesnee, S.C. for his inestimable assistance with this legislation. Dr. Ehlich is the legislative chairman of the Committee on Veteran Services for the International Chiropractic Association, and I am pleased that he and I are both South Carolinians.

Testimony was also heard from the Veterans of Foreign Wars—who represent 1.85 million veterans—in support of S. 196. I have the VFW Resolution No. 646, "Authorizing Chiropractic Service," which was adopted by the 79th national convention of the VFW during August 1978. For the benefit of my colleagues, I ask unanimous consent that it be inserted in the RECORD at the conclusion of my remarks.

Mr. President, I believe that S. 1039, as amended, is in the best interest of the veteran, and I urge my colleagues to support this measure.

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

RESOLUTION NO. 646: AUTHORIZING CHIROPRACTIC SERVICE

Whereas, Chiropractic health care is not available under present Veterans Administration Federal status; and

Whereas, the Veterans Administrator presently has the legal power to "furnish hospital care he determines is needed" for the Armed Service Veteran; and

Whereas, the Veterans Administrator has neglected or refrained from providing Chiropractic care to these Veterans who request said care; and

Whereas, a hardship is subjected upon the veteran as such Chiropractic services are denied and the veteran must pay for same from his own pocket; and

Whereas, Chiropractic care is recognized by Health, Education and Welfare (HEW) as a complementary health care system available to the senior citizen; and

Whereas, all Chiropractic health care administered to senior citizens is being paid in part by the state and federal Medicare agencies; now, therefore be it

*Resolved*, by the 79th National Convention of the Veterans of Foreign Wars of the United States, that we petition the United States Congress to amend the Veterans Benefit law, Title 38, whereby Chiropractic services are made available to the veteran who so requests same; and be it further

*Resolved*, That the following amendments to Title 38, Veterans Benefits, be implemented to carry out the directive of this resolution:

Section 601—Part (6), include "Chiropractic Services" after the words "surgical services."

Section 4105—add part (E)—In a state such chiropractic services be provided when recommended by the Veteran's physician.

Mr. STAFFORD. Mr. President, I should like to take a very short time to congratulate the managers of the bill for the majority and the minority, Mr. CRANSTON and Mr. SIMPSON, who have done an outstanding job of getting this important piece of legislation to this point in the Senate. They have done a fine job, and I am very proud of both of them and of the way they and their staffs have handled this matter for the committee and for the Senate.

Mr. CRANSTON. I thank the Senator for his very generous remarks and for his fine work on the committee on this matter and many other matters.

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

Mr. CRANSTON. I yield.

Mr. THURMOND. Mr. President, I commend the able and distinguished chairman of the Veterans' Affairs Committee for the fine job he has done on this bill. I also commend the able and distinguished ranking minority member, who also has done an excellent job.

The Senator from Wyoming (Mr. SIMPSON), the ranking minority member, is a new Member here, but he acts like a professional. He has done an outstanding job. I congratulate both Senators on the job they have done.

Mr. CRANSTON. I thank the Senator from South Carolina very much for his remarks and for his effective work on

this measure. His help has been indispensable in its passage. I thank him for all his work on the Veterans' Affairs Committee.

Mr. BAKER. Mr. President, I express my appreciation to the distinguished ranking Republican member on the committee for his expert handling of this matter. I believe this is the first piece of major legislation he has been called upon to manage on our side, on the floor. I commend him for a job extraordinarily well done, and I express my personal appreciation for his efforts.

Also, Mr. President, I congratulate the Senator from California for his usual good job in managing a matter which obviously is very close to this heart.

Mr. CRANSTON. I thank the minority leader very much for his generous remarks and for his constant help.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 3892) was passed, as follows:

That (a) this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

(b) 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, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

SEC. 101. (a) Section 5033(a) is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the four succeeding fiscal years".

(b) Section 5035(d)(2) is amended by inserting before the period at the end thereof "or $3,000,000, whichever is greater".

SEC. 102. (a) Section 5054 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is authorized to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of Veterans' Administration health-care facilities located in areas remote from major academic health centers.".

(b) Section 5055(c)(1) is amended by inserting "and for each of the three succeeding fiscal years" after "fiscal year 1979".

SEC. 103. (a) Section 641(a) is amended by striking out "$5.50", "$10.50" and "$11.50" and inserting in lieu thereof "$6.35", "$12.10", and "$13.25", respectively.

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1979.

TITLE II—REALINEMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

SEC. 201. (a) Section 111(e)(2) is amended to read as follows:

"(2)(A) Except with respect to a person receiving benefits for or in connection with a service-connected disability under this title, no payment shall be provided under this section except—

"(i) when travel is by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, with respect to any trip to or from a facility or place described in subsection (a) of this section, only in the amount by which the payment otherwise authorized by this section for such trip exceeds $4 unless such person, in any fiscal year, has already incurred $100 in travel expenses otherwise allowable under this section for which payment has not been provided pursuant to this subparagraph.

For the purposes of this subparagraph, a person shall be considered to be a person receiving pension under section 521 of this title if such person would be eligible to receive such pension except for the fact that such person does not meet eligibility requirements with respect to disability, age, or service during a period of war.

"(B) In no event shall payment be provided under this section—

"(i) to reimburse for the cost of travel by privately owned vehicle in any amount in excess of the cost of such travel by public transportation, unless (I) public transportation is not reasonably accessible or would be medically inadvisable, or (II) the cost of such travel is not greater than the cost of public transportation; and

"(ii) in excess of the actual expense incurred by such person as certified in writing by such person.".

(b) Section 601 is amended by—

(1) striking out "transportation" in subclause (ii) of paragraph (5)(A) and inserting in lieu thereof "travel";

(2) striking out subclause (ii) of paragraph (5)(C) and inserting in lieu thereof "(ii) travel and incidental expenses for such dependent or survivor under the terms and conditions set forth in section 111 of this title."; and

(3) striking out "necessary expenses of travel and subsistence" in the parenthetical phrase in clause (B) of paragraph (6) and inserting in lieu thereof "travel and incidental expenses".

(c) Section 614 is amended by—

(1) striking out "necessary travel expenses" in subsection (a) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title,"; and

(2) striking out "all necessary travel expenses" in subsection (b) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title,".

(d) Section 628(a) is amended by striking out "the necessary travel" and inserting in lieu thereof "travel and incidental expenses pursuant to the provisions of section 111 of this title".

SEC. 202. (a) Section 601 is amended by adding at the end thereof the following new paragraph:

"(9) The term 'chiropractic services' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

(b)(1) Subchapter III of chapter 17 is amended by adding at the end thereof the following new section:

"§ 629. Chiropractic services

"(a) The Administrator may, under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services, for which such veteran has made payment, if—

"(1) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine.

"(2) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a twelve-month period prior to the provision of such chiropractic services, or

"(3) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine, to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(b) In any case in which reimbursement may be made under this section, the Administrator may, in lieu of reimbursing such veteran, make payment of the reasonable charge for such chiropractic services directly to the chiropractor.

"(c)(1) In determining the reasonable charge for chiropractic services under this section the Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of allowances for such services, which scheduled shall be consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

"(2) The amount payable by the Administrator for chiropractic services furnished under this section shall not exceed $200 in any twelve-month period in the case of any veteran.

"(d) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $4 million in any fiscal year and no reimbursement or payment may be made under this section for chiropractic services furnished after September 30, 1983.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 628 the following new item:

"629. Chiropractic services.".

(c) Not later than December 31, 1980, and not later than December 31 of each of the next three years, the Administrator shall prepare and submit to the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate reports on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under section 629 (as added by subsection (b)(1) of this section) and the number of such veterans who made such requests;

(2) the number of reimbursements or payments made by the Administrator under such section in such fiscal year and the number of veterans to or for whom such reimbursements or payments were made; and

(3) the total amounts of expenditures by the Administrator for such reimbursements

and payments under such section in such fiscal year.

SEC. 203. Section 612(b) is amended by—

(1) amending clause (2) by—

(A) striking out "active military, naval, or air service and" in subclause (A) and inserting in lieu thereof "a period of active military, naval, or air service of not less than 180 days,";

(B) striking out "within one year" in subclause (B) both places it appears and inserting in lieu thereof "within six months"; and

(C) inserting before the semicolon at the end thereof a comma and "and (C) if the Secretary concerned has not certified, in writing, that the veteran was provided by such Secretary, during the ninety days immediately prior to such veteran's discharge or release from such service, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by such examination"; and

(2) inserting at the end thereof below the last clause the following new sentence: "The Administrator may not furnish outpatient dental services, treatment, or related dental appliances, under this section through private facilities for which the Administrator contracts pursuant to the provisions of section 601(4)(C)(i), (ii), or (v) of this title to a veteran at a cost to the Veterans' Administration of more than $500 during any twelve-month period, unless the Administrator has determined, prior to the furnishing of such services, treatment, or appliances, based on an examination by a dentist employed by the Veterans' Administration, that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.".

SEC. 204. Section 612(f) is amended by inserting before the semicolon at the end of clause (1) a comma and "but any such veteran (other than a veteran receiving or eligible to receive compensation under chapter 11 of this title) being furnished services under this clause shall not be furnished drugs, medicines, or medical supplies which may be purchased without a physician's prescription, unless (i) such veteran is a veteran receiving or eligible to receive pension under section 521 of this title (including a veteran who would be eligible to receive such pension except for the fact that such veteran does not meet eligibility requirements with respect to disability, age, or service during a period of war), or (ii) the Administrator, under regulations which the Administrator shall prescribe, authorizes the furnishing to such veteran of such drugs, medicines, or medical supplies in order to avoid substantial hardship that would otherwise result from the extraordinary cost thereof to a veteran".

SEC. 205. Section 612(g) is amended by inserting at the end thereof the following new sentence: "The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.".

SEC. 206. Section 613 is amended by—

(1) amending subsection (a) by—

(A) striking out "and" at the end of clause (1);

(B) inserting "and" after the comma at the end of clause (2);

(C) inserting immediately below clause (2) the following new clause:

"(3) the surviving spouse or child of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct,"; and

(D) adding at the end thereof the following new sentence: "The term 'person' as used in clause (3) of this subsection shall mean 'veteran' for the purposes of section 103(d) of this title."; and

(2) adding at the end thereof the following new subsection:

"(c) For the purposes of this section, any child described in subsection (a) of this section who, while pursuing a full-time course of instruction (including any period between terms, semesters, or quarters, or during vacation or holiday periods) at an approved educational institution, becomes unable to continue such child's chosen program of education because of a mental or physical disability which was not the result of such child's own willful misconduct shall remain eligible for benefits under this section until six months after the disability is removed, until two years after the date of onset of such disability, or until such child's twenty-third birthday, whichever occurs first.".

SEC. 207. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this title shall take effect on October 1, 1979.

(b)(1) Except as otherwise provided in paragraph (5) of this subsection and in subsection (c) of this section, the amendments made by sections 201(a), 203, and 204 of this Act shall take effect at such time as there are provided to the Veterans' Administration for fiscal year 1980 the required personnel ceiling defined in the second sentence of this paragraph. For purposes of this paragraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ, under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses, not less than the number of employees for the employment of which appropriations have been made for fiscal year 1980 and for which funding is provided under such accounts.

(2)(A) Not later than thirty days after the date of enactment of the first law making appropriations for the Veterans' Administration for fiscal year 1980, the Administrator of Veterans' Affairs shall submit to the appropriate committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(B) Not later than forty-five days after the date of the enactment of the law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act have entered into effect.

(3)(A) If, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act become effective, such amendments shall continue to have effect, on and after the thirtieth day after the date of the enactment of each law making appropriations for the Veterans' Administration that is enacted subsequent to the law described in subparagraph (A) of paragraph (2) of this subsection and that includes appropriations for employees described in the second sentence of paragraph (1) of this subsection, only if, by each such day, the required personnel ceiling defined in the second sentence of this subparagraph has been provided to the Veterans' Administration. For the purposes of this subparagraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ under the appropriation accounts described in the second sentence of paragraph (1) of this subsection not less than the number of employees for the employment of which appropriations have been made by the applicable law described in the first sentence of this subparagraph and for which funding is provided under such appropriation accounts.

(B) Not later than thirty days after the date of the enactment of any law described in subparagraph (A) of this paragraph, the Administrator of Veterans' Affairs shall submit to the appropriate committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(C) Not later than forty-five days after the date of the enactment of each law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of this paragraph, such amendment remained in effect on the thirtieth day following the date of the enactment of such law.

(4) If, pursuant to the provisions of this paragraph, the amendments made by sections 201(a), 203, and 204 of this Act lose effect at any time, such loss of effect shall be permanent.

(5) Notwithstanding any other provision of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act and the provisions of this subsection shall cease to be effective on and after October 1, 1983.

(c) The amendments made by section 203 (1)(B) of this Act shall not apply in the case of any veteran whose discharge or release from active military, naval, or air service occurred during the twelve months immediately prior to the date of the enactment of this Act.

SEC. 208. Section 612(i) is amended by inserting at the end thereof the following new clause:

"(5) To any veteran of World War I.".

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

SEC. 301. (a) Section 4104(2) is amended by inserting "psychologists," after "Pharmacists,".

(b) Section 4105 is amended by—

(1)(A) striking out the period at the end of clause (9) and inserting in lieu thereof a semicolon; and

(B) adding at the end of subsection (a) the following new clause:

"(10) Psychologist—

"hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in the State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified."; and

(2) inserting "podiatrist, optometrist," in subsection (b) after "dentist,".

(c) The amendment made by subsection (b)(1) of this section to require that a psychologist appointed to a position in the Department of Medicine and Surgery of the Veterans' Administration be licensed or certified as a psychologist in a State shall not apply to any person employed as a psychologist by the Veterans' Administration on or before May 1, 1979.

SEC. 302. Section 4106(b) is amended by striking out "three" and inserting in lieu thereof "two".

SEC. 303. Section 5053(a) is amended by inserting a comma and "or organ banks, blood banks, or similar institutions" after "facilities".

SEC. 304. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects, and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendations as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate Committees of the Congress not later than 30 months after the date of the enactment of this Act.

Amend the title so as to read: "An act to amend title 38, United States Code, to extend the authorizations of appropriations for the program of grants to State homes for veterans and the program of exchange of medical information and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to provide for the payment for chiropractic services for certain veterans, and to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery; and to assure that savings realized from certain revisions of health-care benefits are used to maintain adequate staffing within such Department; and for other purposes.".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I move that the title of H.R. 3892 be amended with the title amendment of S. 1039 as reported.

The motion was agreed to.

The title was amended so as to read:

A bill to amend title 38, United States Code, to extend the authorizations of appropriations for the program of grants to State homes for veterans and the program of exchange of medical information and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to provide for the payment for chiropractic services for certain veterans, and to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery; and to assure that savings realized from certain revisions of health-care benefits are used to maintain adequate staffing within such Department; and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 1039 be indefinitely postponed.

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

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 3892.

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

Mr. CRANSTON. Mr. President, I thank the distinguished Senator from Wyoming for his truly marvelous help on this measure in the Chamber and in committee and in between.

I thank all the other members of the committee for their work in bringing to the Chamber a bill that we were able to handle in this way and pass in this fashion.

I thank each and all of them.

Mr. SIMPSON. Mr. President, just let me say very briefly that I am sure that none of the Senators in this body have forgotten the early days of their first term here.

As a floor manager on this and one prior committee bill here in the Senate, let me express my deepest appreciation to the chairman of this committee for his counsel and his kindness to me, a little bit above and beyond the call of duty, I might add; and to my senior members of my committee, Senator THURMOND and Senator STAFFORD, who have been most courteous and most patient with me in my first few months here in the Senate. And I wish to commend Senator HUMPHREY, who is a spirited and capable adversary, with whom I have enjoyed working in the committee. I have the greatest of admiration for him; and as a fellow freshman perhaps a little bit more empathy and appreciation for his efforts. He undertakes his causes with great intensity and sincerity, and I admire that.

So I thank Senators very much for their comments and for their courtesies to this new Member.

Thank you so much.

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## DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on S. 429 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. STENNIS. Mr. President, if I may have attention of the body, if this takes over 2 or 3 minutes I wish unanimous consent to yield to the Senator from Massachusetts who has a matter here concerning a late Member of this body.

Mr. President, this conference report——

Mr. TOWER. May we have order?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Come to order.

Mr. STENNIS. May we have quiet? The only way to transact business I ever found was to let those speaking be heard.

I am going to yield to the Senator from Delaware. I hope he is in the Chamber.

Mr. President, this conference report now is signed by all the conferees of the House of Representatives and all of the conferees of the Senate. It is within the figures of limitations so far as the two Houses are concerned. It is within the requirements, as I understand, of our legislative Budget Committee.

The Senator from Texas (Mr. TOWER), is the ranking minority member of our committee, and a highly valuable member and he is in the Chamber. I hope he will say a word. I yield to the Senator.

Mr. TOWER. Mr. President, I thank my colleague from Mississippi who did a masterful job in guiding this bill through the committee, through the deliberations in the Chamber, and again through the conference where I believe the Senate fared fairly well.

The House Members are always tough to negotiate with in these conference committees. Their views are usually strongly held and they generally speak with expertise in the matters on which they raise issues with the Senate.

But I think the Senate position fared very well in this year's conference. I attribute that largely to the skill of our chairman. I urge my colleagues to adopt the conference report in an expeditious manner so we can get on with the business of getting the money appropriated to implement that bill.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I am glad to yield to the Senator from Maine who is chairman of our legislative Budget Committee.

Mr. MUSKIE. Mr. President, I thank my good friend from Mississippi and I congratulate him and the Senate conferees for holding the conference report within the limits of the budget resolution.

Mr. President, I comment on the Department of Defense supplemental authorization conference agreement for weapons programs for fiscal year 1979. The conference agreement provides for $2 billion in budget authority and $1 billion in fiscal year 1979 outlays for function 050, national defense. The conference agreement also impacts on function 150, international affairs, because of transactions associated with the foreign military sales trust fund and the Iranian Government's cancellation of several weapons programs. The impact on function 150 provides for an offsetting deduction of $1 billion in budget authority and $800 million in outlays for fiscal year 1979. Thus, the net budget cost of the conference agreement for fiscal year 1979 is $1 billion in budget authority and $200 million in outlays.

These totals are consistent with the budget resolution assumptions regarding the fiscal year 1979 weapons supplemental. I congratulate Senator STENNIS for his efforts regarding this legislative measure and I support the conference agreement.

Mr. STENNIS. We thank the Senator from Maine and his cohorts for their assistance.

Mr. President, the Senator from Delaware, as I understood, had a colloquy he wanted to make. We have already discussed this. I am not putting any time limit on it. But he understands the situation.

Mr. BIDEN. Mr. President, I shall be very brief. I thank the chairman for yielding to me.

I just wish to thank the chairman and compliment him and the rest of his committee for defending the Senate position as taken on three separate votes on the SLEP program, the *Saratoga*, in particular, and acknowledge that because of technical reasons the House could not accept the Senate language in section 302 of the bill as affirmed by the Senate on May 3. I also thank the chairman for supporting the Senate position in the conference despite the fact that he personally opposed that position. I respect him for upholding the will of the Senate, and thank him for it. The language that does appear as the statement of managers in the report relating to the program states that it is the intention of the conferees that the SLEP program must now proceed as determined by the Secretary of Defense, who will continue to proceed with that determination, taking into account considerations of cost, national security, and such other factors as he considers appropriate, recognizing the need to move expeditiously on this particular program.

I understand from the chairman that the last paragraph in this section indicates that the chairman and the committee will exercise their usual diligent oversight on this program as they do on all others.

I compliment the chairman for his work, his commitment, and the entire committee for the manner in which they handled this legislation.

Mr. STENNIS. Mr. President, we certainly thank the Senator from Delaware. That matter was fully debated here in the Senate and was voted on by the membership. This is the aircraft carrier *Saratoga* overhaul, and it is one of several. This relates to where this work is going to be done.

The Senate conferees moved with vigor, I think, and with as much logic as we could muster. The House position, though, was that they had a ruling from their Parliamentarian that this matter was nongermane. Under those circumstances they had no discretion in the matter. They could have bodily taken it back to the House of Representatives, but it would have put the entire matter in jeopardy, even on motion of one Member under their rule.

So we had to yield for that reason and for that reason only, but we did cover this matter in the language. The reference there is the surveillance. We were not trying to take a lick at anything. We give such surveillance as we can and we have time on all the projects that we have under our jurisdiction. This being a continuing one it would certainly fall within that classification.

I commend Senators who had special interest in this matter on both sides. We have really seen a good many fights here on this open basis.

Mr. BIDEN. I thank the Senator.

Mr. STENNIS. Mr. President, if there be no other remarks I hope this will pass.

Mr. WARNER. Mr. President, will the Senator yield for a moment?

Mr. STENNIS. I am glad to yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I wish to express appreciation to the Senator from Delaware for his comments with respect to the fairness of the debate here in the Senate. He mentioned the last paragraph as stating that the Senate could expect that the Senate Armed Services Committee would continue, and I believe I quote him correctly "their usual oversight."

I remind the Senator that the language of the report is not "usual," but that the Senate Armed Services Committee expresses the desire to continue "close" oversight.

This is a matter of great seriousness to not only the committee but to the Senate as a whole. It is anticipated that three more ships will be included in this program and there will always be present the question that the American taxpayer is particularly interested in, namely, the cost implications between the various yards that are competent to perform this type of overhaul.

I thank the Senator.

Mr. STENNIS. I thank the Senator from Virginia.

Mr. President, if there is no other one to address the Chair——

The PRESIDING OFFICER. I believe the Senator from Massachusetts desires to be recognized.

Mr. KENNEDY. I will seek recognition after the disposal of this matter.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

Mr. STENNIS. I thank the Chair.

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## DEATH OF SENATOR LEVERETT SALTONSTALL OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, on behalf of Senator TSONGAS and myself I send to the desk a resolution expressing the sadness of the Senate over the death yesterday at the age of 86 of our former colleague and outstanding Senator for the people of Massachusetts and the Nation, Senator Leverett Saltonstall.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

S. RES. 186

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Leverett Saltonstall, late a Senator from the State of Massachusetts.

*Resolved*, That a committee be appointed by the President of the Senate to attend the funeral of Senator Saltonstall.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the Senator.

*Resolved*, That, when the Senate stands in recess at the conclusion of its business today, it do so as a further mark of respect to the memory of Senator Saltonstall.

The Senate proceeded to consider the resolution.

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

Mr. KENNEDY. I would be glad to.

Mr GOLDWATER. Will the Senator include me as a cosponsor?

Mr. TOWER. Will the Senator include me?

Mr. BAKER. Will the Senator include me?

Mr. HARRY F. BYRD, JR. Will the Senator include the Senator from Virginia?

Mr. JAVITS. Will the Senator include the Senator from New York?

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. GOLDWATER, Mr. TOWER, Mr. BAKER, Mr. BYRD of Virginia, and Mr. JAVITS be included as cosponsors to this resolution.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent that other Senators may have the privilege of introducing statements into the RECORD expressing their feelings toward Senator Saltonstall.

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

Mr. KENNEDY. Mr. President, Senator Saltonstall, like many of us from Massachusetts and New England, loved the sea. It was somehow extremely fitting and appropriate that for 22 years, from 1945 until his retirement in 1967, the Commonwealth of Massachusetts was brilliantly represented in this Chamber by a well-loved Senator named "Salty."

In a sense, he was born to history. He was the great-grandson and namesake of the first mayor of Salem, Mass., a well-known early historical figure in our State who also served in the House of Representatives in the early 19th century.

Senator Saltonstall himself decided early to pursue a career in public service. He graduated from Harvard University in 1914 and from Harvard Law School in 1917. After his service with the U.S. Army field artillery in France in the first World War, he returned to law practice and public service in our Commonwealth. For 13 years, he served in the Massachusetts House of Representatives; for the last 7 of those years he was Speaker of the House. From 1939 until his election to the U.S. Senate in 1944, he served with great distinction as the Governor of our State.

He was re-elected three times to the Senate—in 1948, 1954 and 1960. He was perhaps the most widely loved and respected Massachusetts public figure of his day, and it was common knowledge that his Senate seat was his for as long as he chose to hold it.

Senator Saltonstall's extraordinary career in the Senate made him an influential national leader on major issues of both foreign and domestic policy, ranging from the Marshall Plan to civil rights to child health care and the National Science Foundation.

His prestige and influence transcended all boundaries of partisan or philosophical division. I remember very clearly the kindness he showed my brother Jack when they served together in the Senate, and the respect and affection in which my brother always held him.

I also recall the generous and warm counsel he so willingly gave to me when I first arrived in the Senate in 1962 at the height of his great career. Few if any junior Senators coming to the Capitol ever had a wiser or more willing senior colleague.

For nearly half a century, Senator Saltonstall served the people of Massachusetts with extraordinary skill and dedication. He worked tirelessly for his constituents. Because of his special concern and achievements in behalf of the vitality of the New England fishing industry, he was affectionately known as "Mr. Fish."

In 1954, along with my brother Jack, Senator Saltonstall led the Senate effort to create a special fund to revitalize the American fishing industry. That fund, which became known as the "Saltonstall-Kennedy Fund," continues to provide assistance to the fishing industry throughout the country. Currently, it is helping the industry to regain its strength in the face of recent years of foreign fishing that has depleted the resources off our shores.

In addition, Senator Saltonstall and my brother sponsored the landmark legislation creating the Cape Cod National Seashore Park, which has done so much to protect the beauty of Cape Cod.

To a generation of Americans, Senator Leverett Saltonstall symbolized the best in the New England character. The qualities he displayed—his integrity and understanding and dedication to the common good—have always been the bedrock of democracy in America and they remain so today.

The Kennedy family joins the millions of others in Massachusetts and across the Nation as we mourn the passing of our colleague and express our sympathy to the members of his family.

Mr. President, I ask unanimous consent there be printed in the RECORD the articles on Senator Saltonstall from the Boston Globe and the Boston Herald American today, and I urge the Senate to approve the resolution that my colleague and I have offered in tribute to Senator Saltonstall.

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

[From the Boston Globe, June 18, 1979]

"SALTY" IS DEAD AT 86

(By Edgar J. Driscoll, Jr.)

The Grand Old Man of Massachusetts politics is dead.

Leverett Saltonstall of Lone Oak Farm, Dover, former U.S. Senator, governor, state representative and speaker of the Massachusetts House, died yesterday at his home about 10 a.m. He was 86. Sen. Saltonstall died of heart failure, according to his son, William. His wife of 62 years, Alice, and his daughter, Susan, were with him at the time of his death. Sen. Saltonstall was released June 9 from Jamaica Plain's Faulkner Hospital, where he had been confined for three weeks because of respiratory difficulties.

A man to whom public office was a public trust, he had served the common weal with great distinction and great devotion for more than 46 years.

When he stepped down from the Senate at the age of 74 in January 1967 to become a gentleman farmer on his Dover estate and to work in civic, charitable and cultural endeavors, he said:

"I wanted to quit when I was still doing the job rather than just fade away in the Senate . . . Too many of my Senate colleagues overdid it. They stayed on too long—napping through committee hearings when they should have packed up and gone home."

If "Salty" or "Lev," as he was affectionately known to countless friends, admirers and constituents, had chosen to run for re-election, there was little doubt that victory would have been his. But he didn't, since he wasn't sure he could give his best for six more years.

Before retiring after 22 years in what has been called the world's most select club, the Republican leader had held the ranking minority role in no fewer than seven Senate committee posts. They included the most powerful in Congress: Appropriations, Defense, Legislative, Armed Services, Preparedness, Small Business and Government Procurement, as well as assignments on nine others.

When he was elected to the Senate after three highly successful two-year terms as governor of the commonwealth, 1939–44, a newspaper characterized the patrician Proper Bostonian as "reflecting in his bearing and character much of the thing that in bygone years won for Boston the title of the 'Athens of America'; he is what men call 'a scholar and a gentleman,' sort of survivor of the people who moved through the pages of the 'Flowering of New England.' "

Sen. Saltonstall was first elected to the Senate in 1944 to fill the unexpired term of Sen. Henry Cabot Lodge, who had resigned to join the Armed Forces of World War II.

He won by a majority of 561,000 votes over his Democratic opponent, Mayor John Corcoran of Cambridge. At the time it was the largest margin ever given a candidate for statewide office. He was reelected in 1948, 1954 and 1960.

In the Senate, he was known as "a senator's senator," possessing the Yankee traits of tidiness, unfailing courtesy and caution, coupled with integrity, modesty, thoroughness, tenacity and a shrewd grasp of political realities.

One of the most prompt and faithful of senators attending committee hearings and Senate sessions, he usually preferred to work through the amendment of bills rather than direct sponsorship. His hand touched thousands of pieces of legislation.

As a leading senator, he was closely associated with such national legislation as Internal Affairs and Aid, Selective Service, Unification of Armed Services, Veterans Benefits, the Marshall Plan, the National Act Against Discrimination in Employment, the National Science Foundation, Child Health, Displaced Persons, Anti-Fillibuster, the Cape Cod National Park, NASA, the Atomic Commission and the Nuclear Control Treaty with Russia.

Known on Capitol Hill as "the gentlemanly gentleman from Massachusetts," the senator was noted for his modus operandi.

At a hearing on a highly controversial issue he would courteously listen to every witness, apply the principles of his cautious New England heritage, then search for the middle ground. As a dogged rounder-upper of facts and a careful weigher of them in order to get the full picture, he had a reputation for fairness and integrity.

As one columnist put it, when the Republican leader retired: "He will not be remembered as an imaginative, brilliant, aggressive leader. Fair, cautious, decent are more descriptive."

Not one of the visibly powerful or flashy men of the Senate, despite his seniority, he made his mark instead as a modest, quiet gentleman with the personal quality of simplicity. People would do things for him they wouldn't do for a sharper, abrasive colleague.

No orator—just a good, common, garden variety of speaker who spoke little on the Senate floor—he did his work in committee, where the basic decisions are made.

He would sit for hours in the mark-up sessions for bills or on the conference committees between the House and Senate to work out differences in a bill. While others argued and shouted, he would sit silent, writing slowly on a scratch pad and finally say in that broad-A accent of his: "How about this?" for compromise language.

In addition to the influence and respect he held in Washington in his day, the senator and three-term governor had another distinction. His tall, lean figure, which he carried ramrod straight, was topped by what has been called "the most distinctive face in United States public life," "a well-worn American antique," "The Mayflower Compact" and "a face that hasn't changed in 300 years."

It was a kindly, honest-looking, craggy face with its heavy-lidded blue eyes, long nose, wide spaced teeth, lean cheeks and jutting jaw all capped by a full head of hair.

Some of his admirers regarded his physiognomy as a cross between two other American stalwarts, Presidents Andrew Jackson and Abraham Lincoln. "Oh, God love him, he looks just like a farmer," we remember overhearing one woman say to another at one of his political rallies.

On occasion the senator would quote one of the favorite limericks of still another President, Woodrow Wilson:

*"For beauty I am not a star.*
*There are others more handsome by far,*
*But my face, I don't mind it,*
*For I am behind it,*
*It's the people in front that I jar."*

In 1938, when they were running for governor, James Michael Curley disparagingly commented that his Republican opponent was "a man with a Harvard accent and a South Boston face." He wished he hadn't.

Sen. Saltonstall quickly turned the remark to political advantage, rejoining he was proud of his "South Boston face. It is not a double face. It's the only one I have and it will be the same after election as it is now," he said, early and often.

He had a good sense of humor. Once asked by a Washington reporter for his opinion on an issue, he quipped: "No comment. And that's off the record." Nor was he averse to telling jokes on himself. As a fledgling senator he wrote:

"Incidentally, the Senate Office Building is known everywhere in Washington as S.O.B., so I find there is one thing that all

senators have in common: Their mail is often addressed like mine—Senator Saltonstall, S.O.B., Washington, D.C."

He also liked to recall the time Gen. Al-Gruenther, commander of NATO, was being questioned at a meeting of the Armed Services Committee and one of the senators got off on another long-winded track.

Leaning forward to ask him if he would yield, the Bay State senator absentmindedly put his hand smack on the knee of Sen. Margaret Chase Smith (R–Maine).

"She didn't say a word," he recalled with dry delight. "Just picked up my hand and put it back on my knee."

Her reproof was seen by everyone and the silent byplay completely broke up the meeting—and the questioning: When I got back to my office there was a bottle of Scotch on my desk with a note of thanks from the general," he chuckled.

In the Senate, Sen. Saltonstall avoided the party squabbles and usually voted with the GOP on sticky political measures. But on post-war measures and foreign affairs he was independent and an internationalist. He was one of the first Republicans to recognize American's obligation to the rest of the non-Communist world.

In 1945 as our troops advanced far into Germany, he was one of a committee from Congress flown there to see the just-discovered atrocities at Buchenwald and Dachau. "It was a picture one does not ever forget," he said. The following year he served on the committee established by President Harry Truman to report on the atomic bomb tests at Bikini Lagoon in the Pacific.

After the war, the sentor was one of the earliest and most vigorous supporters of Gen. Dwight Eisenhower for the presidency and became one of the Eisenhower Administration's most dependable spokesmen, consistently supporting its programs.

For eight years he was one of a select group of Republican leaders in Congress who sat down with the President in the Cabinet Room on Tuesday mornings when Congress was in session to talk over pending legislation with the Chief Executive and his advisers.

He also had a warm relationship with John F. Kennedy, both as the junior senator from Massachusetts and as President. It was a relationship that other Democrats and Republicans in Massachusetts could never crack.

"He always called me 'Senator,' even when he was President, and I called him—John—not Jack as he was known to his friends and neighbors—and, of course, 'Mr. President,' Sen. Saltonstall said, "I was told that the only other person who called him John was his mother. If this is so, I was in good company."

Only rarely did they vote differently in the Senate, such as on the St. Lawrence Seaway, which he fought and the junior senator supported. Together they sponsored various bills in the New England—and Massachusetts—interest.

"The most sensitive and perhaps the most worthwhile project that John Kennedy and I sponsored was the Cape Cod National Seashore Park," he was later to say, adding: "I think it was the first time that the government has ever gone and bought land for park purposes."

Sen. Saltonstall, who had sailed the Maine Coast since boyhood from the family summer compound at North Haven, Maine, loved all things nautical, from ships to shells and fish flour. On Capitol Hill he was also known as "Mr. Fish" for all his legislative activity in support of New England fishermen. And he loved the seafood Saltonstall-sponsored "shore dinners" were a special feature of the Senate restaurant, complete with lobsters and New England fish or clam chowder—NEVER with tomatoes!

He worked diligently also for antidiscrimination legislation and was cosponsor of the first civil rights bill to pass Congress in more than 80 years. He was especially proud of his role through the years in the unification of the armed services, which, under the National Security Act, brought together the Army, Navy and Air Force under the Department of Defense. His unremitting efforts were a major factor in bringing this about.

Of his career in Washington, the senator wrote in his book, "Salty: Recollections of a Yankee in Politics," published by The Boston Globe in 1976:

"Perhaps the most satisfactory recollection as a senator was my bringing together in conference opposite points of view for a compromise agreement, a timing and a method which my friends on the Appropriations Committee dubbed 'The Saltonstall Package.' "

Asked what advice he'd give his successor (Sen. Edward Brooke), he said: "Be conscientious. Attend committee hearings. Know your staff, but stick to your knitting. Don't try to spread your butter all over the Senate."

When Henry Cabot Lodge resigned from the Senate to join the Army, "he made me promise not to tell anyone he was leaving until he was over the ocean," Sen. Saltonstall said. "I didn't even tell Mrs. Saltonstall." This ability to keep his mouth shut served him well during his long political career—a career that usually saw him the only Republican elected to statewide office in great Democratic sweeps.

When Mr. Lodge resigned, Sen. Saltonstill, as governor, appointed Sinclair Weeks to fill the vacancy. But Weeks said he did not wish to run for election, so Mr. Saltonstall decided to give it a whirl. But after being elected, he insisted on serving out his full term as governor, even though it made him a day late to his swearing in at the Senate. "That cost me five places (of seniority) and I never got them back," he later said.

In his three gubernatorial victories, he defeated Curley in 1938; Paul A. Dever in 1940, when President Franklin D. Roosevelt carried the state by 137,000 votes; and Roger Putnam in 1942.

In fact the only defeat at the polls in his long political career came in 1936 when he ran for lieutenant governor and lost to his Democratic opponent, Francis E. Kelly.

In his gubernatorial campaign, he promised he would give the commonwealth a clean, honest, efficient administration and did.

When he took office, Sen. Saltonstall inherited the then largest debt in the history of the state—a deficit of $1 million. His administration was noted for efficiency and economy and was highlighted by all-out participation in the World War II effort. The state excelled in the preparation of military and naval equipment and received the second largest number of E, for excellence, awards in the nation.

"We kept a sound government and did the best we could. I take some—a little credit—in keeping things sound," he said.

During his administration he created the Massachusetts Commission Against Discrimination. "Massachusetts took the lead in supporting human dignity and I was proud that I was able to play a part in that action," the Boston Brahmin said.

In his final year as governor he also set in motion an extensive program for post-war reconversion. When he took the traditional long walk down the State House steps to leave the Beacon Hill for Capitol Hill he left the state with its lowest debt since 1900.

Sen. Saltonstall was an unpretentious, easy mannered, kindly man always easy to approach. When he went into the governor's office, he dispensed with uniformed guards, motorcycles and a private State House elevator. Instead, he took a plainclothed State Police sergeant with him as chauffeur on official trips, riding up front with him.

When he became governor of the commonwealth he became the ninth on the family tree to do so. And he was the 10th in line of direct descent from the Saltonstalls who first landed on these shores with Gov. Winthrop in the sloop Arbella in 1630.

One of them was Sir Richard Saltonstall, one of the original patentees of the Massachusetts Colony under a Charter of King Charles I. He and his son, also Richard, helped found Watertown and Ipswich, the latter serving in the first Massachusetts General Court.

Other illustrious ancestors included an Ipswich judge who refused to preside at the infamous Salem witchcraft trials, the chairman of the commission that settled the boundary of Massachusetts and New Hampshire, the first commodore in our navies and a founder of Yale of University.

The Senator's great-grandfather, Leverett Saltonstall, was president of the Massachusetts Senate, a member of Congress and the first mayor of Salem. He was Senate president in 1830, the year of the state's bicentennial. His great-grandson was proud of the fact that he carried on the tradition, so to speak, by serving as Speaker of the House in 1930, the tercentenary year.

The senator's grandfather, also Leverett Saltonstall, was a wealthy lawyer and collector of customs for the City of Boston, a high federal government post. Both men were from a long line of Democrats.

But the senator's father, Richard Middlecott Saltonstall, also a successful lawyer, was, as the senator put it, "a mugwump." He was a Harvard classmate and close friend of Theodore Roosevelt and became a Republican. His son followed suit.

So involved are the blue-blood ties of the Saltonstall clan to other founding fathers' stock that when an uncle, Endicott Peabody Saltonstall, was made district attorney of Middlesex County some years ago James Michael Curley, on hearing the news, cracked:

"What! All three of 'em!"

The future governor and senator was born in Chestnut Hill on Sept. 1, 1892, the son of Richard Middlecott Saltonstall and Eleanor (Brooks) Saltonstall, a descendant of Peter Chardon Brooks, an early 19th century New England merchant prince. Boston College now stands on land belonging to her grandfather, Amos Lawrence, whose cows used to graze on what is now the old football field.

Sen. Saltonstall attended Noble and Greenough School and it was at dancing school as a boy of 11 that he first met the girl who was to become his wife of more than 60 years. She was Alice Wesselhoeft, a student at the Winsor School and daughter of a prominent Boston physician. They were married June 27, 1916.

After graduation from Noble and Greenough, Sen. Saltonstall followed family tradition and enrolled at Harvard, the 10th generation of his family to do so. (An ancestor was in its first graduating class.) There in 1914, at the end of his senior year, he was captain of the second varsity crew to a ringing victory in the Henley Grand Challenge Race at Henley, England.

In 1964, on the 50th anniversary of their victory, every member of the old crew rowed again on the Thames after the regatta finals, to the roar of the crowd and the applause of Queen Elizabeth, the Queen Mother, and Princess Margaret.

In his senior year at Harvard, Sen. Saltonstall also became one of the college's hockey immortals. The varsity game with Princeton, with by the great Hobey Baker, as captain, was tied at the end of regular time. The overtime period had gone 38 minutes when young "Lev", a substitute, ripped down the

ice as forward and plunked in the goal that brought victory to the Crimson.

Graduated from Harvard in 1914 with an AB degree, he went on to Harvard Law School, graduating in 1917. In 1942, while serving as governor of the commonwealth, he was awarded an honorary degree from his alma mater for "his high integrity and courageous public service." He also held 27 other honorary degrees from other colleges and universities.

Mr. Saltonstall had served three six-year terms on Harvard's Board of Overseers, was president of the board in 1943; and had served as treasurer of the Harvard Alumni Assn. For more than 60 years he never willingly missed a Harvard commencement.

Once John Gunther, author of "Inside U.S.A.," asked him what were the most important things in his life. Without hesitation the senator replied: "My family and Harvard."

During World War I Sen. Saltonstall was a first lieutenant in the army, serving six months in France with the 301st Field Artillery. On return to the states in 1919, he was admitted to the bar and began practicing law in his father's firm, Gaston, Snow, Saltonstall and Hunt.

The following year his long political career began when his "Uncle Cotty"—Endicott Peabody Saltonstall—and Judge James Lowell, Ward 6 political bosses in Newton asked him to run for alderman-at-large. They said it would only take "about one night every other week," he related. "Baloney. It took a lot more than that." But in the doing he was hooked.

In 1922, while serving "Uncle Cotty," the D.A., as second assistant district attorney for Middlesex County, he ran for the state Legislature as representative from Newton and won. He served seven terms, from 1923 to 1937. For eight of those 14 years, he was Speaker of the House. "The speakership," he later said, "gave me a great opportunity to gain an understanding of government and the motives of members of a legislative body and the influence of political partisanship."

As speaker he won a reputation for being eminently fair, honest and impartial. That reputation continued after his election as governor. Sen. Saltonstall, incidentally, was the last of the party leaders to climb the traditional Republican ladder—from local office to the Legislature, then legislative leadership and a candidacy for lieutenant governor before even considering a run for major office.

When he retired from the Senate in 1967, "Mr. Republican" as he was sometimes called, said: "I started in politics because they told me it wouldn't take much time and I wouldn't have any opposition. They were wrong on both counts, but somehow I grew to love it. Politics is people. I leave office as one who still loves people and therefore still loves politics."

On retiring, the senator gave his collected papers going back to the 79th Congress and numbering some 840 cartons in all to the Massachusetts Historical Society; his volumes of statutes passed while he was in Washington to Harvard Law School; and, his file of treaties to Brandeis University.

Said Pennie Gouzoule, his personal secretary on Capitol Hill for 18 years: "I'll never find anvone as fine as the senator to work for again. He is always a gentleman. In all these years, I've never seen him lose his temper, and that's something in a place like this. He is one of the most highly organized, self-disciplined and hard-working men I know."

In retirement, the ever-trim, agile veteran senator did many of the chores himself on his 150-acre Dover farm overlooking a pond and the Charles River.

Although he had long since given up riding to the hounds, as he used to do in his younger days with the Norfolk Hunt Club, the Dover aristocrat would trot out his old derby and leather gloves and ride in horse shows with his daughter, Susan, who lives on the farm and raises Welsh ponies. At meets he was her gentleman-escort-passenger in a four-in-hand.

Until May, Sen. Saltonstall went to his Devonshire street office in downtown Boston three times a week for a halfday, and presided over various family trusts, according to his son William.

He also continued to involve himself with various charities, and was active in planning his 65th Harvard reunion this spring.

"Unfortunately, he wasn't able to attend the reunion, William said. "That, and missing his Henely crew reunion were perhaps his greatest disappointments. They both were held last week.

The senator and his wife, whom he referred to as "My Missus," were a deeply devoted couple and patriarch and matriach of a tightly knit, close and loving family. They had six children, three sons and three daughters, three of whom preceded him in death.

A daughter, Rosalie, died in 1920 when she was a year old. A son Peter, 24, a Marine Corps sergeant who left Harvard to enlist in World War II, was killed in action on Guam in the South Pacific in the summer of 1944. And his eldest son, Leverett Jr., died of cancer at the age of 49 in 1966.

The story is legendary how he, as governor, insisted on driving from Beacon Hill to Dover himself when he got the news that Peter had been killed, composing on the way how he would break the tragic news to his Alice.

Less than 24 hours later, he stood unwavering at a memorial service on Boston Common at which a Naval officer pinned a medal on the mother of another Marine, who was missing in action. The governor paid tribute to the boy and extended his condolences to the mother, never mentioning his own loss.

While life on the farm had its own great reward, Sen. Saltonstall was never one to vegetate and came into Boston several days a week to his office at Saltonstall & Co., 82 Devonshire St. There, behind his father's old carved desk, surrounded by ancestral portraits, he managed family affairs; accepted occasional speaking engagements; and kept busy answering mail from admirers and former colleagues.

"I try to keep informed as to what's going on in the country. After all those years of dealing with the state's and the nation's problems, it's natural for me to be concerned. And I am concerned," he said.

In 1972, aged 79, he attended the Republican National Convention, his 10th. He was reported to be the oldest delegate. "But I don't know about that," said he. "There are others who look in a lot worse shape." In his last years he was forced to wear a hearing aid. "Damned nuisance," he complained.

Sen. Saltonstall also became chairman of Project Minuteman, a program to attract tourists and industries to Massachusetts in cooperation with the Massachusetts Department of Commerce and Development. And, in 1975, he was president of Boston's Freedom Trail Foundation.

"Perhaps the most emotional experience I ever enjoyed in a life of public service," came, he said, in 1970 when Gov. Francis Sargent asked him to represent Massachusetts at the 350th anniversary of the sailing of the Mayflower from Plymouth, England, to Plymouth in 1620. The Queen Mother asked him to lunch and in a cutaway and top hat he and the Lord Mayor of Plymouth reviewed a colorful parade watched by 70,000 people.

Equally at home in a cutaway, old tweeds or farm work clothes, he loved parades. From his first year as a Newton alderman he never missed one if he could help it, striding along in cutaway, astride a white horse, or marching through South Boston in the annual St. Patrick's Day parade, grinning from ear to ear as the crowds shouted, "Hi, Salty!" to the ever-popular man with the "South Boston face."

Trim and spry well into advanced age, Sen. Saltonstall still took to scull and shell on the Charles River when in his 70s and in 1963 was elected to the Rowing Hall of Fame.

In 1968 he won the National Collegiate Athletic Assn.'s annual Theodore Roosevelt Award for athletic accomplishments and attention to physical well-being

In addition to his honorary degree from Harvard, the longtime senator and governor held honorary degrees from Northeastern, Boston, De Pauw, Clark, Toledo, Northwestern, Norwich, Brandeis, Suffolk, and Tufts Universities; the University of Massachusetts; Bates, Bowdoin, Amherst, Williams, Kenyon, Colby, Holy Cross, Franklin and Marshall, William and Mary, Curry and Merrimack Colleges; Worcester Polytech Institute; New Bedford Institute of Textiles and Technology; Portia Law School; Babson Institute and Lowell Technological Institute.

He had served as vice chairman of the Massachusetts Bay Fund; as a trustee of IVEST; and as a director of the National Shawmut Bank of Boston, the Boston Safe Deposit and Trust Co. and the Boston and Albany Railroad.

He also had been a founder of Newton Post No. 48, American Legion; and was a member of the Boston, Middlesex County and Massachusetts Bay associations, Masons, Elks, the Clover Club of Boston, and the Charitable Irish Society.

Sen. Saltonstall was eligible for membership in the Charitable Irish Society by reason of an Irish grandmother named Sullivan seven generations back. Democratic polls, however, liked to say he was only "Irish on his chauffeur's side."

In addition he was a member of the Ancient and Honorable Artillery Co., the Veterans of Foreign Wars, and was an honorary member of Phi Beta Kappa, the Rotary and Kiwanis clubs. Other clubs included Porcellian, the Somerset Club, the Tavern Club, the Harvard Club of Boston and the Alfalfa Club, Washington.

A familiar figure on Boston streets, walking to and from his office to his bus stop, the distinguished political leader seemed a spare, shy representative of the old Puritan stock that could point with just pride to Daniel Webster's defiant boast: "Massachusetts, there she stands."

In his autobiography he wrote, in his modest fashion:

"One of the greatest personal satisfactions of being a senator is the opportunity to help constituents with their personal problems . . . Now when people stop me on the street to shake my hand, often they thank me for something I did for them as a senator or as governor years ago.

"I have no idea of what I did to help them with their problems, but it pleases me, and I always say, 'I am glad if I was of a little help and hope all goes well with you now . . ."

Once asked the reason for his political durability, this grand old man of Massachusetts said quitely and proudly: "Well my father left a good name, my uncle left a good name, my grandfather . . . my great-grandfather . . .

And so did he . . . And so did he.

Senator Saltonstall leaves his wife, Alice; a son, state Sen. William Saltonstall of Mancester; two daughters, Emily Salton Byrd of Chestnut Hill and Susan Saltonstall of Dover, and 10 grandchildren.

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[From The Boston Globe, June 18, 1979]

NICE, WISE, ASTUTE, HE DID POLITICS HONOR

(By Elliot Richardson)

In 50 years of public life Everett Saltonstall showed what politics at its best can

mean. For him it was an honorable calling, and he did it honor.

As the first three-term governor of the commonwealth, as assistant majority Leader of the United States, as chairman and ranking member of the Senate Committee on Armed Services, and as chairman of the Republic Conference, Sen. Saltonstall dealt with presidents and potentates on terms of familiarity and friendship.

But this did not in the least change him. He was just as friendly, just as courteous and considerate, to the humblest among us. He had no "side," no condescension.

Among the countless individuals touched by his long and active life, it is impossible to imagine that there can have been a single one who did not think kindly of him. As John Gunther once wrote, Leverett Saltonstall is "just about the nicest man anyone ever met."

He was nice. He was also wise. And he was astute. I remember a House committee chairman who told me once that he had learned (to his cost) to be wary of Leverett Saltonstall's skill as a negotiator. "The first few times," he said, "it wasn't until I got out of the conference and felt under my armpits that I realized I'd lost my shirt."

Sen. Saltonstall's public speeches had the art that conceals art. Even while you were rooting for him to come up with the right word, you knew that he would say exactly what he wanted to say. His listeners seldom said, "What a great speech!" But they left saying to each other, "Salty is a good man. He has sense. I like him." What more could you ask of a speech?

People not only liked Salty. They trusted him. For two—nearly three—generations of Massachusetts citizens, his long jaw, his ruddy cheeks, his silver hair came to symbolize integrity.

And yet his was not the brittle moralism so characteristic of the post-Watergate era. It was rooted in conscience and sustained by instinctive decency. He was not afraid of politics because he knew that he could play the game without playing dirty or being dirtied by it. He could blush with modesty, but he could slug it out with the toughest.

His kindness, his humor, his capacity for friendship were a joy and a solace to his friends, as indeed at times of personal tragedy they must have been even to himself.

We loved him. We love him still. We shall miss him sorely.

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[From the Boston Herald American, June 18, 1979]

THE MAN CALLED "SALTY"

By birth and breeding, Leverett Saltonstall was a Yankee, a Brahmin—but more than any other man of his generation he was able to bridge the wide social chasm that separated his caste from the immigrant blood of Boston in the first quarter of this century.

By political belief he was a Republican—but more than any other candidate of the Massachusetts branch of that party he was able to claim the affection, and the votes, of Democrats in every corner of the state.

He was a patrician with the common touch, who was as welcome in South Boston as he was in the Back Bay, and who was "at home" equally as much in Maverick Square as in Louisburg Square.

That was not because he was a handshaker or a snake oil salesman in the style of some politicians of both his time and ours, but because he was recognized as being intelligent enough to see things as they really were and enlightened enough to see how they could be made better.

And in his 40 years of public life as state legislator, governor, and U.S. Senator, that was what the man called "Salty" invariably sought to do.

He tried to make things better.

The liberalization of Social Security benefits in years past, the easing of immigration laws, and the advances in civil rights made during his tenure in Congress were causes he espoused and worked for. He helped push federal aid for construction of schools and colleges, secured defense contracts for the commonwealth, and incessantly promoted and improved the business climate he felt would bring more industry—and more jobs—to this state.

He was a proud man but—unlike others—he had reason to be. For half his long lifetime he was a presence, a powerful force for good in his state and nation; but he was honest and humble enough to relinquish his place in Congress when he felt his presence was no longer needed and a young man could do the job better.

In his own time Lev Saltonstall was, every bit as much as Oliver Wendell Holmes Jr., the Brahamin predecessor with whom the title is usually associated, a truly magnificent Yankee.

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[From the Boston Herald American, June 18, 1979]

POLITICAL FIGURE

(By Jim Morse)

Leverett Saltonstall, 86, one of the last of the old Boston Brahmins and a power in Massachusetts politics for more than four decades, died yesterday morning at his Dover home.

The former U.S. senator and Massachusetts governor died of heart failure, according to his son, William.

"My mother and I were with him," his daughter Susan said. "He was resting comfortably until his heart just stopped beating.

"He had been sick. He was sent home from the hospital last weekend. I think he knew where he was. He died where he wanted to die—at home."

Saltonstall had recently been hospitalized for several weeks at Faulkner Hospital in Boston where he was treated for fluid in his lungs. Doctors were able to remove the fluid, and after a period of recuperation Saltonstall returned home one week ago.

Known as the "Republican with a South Boston face," Saltonstall retired in 1967 after 22 years in the U.S. Senate. He served as governor of Massachusetts for six years and for eight years was Speaker of the Massachusetts House of Representatives.

Saltonstall, affectionately known as "Salty," and whose craggy features, Yankee twang and reputation for "horse sense" were his trademarks, was born in Newton on Sept. 1, 1892, to a family with ties that went back to colonial days.

His great-grandfather, Leverett Saltonstall, was president of the Massachuetts Senate, a member of Congress, and the first mayor of Salem. His grandfather, also Leverett Saltonstall, was appointed Collector of the Port of Boston by President Grover Cleveland.

The lean, soft-spoken politician numbered among his friends and confidantes many of the world's leaders. And although a staunch Republican, Saltonstall could always count on some Democratic support.

While he said little publicly, the late President John F. Kennedy was twice helpful to Saltonstall by withholding full support to Democratic challengers.

He was a graduate of Noble & Greenough School, Harvard College and Harvard Law School, where he obtained his degree in 1917.

Saltonstall first entered politics in 1920, as a Newton alderman. He was also an assistant district attorney in Middlesex County and became a member of the Massachusetts House in 1923, rising to speaker in 1929.

His only defeat, an upset, was for lieutenant governor when he lost in 1938 to Francis E. "Sweepstakes" Kelly.

However, Saltonstall came back two years later to win the first of three terms as Governor.

He defeated the legendary James Michael Curley initially. Curley had served one term as governor and opted for an unsuccessful Senate run against Henry Cabot Lodge, Jr., but came back to wrest the Democratic gubernatorial nomination from his successor, Gov. Charles F. Hurley.

Curley's campaign remark about Saltonstall's "South Boston face" was quickly turned into a political asset. Saltonstall became a frequent participant in South Boston's traditional St. Patrick's Day political roasts.

Saltonstall's re-election against Paul A. Dever, later to serve two terms as governor, was the closest on record.

In 1944 Saltonstall won a special election to succeed Senator Lodge, who had retired to enter military service, by more than 560,000 votes—at that time the widest margin ever given a statewide candidate, despite the fact he was a Republican running in a heavily Democratic state.

He won re-election to the Senate in 1948, 1954 and 1960.

His closest re-election was in 1954 against Treasurer Foster Furcolo, later a two-term governor. Saltonstall defeated Springfield Mayor Thomas O'Connor, who had beaten Furcolo in the Democratic primary, in his 1960 re-election.

When he retired in 1967 at the age of 75, Saltonstall was the ranking minority member of the Armed Services Committee and the Defense Subcommittee of the Appropriations Committee.

At a dinner marking Saltonstall's retirement, then Lt. Gov. Elliott L. Richardson, who later held several cabinet posts and the ambassadorship to Great Britain, said, "Irrespective of party, he has always sought to find the right answers in a spirit of humility and candor."

Saltonstall retired to the life of a gentleman farmer on his Dover estate, but made occasional appearances on behalf of the Republican Party.

Most recently, he was among the elder statesmen who endorsed Francis W. Hatch, the Republican standard-bearer in last November's gubernatorial election.

Despite generations of Yankee Brahmin background, Salstonstall never forgot the working class people who put him in office.

One day in 1944, during his last term as governor, Salstonstall was informed his son, Peter, a Marine sergeant, had been killed in action fighting the Japanese on Guam in the South Pacific.

Despite his grief, Saltonstall insisted on keeping an appointment the next day to present the Congressional Medal of Honor to a Newton woman whose son was also killed in action.

Salstonstall served as an Army first lieutenant in France during World War I, then began practicing law.

The patriarch of Massachusetts Republican politics loved the simple life. Even while in Washington he tried to come home every weekend to his Dover farm or to his summer home in North Haven, Maine, where he liked to sail and play golf and tennis.

"Alice and I lived in a house my father gave me in Chestnut Hill until we went to Washington," Saltonstall once said. "Then we moved out to our farm in Dover which we love and where we spend all possible spare time. North Haven, Maine, has been our vacation headquarters since I was 10 years old.

"I love people and you see plenty of them in politics and government. No job is more satisfactory than one of working out problems that affect us all."

Saltonstall married Alice Wesselhoeft of Jaffrey, N.H., in 1916 and the couple had six children, including William L. Saltonstall, of

Manchester who retired last year as a member of the Massachusetts Senate.

The Republican leader gained much of his political strength through a common touch and simple candor which won him bipartisan support. Typical of the candor was a remark he made during a campaign speech in South Boston.

Referring to a supporter of an opponent who had called him "old horse face," Saltonstall retorted: "It's the only face I have and it will be the same face after the election as it was before it."

During his college days, he captained a Harvard crew which won the Royal Regatta at Henley, England, in 1914. He also played football and baseball.

As Massachusetts governor he often walked part of the way to the Statehouse, after riding on a commuter train and chatting with passengers. He refused to have a bodyguard or motorcycle escorts.

He burned a wood fire regularly in his office fireplace, and often had breakfast conferences at his 89-acre farm, personally serving eggs, sausage, ham and honey.

In addition to his political activities, Saltonstall participated in civic, charitable and cultural affairs.

In 1937, he was chairman of the first Greater Boston Community Campaign. He was a corporator and trustee of many Massachusetts charitable and civic institutions.

He served on the Board of Overseers of Harvard for 18 years, and was a member of the Board of Regents of the Smithsonian Institution in Washington, and of the Board of Trustees of the John F. Kennedy Center for the Performing Arts and the U.S.S. Constitution Museum.

His autobiography, "Salty: Recollections of a Yankee in Politics," was published in 1976.

In addition to his wife, Alice; son, William; and daughter, Susan, he leaves another daughter, Mrs. Emily S. Byrd of Chestnut Hill, a sister, Mrs. George Lewis, and a brother, Richard, both of Sherborn.

He also leaves 10 grandchildren.

A memorial service will be held Wednesday at 2 in the Memorial Church, Harvard University, Cambridge.

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[From the Boston Herald American, June 18, 1979]

THE BELOVED FATHER

(This is a tribute to his father written by William L. Saltonstall, former Massachusetts state senator.)

Father was a strong man, strong in body—he loved athletics and working on his farm. Strong in mind—firm in his convictions as to right and wrong.

He was always a leader. We knew him as such in our close family. Others acknowledged him first as a captain in sports, later as a leader in his state and nation. He liked to lead and to do his best at whatever he did.

Happily married for 62 years, he adored our mother. He loved his family and liked to surround himself with them at family gatherings and holiday celebrations. He loved his university and the leadership it stood for. He loved his country and all the people in it.

For years he carried in his pockets small quotes about what a great country it is.

He loved his God. Each morning he read from a volume of Bible quotes and thoughts of religious leaders that his uncle, Bishop Lawrence, gave him, until he wore out two books.

He loved and was loved. We shall miss him deeply and we are grateful that he went in peace.

As he said himself in the hospital, his work is done.



[From the Boston Herald American, June 18, 1979]

THE VALUED FRIEND

(This article was written for The Herald American yesterday by former House Speaker John W. McCormack after he learned of Leverett Saltonstall's death.)

I was shocked when a phone call informed me that Leverett Saltonstall was dead. I knew he had been ill, but it is always shocking when you lose a friend—especially a friend as close as Salty was to me.

I'm 87, a year older than Salty.

We'd known each other since the early 1920s when we began serving together in the Massachusetts Legislature, he as a Republican and I as a Democrat. We later served together for many years in Washington. He was in the Senate, of course, while I was in the House of Representatives.

Although we belonged to different political parties, that never had a bearing on our friendship. There was never an unpleasant word between us. That's the way it should be. Friendship should always be above party considerations.

Salty was one of the most dedicated and one of the fairest legislators I've met in the more than a half century I've been in politics.

He was always a gentleman.

And make no mistake about it, he had a great deal of Democratic support. The reason for that is although he was a Republican, he had an independent mind. He would vote for Democratic measures if he believed in them.

His death will be a great loss to Massachusetts and to the country.

Salty was a man who was able to relate to people in all walks of life. He'll be missed as much in South Boston as on Beacon Hill.

The last time I saw him was when we met on Congress Street in early May, before he went into the hospital. We talked in front of the building that is named after me—the building that houses the main Post Office.

I don't recall that we talked politics. It was mostly an exchange of pleasantries.

We were two old friends who accidentally happened to meet on the street. I was happy to see Salty, and I told him so.

I'm glad I had that opportunity because it was the last time I was to see him.

He'll be remembered by everyone for being a gentleman. And I'll remember him as a friend.

Mr. KENNEDY. I yield to my junior colleague, Senator TSONGAS.

Mr. TSONGAS. I thank the Senator for yielding.

Mr. President, I hold the seat that Senator Saltonstall held for so many years. When he first came to this body I was 4 years old. Clearly he was not only an institution here in Washington but particularly back in Massachusetts. I think it is fair to say that he was a beloved institution.

I would simply add to what the senior Senator has said, that coming from an immigrant family who also happened to be Republican, Senator Saltonstall was beloved not only in the traditional Republican circles but even to those families, like my own, who came to this country from overseas and who had respect for his personality, for his courage, for his honor, and for what he stood in the American political system.

Mr. President, with the passing yesterday, at the age of 86, of Senator Leverett Saltonstall of Massachusetts, an era has ended. My State of Massachusetts, the U.S. Senate, and the Nation will profoundly miss the white-haired grand old man the people called "Salty."

In his 40 years in public life, including 22 years in the Senate and three terms as Governor of Massachusetts, he built an unparalleled record. There are not many figures about whom it can be truly said that they were universally beloved—he was one of them.

I met him only once. I was 4 years old when he was first elected to the Senate. But growing up in Lowell, Mass., I well remember the esteem in which Democrats and Republicans, rich and poor alike, held this man. He was an enlightened leader who never feared to stand firmly on his principles. Although widely known as "Mr. Republican" in Massachusetts, he was respected by his constituents of all political views, for his honesty and dedication.

On the great issues of our times, he stood in that rare group of men who have given such distinction to the body in this Chamber by their ability to rise above partisan politics to serve the best interests of the Nation.

His son, former Massachusetts State Senator William Saltonstall has reported that among his father's last words in the hospital were, "My work is done." While those of us left behind to struggle with the issues of the day are poorer for the loss of his counsel and guidance, we can be thankful for the example which he has given us. In this sense, and in the hearts of the people who loved him, his work will always go on.

Mr. BAKER. Mr. President, we mourn the loss today of one of the most distinguished men ever to have served in the U.S. Senate, Leverett Saltonstall of Massachusetts.

I regret that I did not have the pleasure of serving with Senator Saltonstall. He was leaving just as I was arriving in 1967. But I know by reputation, as some of my colleagues here know first-hand, that Leverett Saltonstall represented many of the Senate's finest and most cherished traditions: Independent judgment, unfailing courtesy, and a fervent commitment to the service of his country.

As the Washington Post observed some years ago, Senator Saltonstall was "neither a fighting liberal nor a reactionary, but his voice and his vote have usually been on the side of common sense."

All of these traits made this self-effacing scion of one of America's first families a towering figure in his beloved Commonwealth of Massachusetts, in the Republican Party he represented so well, and in the Nation he served with such distinction.

I know my colleagues join me in expressing our sympathy to Senator Saltonstall's family in this time of sorrow, but we are all fortunate that he lived so long among us.

Mr. President, I ask unanimous consent that appreciations of Senator Saltonstall from today's editions of the Washington Post and the New York

Times be inserted in the RECORD at this point.

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

[From the Washington Post, Monday, June 18, 1979]

LEVERETT SALTONSTALL, EX-SENATOR FROM MASSACHUSETTS, DIES

(By Richard Pearson)

Former Sen. Leverett Saltonstall (R-Mass.), the reserved and genteel patrician who represented his state in the Senate for 22 years before retiring in 1967, died of congestive heart failure yesterday in his home in Dover, Mass. He was 86.

At the time of his retirement, he was the ranking Republican member of two of the most powerful committees in the Senate—Appropriations and Armed Services—and exerted a strong influence on national policy.

He spoke little on the Senate floor, but was at his best in conference committees, where his compromise language on controversial bills often carried the day. Elected to the Senate in 1944, Sen. Saltonstall was perceived as an Eastern liberal during his early career, but perhaps with rising age, seemed to grow more conservative.

In a 1965 editorial, The Post said that he was "neither a fighting liberal nor a reactionary, but his voice and his vote have usually been on the side of common sense."

During his early years in the Senate, Sen. Saltonstall favored the Bretton Woods agreement, the United Nations charter, and American participation in the international organization. He voted for the European recovery bill in 1948, and the North Atlantic security pact in 1949.

Sen. Saltonstall opposed American involvement in Southeast Asia in 1953, but voted in favor of administration appropriations bills for Vietnam expenditures during the Johnson years.

In domestic legislation, he voted against the expansion of the Tennessee Valley Authority in the 1940s, favored cuts in nondefense spending in 1950, and helped lead the unsuccessful fight against the St. Lawrence Seaway bill in 1954.

Sen. Saltonstall sat in on White House consultations during the Cuban missile crisis and was a member of the American party that went to Moscow to sign the limited nuclear test ban treaty in 1963.

During the mid-1960s, he helped write and lead the fight for a GOP alternative to the Democrats' medicare program.

For eight of the years he served as Massachusetts' senior senator, the state's junior senator was John F. Kennedy. When Kennedy entered the Senate in 1953, Sen. Saltonstall was a committee chairman in a Republican administration. For long periods in those early days, Kennedy was in bed with a back injury.

"I put his name on everything I did for Massachusetts while he was sick," Sen. Saltonstall once said, meaning that he saw to it that his junior colleague got equal billing for federal funds going to Massachusetts.

Kennedy gave only mild support to Sen. Saltonstall's 1954 and 1960 opponent, Foster Furcolo, and seemed to limit his opposition to the patrician senator to mild ribbing.

In a speech in Boston on Oct. 19, 1963, Kennedy evoked a roar of laughter when he mentioned the appearance of Sen. Barry Goldwater (R-Ariz.) earlier that week, when Goldwater was introduced at a Boston GOP rally by Sen. Saltonstall with the words: "He and I have differed on many problems, but we respect one another."

"Why," Kennedy exclaimed, "I used to get a better introduction from Sen. Saltonstall when I was in the Senate than that."

Sen. Saltonstall had a lantern jaw and long Yankee face, "a face that hasn't changed in 300 years," according to one writer.

He was descended from Sir Richard Saltonstall, who came to America in 1630. Gov. John Leverett became in the 1600s the first of eight forebears to serve as governors of Massachusetts.

In the 1920s, an uncle was appointed to clean up a Boston scandal. When Mayor James Michael Curley called anxiously to find out who the new man was to be, he was told it was Endicott Peabody Saltonstall.

"Oh my gosh, not all three of them!" screamed the Irish boss.

Sen. Saltonstall was born in Chestnut Hill, Mass., and earned bachelor's and law degrees at Harvard University.

After serving as an Army artillery officer in France during World War I, he practiced law in Boston.

He served on the board of aldermen of Newton and as an assistant district attorney of Middlesex County before winning election to the Massachusetts House of Representatives in 1922.

He served in the state house for 13 years, the last five as speaker. In 1938, Sen. Saltonstall defeated James Michael Curley for the Massachusetts governorship, and won reelection in 1940 and 1942.

From 1939 to 1944, he was chairman of the New England Governors' Conference and was chairman of the National Governors' Conference in 1944.

In 1944, Sen. Saltonstall ran for the Senate seat vacated by Sen. Henry Cabot Lodge (R.-Mass.), who had resigned from Congress that year to serve in the Army. Sen. Saltonstall defeated Democrat John H. Corcoran by more than 400,000 votes, and was reelected in 1948 over John I. Fitzgerald.

After retiring from the Senate, Sen. Saltonstall became a gentleman farmer on his Dover estate. He returned to the public eye last November when he endorsed Francis W Hatch, the Republican's unsuccessful gubernatorial candidate.

Sen. Saltonstall is survived by his wife, the former Alice Wesselhoeft, two daughters, a son, and 10 grandchildren.

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[From the New York Times, June 18, 1979]

LEVERETT SALTONSTALL IS DEAD AT 86; REVIVED THE MASSACHUSETTS G.O.P.

(By George Goodman Jr.)

Leverett Saltonstall, the former Republican United States Senator and Governor of Massachusetts, died yesterday at his farm in Dover, South of Boston, the city where his descendants were among the first English settlers to arrive in 1630. He was 86 years old.

Because of his stunning victory for Governor in 1938 over James Michael Curley, the Mayor of Boston, a defeat that ended 40 years of Democratic Party "Beacon Hill machine" rule, Mr. Saltonstall was frequently suggested by Republican leaders as a possibility for the highest national offices. But in the low-keyed, manner of his patrician upbringing, the Senator, a gaunt figure noted for his long face and protruding chin, simply ignored his supporters.

After nearly 22 years in the Senate he retired in 1967 and returned to operate his 89-acre farm on the banks of the Charles River. Recently a patient at Faulkner Hospital in Boston, he was allowed to spend his last week in Dover despite his failing condition.

"His heart couldn't keep up with what he wanted to do—he wanted to come home," said his daughter Susan, one of three surviving children.

TRIBUTE FROM VOLPE

John A. Volpe, a former Secretary of Transportation and onetime Governor, said: "He was one of those men I admired most in public life. The thing I remember most was his integrity."

John W. McCormack, former Democratic Speaker of the House whose career in office paralleled Mr. Saltonstall's, said, "He was a great friend, an outstanding American and a gentleman."

While most often described as a staunch member of the party's liberal wing "Salty" was not considered liberal enough by labor leaders, who asserted during the 1950's that he voted against their interests on 23 of 30 critical issues, including aid to education, taxes, rent control, defense production controls and military aid.

But Senator Saltonstall was credited by others with liberal policies that involved increased public services, modernization of Congress and flexible farm supports.

Despite a record of support for civil liberties as Governor, Mr. Saltonstall was criticized for failing to take action during the 1940's when Boston was the scene of violent outbreaks of anti-Semitism. After articles in New York newspapers documenting incidents and demanding action, the Governor was angered. He later conceded having had a "rude awakening" and called for an investigation by an interfaith commission. An immediate result was a new police commissioner for the city.

LAUDED FOR FISCAL POLICY

In other matters, he was praised for efficient fiscal policies and proudly proclaimed his successes. At the completion of his term as Governor in 1944, state revenues showed a surplus of $19,000,000 and debts had been reduced to $4,000,000.

Leverett Saltonstall, born in the Boston suburb of Chestnut Hill in 1892, was a descendant of Sir Richard Saltonstall, a colleague of John Winthrop, the colony's first administrator. Both men came from Boston in Lincolnshire, England.

He was the 10th Saltonstall to attend Harvard College. He earned his undergraduate degree with Phi Beta Kappa honors in 1914. His law degree was granted by Harvard Law School in 1917.

In World War I, Mr. Saltonstall was a first lieutenant in the Army. He returned to work in the law firm of his uncle, Endicott Saltonstall, before his association with Gaston, Snow, Saltonstall & Hunt, in 1921.

In that year he became District Attorney for Middlesex County and served for two years. In 1923 he began a 13-year tenure in the Legislature, of which he was Speaker from 1929 until 1936.

ONLY ONE DEFEAT

His only political defeat came in 1936 when he failed to become Lieutenant Governor. Two years later he returned for his gubernatorial victory.

When Henry Cabot Lodge resigned from the Senate in 1944, Mr. Saltonstall announced his candidacy for the post, which he won with a 400,000-vote plurality.

Mr. Saltonstall was frequently taunted by his opponents because of his physiognomy. It was a mark of his political acumen that he learned to turn such taunts toward his own advantage. Described by a columnist as "Back Bay manners and a South Boston face," he campaigned hard in South Boston, where he scooped up Democratic votes.

"I'm proud of my South Boston face. It may be an old horse face, too, but it's the only one I've got and it doesn't change after the elections," he told cheering crowds.

He is survived by his wife, the former Alice Wesselhoeft. The couple had six children, of whom three survive, Susan, Emily S. Byrd and William L. Saltonstall.

Mr. STEVENS. Mr. President, I wish to express the great sadness I felt upon learning of the loss of one of America's greatest Senators, Leverett Saltonstall. A

good friend, Salty will be remembered for his gentleness of nature and his strong influence on Republican and national policies. He fathered a milestone piece of legislation, the Saltonstall-Kennedy Act that is the single most influential source of money for the development of underutilized species of fish. To his tribute and far-sightedness the act is still working today, some 20 years later. Since its passage the ensuing rapid revitalization of the U.S. fishing industry and the passage of the 200-mile limit is truly the fulfillment of his vision.

I extend my heartfelt sympathy to the members of his family and support the passage of the Senate resolution in his honor.

Mr. STENNIS. Mr. President, along with many of our colleagues, I am saddened to learn of the passing of former Senator Leverett Saltonstall on June 17, at his home in Massacusetts. He was an admirable gentleman, a fine Senator, and I greatly valued him as a friend.

When I first came to the Senate, he had been here for about 2 years, and we were here together as colleagues for 20 years, until he retired in 1967. Our friend and former colleague had a long life of public service. He was a county district attorney, and then served 13 years in the Massachusetts legislature, of which he was the Speaker from 1929 to 1936. He served with distinction as Governor, and then he was elected and reelected twice to the Senate.

We served together on the Appropritions Committee and on the Armed Services Committee, where he was, at one time chairman and later he was the ranking minority member at the time he retired. He was a man of high standards and complete integrity. He came from a long established family in New England, and he had the patrician manner and bearing of his training, but he was blessed with much commonsense and an appreciation for humor.

Leverett Saltonstall had a full life. He served his country as a lieutenant in World War I. He was a proficient practicing lawyer. He was an outstanding Senator who faithfully served the people of Massachusetts and the Nation. He was an accomplished and effective legislator, a statesman, and a friend, and we will miss him.

On behalf of Mrs. Stennis and myself, I extend my deep sympathy to his dear and wonderful wife Alice, and to their three surviving children in the loss of this wonderful person who was husband, and father to them.

Mr. President, I do not know of anyone whose word was more highly esteemed, whose manners were as admired, and whose consideration was appreciated here more than this truly great man's. With others who knew him, I mourn his passing.

Mr. JAVITS. Will the Senator yield?

Mr. STENNIS. Yes, I am glad to yield.

Mr. JAVITS. Mr. President, I hope that my remarks—and perhaps Senator STENNIS wishes the same—will be placed in the context of other similar remarks as a memorial to Senator Saltonstall later today.

Mr. STENNIS. Yes.

Mr. JAVITS. I just want to say that Lev was a man with whom we had very close relations here, in the Senate. He was a wonderful human being, full of integrity, and marvelous motivation for our country. For myself, I wish to emphasize the intense devotion he had to the civil rights question. I was struck that a veteran of the Senate—even when I came here, already a veteran of the Senate—a Member of what was then the Senate club, nonetheless took up the cudgel when civil rights was considered a near revolution in this Chamber. He actually sponsored, as a member of a group of Senators, civil rights measures himself, stood up for it and had a press conference. It was one of the most impressive demonstrations of the best of New England. Lev Saltonstall was the best.

Whatever Members may feel or not feel about the issue, it was so illustrative of the indomitable character and quality of the man that, to me, it stands as his finest memorial.

Mrs. Javits and I join Senator STENNIS and other Senators in expressing our profound sympathy and condolence to Mrs. Saltonstall.

Lev lived a rich, full, highly useful, and also very rewarding life. We mourn his passing.

Mr. CHURCH. Mr. President, I want to join in the tributes that are being paid today to the memory of Leverett Saltonstall.

Had this gentleman lived in the days of King Arthur, he surely would have been a member of the Round Table.

In fact, when I first came to the Senate and met Leverett Saltonstall for the first time, such was his demeanor and his bearing that I thought he ought to have been in armor. He was truly a knight in the best sense of that word, an aristocrat, a principled man whose veracity was always beyond question. He had great strength of character and possessed all of those qualities of nobility that every person recognized who was privileged to know him.

These qualities, however, in no sense limited his sense of justice for all of the people. Many were those who said that Leverett Saltonstall was a blueblood. But his compassion for the needy, his service in the Senate for people in all walks of life, made him a genuine Senator of the people.

As I look back over the years, there were very few Senators who stand out so vividly in my memory as Leverett Saltonstall.

I think that the Senators who knew him, who served with him, will not only honor his memory, but will feel a personal sense of loss in the knowledge that he has now passed on.

So, Mr. President, I wish to join with my colleagues in expressing my own sympathy and that of my wife, Bethine, who was also privileged to know the Saltonstalls, to the surviving members of his family. They all should be comforted in the knowledge that he was so highly respected by fellow Members of the Senate and that the mark he made in public service will be long cherished and remembered.

Mr. MATHIAS. Mr. President, the Senate has been very much saddened today by the news of the death of our late colleague Leverett Saltonstall, of Massachusetts.

When I first came to Congress, Senator Saltonstall was one of the most respected Members of the Senate. His word was his bond. He gave an air of stability to this institution which increased the confidence of Americans in the Senate. His character was such that he lent strength to this institution, and I think that was the record throughout his life.

As Governor of the Commonwealth of Massachusetts, his personal qualities were such that he strengthened the State, and this certainly is one of the most important contributions that any individual can make.

I thought a number of times over the years about those personal qualities which gave him the ability to provide a sense of stability and confidence and trust. I think his total integrity, his candor, his obvious patriotism were all elements which enabled him to make the unique contribution he made.

I recall an occasion about 6 years ago when I visited Senator Saltonstall and Mrs. Saltonstall on his 80th birthday. It was a great joy to me to see the serenity with which he was enjoying the years of his retirement, the positive outlook he had, on a sunny day in North Haven, Maine, which was a spot he loved dearly, surrounded by many members of his family.

It was the kind of reward that all of us might one day hope to find—a few years of that kind of life. He will be missed.

I join the other Members of the Senate in expressing my sympathy and that of Mrs. Mathias—who is a native of Massachusetts and a lifelong friend of Senator Saltonstall—to Mrs. Saltonstall and to all their family.

Mr. KENNEDY. Mr. President, I move approval of the resolution.

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

The resolution (S. Res. 186) was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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## THE SAVOR OF SALT

Mr. KENNEDY. Mr. President, the conclusion of the SALT II Treaty is leading to an intensive debate on the contribution of SALT II to our national security.

In a recent op-ed article in the New York Times, Anthony Lewis analyzes the important verification issues related to SALT. I agree with him that since there is no such thing as absolute knowledge of strategic deployments, the real question is whether uncertainty and stability

would be greater with the new SALT Treaty or without it. I share Mr. Lewis' confidence that the SALT debate will make clear to the American Congress and people that SALT II is in our national interest.

Mr. President, I ask unanimous consent that Mr. Lewis' thoughtful and important article be printed in the RECORD.

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

THE SAVOR OF SALT

(By Anthony Lewis)

WASHINGTON.—The instinctive American skepticism toward absolute claims should serve the country well as it debates the second strategic arms limitation agreement in the months ahead. For what is at issue is not perfection but the balance of advantage: whether ratification of the treaty would on balance make us more or less secure.

The point is well illustrated by the question of verification, which will play a crucial part in the debate. American experts know in extraordinary detail the mechanics and the performance of the Soviet Union's present strategic weapons. They say they are confident that we will be able to monitor changes in or additions to that armory.

But there is no such thing as absolute knowledge of what the Russians are up to, in this or any area. There will always be a band of uncertainty. The question, rather, is whether the uncertainty would be greater with the treaty or without it.

When the verification issue is viewed in those terms, I think the case for SALT II is strong. In three fundamental ways the treaty enhances our ability to monitor Soviet activity. If the treaty were to fail, the band of uncertainty would be greatly broadened.

First, the treaty binds the two parties not to interfere with "national technical means" of checking compliance with its terms. That includes not only satellites but trawlers, planes and stationary electronic equipment.

The idea of technical spying does not seem surprising to us nowadays; the concept has become accepted under SALT I. But back in the 1960's there was real American concern that the Soviets would not accept it—that they would denounce satellite surveillance, for example, as a violation of national sovereignty. And without agreement on the point they could still jam our apparatus or even shoot down satellites.

Second, the parties agree not to conceal anything in a way that would prevent effective monitoring of compliance with the treaty. The importance of this provision is that it allows either side to raise questions way short of any actual evidence of cheating—if missiles are hidden by new structures, for example.

There is a philosophical as well as a technical point in these aspects of the treaty. They legitimize the idea that strategic weapons developments are not exclusive national secrets—that there is a larger interest in letting the other superpower know. Because the United States is an open society, in which new weapons systems always involve public debate, it is an enormous advantage for us to have the Soviets accept this principle.

Third, the treaty would continue and broaden the arrangement made under SALT I for immediate discussion of any questions about compliance. The earlier treaty created a Standing Consultative Commission for this purpose, and it has actually worked as an effective device to explore suspicions of violation.

For example, American experts became concerned a few years ago about the possibility that a Soviet antiaircraft missile was being converted to an antiballistic missile system. What made them suspicious was the use of a certain type of radar with the missile. When the U.S. raised the issue the radar was withdrawn from that use, giving assurance that the missiles were not in fact being converted.

In another episode, the Soviets came to the Standing Consultative Commission and said they were running behind schedule on some dismantling of old devices under SALT I. They sought an extension and got it in return for delay in installing new devices. Because the U.S. was informed, fear and tension were avoided.

In short, the two SALT agreements institutionalize consultation on these matters. Without a treaty in operation, the forum for raising such concerns would simply not exist—and there would be a significant, a destabilizing, loss of confidence.

Of course the Senate must be satisfied that American officials will vigorously raise any suspicions within the SALT compliance framework. But it is extremely important to appreciate the benefits to this country of having a recognized forum for serious, technical discussion with the Soviets in knowledge and assurance and stability.

Genuine belief in the comparative advantages of SALT II, on verification and other issues, must explain why Administration officials are going into this battle with more sense of confidence than in many others. Secretary of State Vance put it the other day:

"The issue is really a simple one: Does the treaty enhance our security and our allies? Are we better off with it or without it? I think the facts will show that we are infinitely better off with it. I have faith that we can convince the Senate and the American people."

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

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## THE U.N. BANKROLL

Mr. HARRY F. BYRD, JR. Mr. President, this week the Senate will be considering S. 588, the foreign assistance appropriation for fiscal year 1980.

S. 588, as reported by the Committee on Foreign Relations, would authorize substantial appropriations for the United Nations and related U.N. agencies.

Mr. President, I ask unanimous consent that an article entitled "U.N. System, Claiming Deficits, Has $1.4 Billion in Bank," from the Washington Post of June 17, be printed in the RECORD. I further ask unanimous consent that a followup article entitled "U.N. Accounts Lose Millions in Interest," from the Washington Post of today, also be printed in the RECORD.

These two articles will, I believe, be useful to Senators in considering the provisions of the foreign assistance legislation.

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

U.N. SYSTEM, CLAIMING DEFICITS, HAS $1.4 BILLION IN BANK

(By Ronald Kessler)

UNITED NATIONS, June 16.—The United Nations and its affiliates, while claiming to be plagued with deficits, have been running a surplus of as much as $350 million a year and have $1.4 billion in excess funds in bank accounts, audited financial statements show.

The organizations that make up the U.N. system have managed to create the impression that they are in difficult financial straits by distributing funds among a number of special accounts and placing vast sums in special reserves, the statements disclose.

In some cases, the U.N. organizations have obscured the fact that they actually have amassed considerable wealth by depicting their finances in ways that accountants say are highly questionable.

The audited financial statements have been publicly available for years, but apparently no one has ever totaled the figures to obtain a complete picture of the finances of the U.N. system.

The United Nations Children's Fund (UNICEF), one of the organizations in the U.N. system, alone has $100 million to $140 million in its bank accounts, the audited statements show. In recent years the organization that helps starving children has run an annual surplus ranging from $8 million to more than $20 million.

The excess money, enough to run UNICEF for at least six months and possible almost a year, is equivalent to the amount that children would collect in UNICEF Halloween trick-or-treat campaigns over 70 years.

U.S. and U.N. officials acknowledged they did not know exactly how much the U.N. system takes in or spends each year. A State Department compilation shows the organizations in 1977 received income of $2.4 billion, a commonly accepted figure. But this does not include all the U.N. organizations.

Totaling each organization's financial statements collected over a period of months shows they had total income in 1977 of $2.7 billion—$300 million above the widely accepted figure.

Far from running deficits, the U.N. organizations in 1977 retained 13 percent of their total income as a surplus, the figures show.

By comparison, CARE, the nonprofit organization that distributes food overseas and has no connection with the United Nations, had a surplus last year of 1.2 percent.

In 1977, the latest year for which full figures are available, U.N. organizations had enough money in their bank accounts to cover operating expenses for an average of seven months and, in some cases, as much as two years.

CARE, by contrast, had enough in the bank and other investments to cover operations for about a month.

The U.N. organizations place their excess funds in banks throughout the world. Details will be covered in a second article.

U.N. officials say the excess funds are needed to insure that commitments to fund projects in the future will be met.

"UNICEF needs an operational capital to maintain liquidity during the year and to absorb differences between revenue and expenditure for future years," Henry R. Labouisse, executive director of UNICEF, said in this year's financial statements.

After reviewing the figures on U.N. system finances, the State Department confirmed last week that they were accurate but objected to any attempt to lump together the the finances of all U.N. organizations.

Charles W. Maynes, Jr., the assistant secretary of State for international organizations, said, "Each organization is completely autonomous, and money cannot be shifted from one to the other."

In a 14-page statement, he said large portions of the excess funds are in special funds for particular purposes or in reserves that should not be counted.

For example, a $150 million "reserve" of the United Nations Development Program (UNDP) should be deducted before reporting on the UNDP's accumulated cash, Maynes said.

To present U.N. system finances in proper accounting terms, Maynes said in the statement, the bank balances should be reduced further by deducting the accounts payable—bills owed by each organization.

Maynes singled out the United Nations itself, which is less well off than most of the affiliate organizations in the U.N. system, as an entity, with particular problems.

He said it has a "deficit" because some countries have refused to pay their assessed contributions. If this "deficit" is considered, and the amounts owed by the United Nations are taken into account, it will be shown to be "on the verge of bankruptcy," Maynes said.

In addition, Maynes said an article on the overall financial situation of the U.N. system would be used unfairly by political critics of the United Nations.

When first asked about the bank accounts of U.N. organizations, Maynes said a story on the subject "will do tremendous damage to the U.N. . . . The damage will be incredible. It will be devastating."

Accountants disagreed with Maynes' view of how U.N. system finances should be presented. They said, for example, that reserves of an organization should be included when assessing its wealth.

Paul Rosenfield, director of the American Institute of Certified Public Accountants, accounting standards division, disagrees with the United Nations definition of "deficit." A deficit is an excess of expenses over receipts he said, not the failure to collect a contribution.

"A deficit would have nothing to do with that," he said.

Deducting various items from bank balances, as suggested by the State Department, without offsetting them by adding in amounts owed to the organizations would produce a "very misleading piece of information," Rosenfield said.

"It would look like an organization is going out of business when it is highly profitable," Rosenfield said.

Officials of U.N. organizations generally refused to permit inspection of records that would show how the United States spends its money.

"It's not in the public domain," William Goodkind, deputy U.N. controller, said when asked about the terms of bank deposits. "We only show that to the auditors. I'm not going to show it to anyone who walks in off the street."

"There's no reason why you should have access to the files of the U.N.," George F. Davidson, undersecretary general for administration and management, said when asked for a list of companies that receive contracts from the United Nations.

Although the U.S. government gave the largest single contribution to the United Nations, $600 million to the U.N. system in 1977, or $4.60 for each taxpayer, the General Accounting Office, the audit arm of Congress, also has been refused access to financial records of U.N. organizations.

"We can only ask questions," said George F. Saddler, the counselor for financial matters at the U.S. Mission to the United Nations. "To look at records gets into a fundamental policy question. We [the State Department] have never considered there was any need to look at those records."

This year, the United States is temporarily withholding contributions to some U.N. organizations in a disagreement over how assessments are made. So far, $139 million has been withheld and $172 million paid.

Those who are allowed to see the United Nation's books—the U.N. board of auditors—have severely criticized nearly every facet of the United Nation's financial operations.

In little-noticed reports published by the United Nations, the board, composed of audit staffs from three countries, has repeatedly "qualified" its opinion on the soundness of U.N. finances.

This means the board refused to certify that the books as presented were accurate.

The auditors have pointed specifically to deficiencies in the way the organization handles its checks, assets, invoices, purchases, contributions and books. They also have questioned the effectiveness of the U.N. internal auditors and the qualifications of its financial officers.

"The reporting system is inconsistent, and it's almost impossible to get a handle on the total activities of the system," said G. Peter Wilson, director-general of the U.N. external audit committee.

"The system doesn't provide the assurance that the final information is accurate and, in many cases, that there are adequate controls to ensure proper use of financial resources," Wilson said.

He said the auditors have not addressed the reasons U.N. organizations generate excess funds, since this is a question of policy rather than accounting.

"Why is the U.N. raising all these funds? Why does the U.N. act as a bank in the first place? These are not audit questions," he said.

The U.N. system encompasses nearly 30 organizations with acronyms like WHO, ILO, WIPO, UNITAR and ITU, besides the United Nations itself. It includes lending institutions like the World Bank and International Monetary Fund, whose figures are not included here. It also includes hundreds of trust funds established for various purposes.

Each organization and trust fund has its own member countries, governing body, books, employes and offices. No one person or body supervises the entire U.N. system.

However, the U.N. General Assembly, through various councils and committees, coordinates the work of each of the organizations and reviews their budgets. It also creates some organizations and appoints their chief executives.

Financial data on each organization is not available at any one location. Although it spends $16.3 million a year, the U.N.'s office of public information is of little help.

Its publication, "Basic Facts about the U.N.," tells visitors the United Nation's budget in a recent two-year period was $784 million, or an average of $392 million a year. This was only 16 percent of the expenditures of the U.N. organizations described in the booklet.

The organization with the biggest bank accounts and surplus is the United Nations Development Program (UNDP), an umbrella agency that funds other U.N. organizations so they can improve health, education and nutrition in developing countries.

At the end of 1977, the UNDP had $286.1 million in its bank accounts. This was enough to run the organization for two-thirds of a year. Twelve trust funds administered by the UNDP had another $89.9 million in the bank.

In 1977, the UNDP ran a surplus of $168 million. The U.S. government contributed $100 million to the organization in that year.

G. Arthur Brown, deputy administrator of the UNDP, said the organization had financial difficulties in 1975 and 1976 and wanted to ensure that commitments to fund future projects would be met. In those years, according to UNDP financial statements, the organization had to dip into its reserves but had higher expenditures than it does today.

"We're trying to increase the rate of expenditures," Brown said.

The World Food Program (WFP), a U.N. organization that distributes food in impoverished countries, had $132.1 million in its bank accounts. This was enough to run the Rome-based organization (exclusive of food contributed by countries) for nearly two years.

The organization had a surplus in 1977 of $29.5 million, in that year, it received $77.4 million from the United States.

The Food and Agriculture Organization of the United Nations (FAO), which helps developing countries upgrade their own food supplies, had $116.4 million in its bank accounts. This was enough to run the Rome-based agency for nearly two-thirds of a year. Even if the portion of this money that the FAO had put into trust funds was excluded, there was still enough in the bank to run the agency for nearly half a year.

The FAO had an average annual surplus during its most recent two-year financial period of $29.4 million. It received $18.5 million in U.S. contributions in 1977.

The World Health Organization (WHO), which promotes health programs, had $116.5 million in the bank, or enough to run the Geneva-based organization for more than a third of a year.

Despite a claim in its financial statements that it had a "cash deficit" in one fund, WHO took in $7.4 million more than it spent in 1977. It received $43.3 million from the United States that year.

A WHO official in Geneva said that some of its money is committed for future expenditures.

The United Nations Educational, Scientific, and Cultural Organization (UNESCO), which funds projects in varied fields, had $69.2 million in the bank. This was enough to run the Paris-based agency for about three-quarters of a year. Another $13.9 million was kept in banks by UNESCO trust funds.

UNESCO took in $15.8 million more than it spent in 1977. The United States contribution to the organization that year was $27 million.

A UNESCO spokesman in Paris said the organization's bank balances were unusually high because it had just received a $23 million loan from some countries. He said the loan was needed because the organization's primary fund was about to run out of money.

The United Nations itself, which includes the General Assembly, Secretariat, Security Council, and International Court of Justice, had $69.4 million in the bank, or enough to run the organization for nearly two months. The United Nations' 77 trust funds had another $80 million in the bank.

During its most recent two-year financial period, the United Nations took in an average each year of $12.8 million more than it spent. The U.S. contribution to the United Nations in 1977 was $99.4 million.

UNICEF, which improves children's health, education and nutrition in developing countries, had bank balances that ranged during the past two years from a low of $100 million to a high of more than $140 million. If money earmarked for particular purposes is excluded from the balances, UNICEF had enough in the bank at the end of 1977 to operate for almost a year.

In 1977, UNICEF had a surplus of $23.3 million. It received $20 million in U.S. contributions in that year and another $250,000 earmarked for the International Year of the Child, a program focusing this year on the needs of poor children.

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U.N. ACCOUNTS LOSE MILLIONS IN INTEREST

(By Ronald Kessler)

UNITED NATIONS, June 17.—More than $100 million of excess funds amassed by the United Nations and its affiliates is being kept in U.S. and foreign bank accounts that pay little or no interest, audited financial statements show.

The U.N. system thus would appear to be forfeiting millions of dollars it might collect each year in interest at a time when it is

complaining of deficits and difficulties in collecting assessments from member countries.

The United Nations Children's Fund (UNICEF), one of the organizations that make up what is known as the U.N. system, keeps an average of $10 million in interest-free checking accounts.

The United Nations itself, along with the United Nations Development Program (UNDP), keeps an average of $20 million in interest-free checking accounts.

At current interest rates of more than 9 percent for overnight investment of large funds, these sums alone represent a loss of interest of nearly $3 million a year.

In addition, at the end of 1977, U.N. system organizations had these amounts in banks:

More than $11 million of the United Nations Fund for Population Activities (UNFPA) earning interest of 1.75 percent a year in Japanese banks.

More than $17 million of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in various accounts paying little or no interest.

More than $24 million of the UNDP in Japanese banks earning interest of 3.25 percent a year.

More than $2 million of the UNDP funds in Netherlands banks earning interest of 1.5 percent a year.

More than $7 million of the United Nations funds in a 5 percent savings account in Chemical Bank in New York.

More than $4 million of UNDP money in a 5 percent savings account.

More than $1 million of United Nations University funds in a 5 percent savings account at Chemical Bank in New York.

The deposits are part of $1.4 billion in excess funds kept by U.N. system organizations in various bank accounts throughout the world. A story in The Washington Post yesterday reported that U.N. organizations have been amassing a surplus of as much as $350 million a year.

Officials of UNICEF and other U.N. organizations said much of their interest-free money is in hundreds of accounts in foreign countries where it may be difficult to transfer money readily or obtain interest on deposits.

They said savings accounts may be used to hold money temporarily until it is needed to cover checks. On other deposits, they said, they obtain quotes from several banks to get the best interest rates.

While interest rates at some foreign banks may seem low, they said, the deposits may bring a higher rate of return than if the money were invested in the United States because of foreign exchange fluctuations.

U.N. organizations declined to allow access to records that would show the full terms of their deposits. "Unless you have the logic behind the transaction, you could not form a rational opinion on it," G. Arthur Brown, deputy administrator of the UNDP, said in declining to make available UNDP banking records.

Giovanni Cavaglia, comptroller of UNICEF, said disclosing interest rates on the organization's bank deposits of more than $100 million would give a competitive advantage to banks that bid for UNICEF's business.

The United Nations' board of auditors, which has access to the banking records, has criticized the way the United Nations manages its excess cash.

Referring to the hundreds of millions of dollars available for investment, the board, composed of auditing staffs from three countries, has called for forecasting cash needs based on when checks are presented for payment, closer monitoring of cash needs in overseas accountants, and an integrated system for investing funds from all U.N. offices.

Asked why the UNDP was earning interest of only 3.25 percent a year on deposits of more than $24 million in Japan, Deputy Administrator Brown said Japan is one of the countries that imposes restrictions on money it contributes to the organization.

"Seven or eight countries (including Japan) require us to keep money until needed in their countries and designate the banks where it will be held," Brown said. "The rate is set by the bank."

Brown said he did not believe the UNDP got a lower rate in Japan as a result. But data published by the International Monetary Fund, which tracks foreign money transactions, show that overnight bank deposits of as little as $100,000 were earning annual interest in Japan at the time of more than 5 percent.

Asked what it recommended for overnight investment of $1 million, American Security Bank, one of Washington's major banks, said it offers a return of 9.9 percent a year through purchases of government securities.

G. Peter Wilson, director-general of the U.N. external audit committee, said the auditors are concerned about the United Nations' cash management practices.

"When we see a lot of (excess) money, we ask if it is adequately protected and invested in the best manner," he said, "What we have found is they (the U.N.) don't have systems for doing that adequately. There isn't much incentive for not leaving the money uninvested."

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

## BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, for not to exceed 1 minute, to the consideration of Calendar Order No. 231, Senate Resolution 182.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, we have no objection to proceeding to the consideration of this item, a Budget Act waiver, which is on the calendar.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 182) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1319.

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

The Resolution (S. Res. 182) was agreed to, as follows:

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1319, a bill to authorize appropriations to the Department of Defense for military construction programs for fiscal year 1980, and for other purposes.

Such waiver is necessary to permit the consideration of legislation authorizing new budget authority for fiscal year 1980 for military construction programs of the Department of Defense. The Committee on Armed Services was unable to consider and dispose of the proposed legislation prior to May 15, 1979, because of the unusually heavy legislative workload of the committee early in the session coupled with the uncertainty over the National Defense functional target levels established in the First Budget Resolution, which was not enacted until May 24, 1979.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1319 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, 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 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. 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.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to speak for not to exceed 1 minute in morning business.

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

## CONVERTING TO COAL

Mr. ROBERT C. BYRD. Mr. President, for many years those of us from coal-producting States have stressed the advisability of making greater use of this Nation's most abundant energy resource. Coal is one of our most available defenses against rising fuel prices and threatened oil shortages. Not only can coal be burned in place of oil or natural gas in utilities and industrial plants, but it can also be used to make synthetic fuels. Coal gasification and liquefaction projects will be a reality if we make the necessary financial commitment to move full speed ahead.

I am pleased to see that, in the face of the current energy crisis, others are now discovering the potential of coal. On Friday, June 15, the Washington Post wisely pointed out the need to demonstrate the promise of coal technology.

I ask unanimous consent that the Washington Post editorial entitled "Oil From Coal—in a Hurry" be inserted in the RECORD at this point.

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

### OIL FROM COAL—IN A HURRY

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of

the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but no greater than those incurred by any large mining or industrial operation. These plants would contribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to move a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.

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

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. Mr. President, I am very glad that the distinguished leader has made mention of coal, and also mentioned the subject of making energy out of coal that can be used in our vehicles. It just so happens that we have about one-third of all the remaining shale coal in the United States in my State, and for years we have been trying to get our Government to start doing something in this field.

I might say, although mention of the word might not be tasteful, South Africa has for years and years and years been making fuel out of coal for their vehicles.

They buy the equipment in the United States and they have offered time and again to come to the United States and show us how to put this stuff together to make fuel out of coal.

I do not think it is something that need take a long number of years. I think it is something that can be done in a relatively short time. The Senator from Virginia represents a State which is literally full of coal. I believe we in this country could produce enough fuel for our engines to last us for many, many years, probably hundreds of years.

I am so happy that the Senator has called the attention of our Government once again to this factor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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## RESOLUTION CONCERNING MUTUAL DEFENSE TREATIES

Mr. GOLDWATER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, now that the quorum call has been dispensed with, would Senate Joint Resolution 15 become the business?

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A resolution (S. Res. 15) concerning mutual defense treaties.

The Senate resumed the consideration of the resolution.

Mr. GOLDWATER. Mr. President, I do not want to take——

The PRESIDING OFFICER. If the Senator will withhold for just a moment, the pending question is amendment No. 221.

Mr. GOLDWATER. Yes. That is right. The Church amendment?

The PRESIDING OFFICER. The Church amendment.

Mr. CHURCH. Church-Javits.

Mr. GOLDWATER. Pardon me. Church-Javits.

Mr. President, I do not want to take any prerogative away from the majority leader, and I will not. I just want to make it abundantly clear that I have been ready to take action on this ever since it came up last week, or the week before.

I was prepared for other things this afternoon, gladly canceled them, hoping that we could get this matter up and dispose of it.

I do not want the court, I do not want the people, to think that I have been sitting here in the Senate trying to block action on this particular piece of legislation.

The majority leader very wisely told me to draw up some different language and submit it to the chairman of the Foreign Relations Committee, which I have done, and which I have already agreed to make some changes in and to which I will not agree to make further changes.

Now, I do not know what the pleasure of the majority leader will be, but I am ready, have been ready, and am ready to submit this matter to a vote, whether it is done this afternoon, I would rather do it right now, but if that is not the pleasure of my friend from West Virginia, and he is the boss man around here, I just want to make it perfectly clear that this is not being held up by dilatory tactics from my group that represent my feelings.

That is all I have to say.

Mr. ROBERT C. BYRD. Mr. President, I did suggest to the distinguished Senator from Arizona that he propose some language and present it to Mr. CHURCH and Mr. JAVITS. He has done that, and they, for reasons which they can best express, feel that the language does not comport with the requirements of the situation, if I can put it in such a general way of phrasing it.

I think that for the time being, at least, perhaps it would be advisable if the Senate proceeded to the consideration of the Foreign Assistance Act, which is the business before the Senate tomorrow. It is under a time agreement, and Mr. CHURCH and Mr. JAVITS, the managers of that bill, have indicated that they are willing to proceed with the bill and get the opening statements disposed of today.

The Senate will not be in longer than 6 o'clock this afternoon, perhaps not that late. If the Senate then can proceed to the consideration of that measure, if the Senator from Arizona would have no objection, I would like shortly to request that the Senate do so.

The Senate will be recessing after a little while until 8:30 p.m. tonight and Senators will gather in a body to begin proceeding to the House of Representatives at 20 minutes till 9 this evening to hear the President's joint address.

Mr. President, I withhold my request for the moment.

Mr. GOLDWATER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. Mr. President, when we get on this matter, Senate Resolution 15, on which the Parliamentarian tells me now the pending business would be the Church amendment, I would like to have my substitute amendment to the Church amendment be recognized now as the pending business.

Mr. ROBERT C. BYRD. I yield to the Senator from Idaho without losing my right to the floor.

Mr. CHURCH. It is my understanding, having had the benefit of a conversation with the distinguished Senator from Arizona, that he does propose to offer a substitute in a modified form, and I am perfectly amenable to making that the pending business.

Mr. GOLDWATER. I thank the Senator.

Mr. ROBERT C. BYRD. I yield to the Senator from Arizona, if he wishes to do that, at the moment, for that purpose.

Mr. GOLDWATER. What is that?

Mr. ROBERT C. BYRD. I yield for that purpose, without losing my right to the floor, if the Senator wishes to do so at this time.

AMENDMENT NO. 234 (AS MODIFIED)

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my amendment with modifications be made the pending business.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment numbered 234 in the nature of a substitute to Amendment No. 221.

The amendment is as follows:

On page 1, line 4, after "nation." insert the following: "(1) The provisions of this resolution shall not be construed to approve or disapprove of the termination of the Mutual Defense Treaty with the Republic of China, such proposed termination not having been submitted to the Senate or Congress for approval prior to the date of adoption of this resolution, and (2) nor shall anything in this resolution be construed to reduce or prejudice any of the constitutional powers of the Senate.".

Mr. GOLDWATER. I might say, Mr. President, I would strike the word "proposed" in the two places that it appears in the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. JAVITS. Mr. President, I do not think we ought to pass on this matter now.

It is my judgment that if we adopted this particular substitute which Senator GOLDWATER had proposed, it would have enormous dangerous, adverse repurcussions on the foreign policy of our country.

I say that only for this reason: I hope that Members will realize what is at stake and will give us their attention when the opportunity is presented for debate, because the issue is a very serious one.

We are not here to, in any way, avoid doing something which a colleague wants done, especially one for whom we have so much affection.

But it really is a matter of great import to us in terms of relations among the United States, Taiwan, and the People's Republic of China. I say that to emphasize the hope that Members will give it serious and considered attention. It certainly deserves it.

Mr. ROBERT C. BYRD. I thank the Senator.

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

Mr. ROBERT C. BYRD. I yield.

Mr. CHURCH. Mr. President, the reason why I, too, wish to underscore the importance of the issue before us is that the wording that the Senate adopts may have a bearing upon the court action which challenges the constitutional validity of President Carter's termination of the Taiwan Mutual Defense Treaty.

As matters now stand, the Senate has not completed its action on the so-called Byrd resolution. Until the Senate, by a final vote, either approves or rejects that resolution, the Senate has not acted. I think we are all in agreement on that proposition.

The one vote that has been taken on the Byrd resolution leaves open the very important question of whether the Byrd sense of the Senate resolution is meant to apply prospectively—whether it is intended to state the Senate's opinion, in the form of a sense of the Senate resolution, that the President should not attempt in the future to terminate a mutual defense treaty without the concurrence of the Senate. It is my view that most Senators wish to address the future, and I have no quarrel with the fact that the Senate, by a substantial majority, wishes to make it plain to the President that, in the future, it does not wish the President to attempt to terminate a mutual defense treaty without the concurrence of the Senate.

The future, however, is one matter; the past is quite another. For the first 2 months of this session, we wrestled with the many questions relating to the new American position in Asia. It involved our recognition of the People's Republic, it involved a commitment on the part of the President of the United States to terminate the mutual defense treaty with the people on Taiwan, and it involved the passage of this body—and the enactment into law—of special legislation by which we sought to do right by the people on Taiwan and to maintain our cultural and commercial ties with them on an official basis. That law contains a unilateral declaration of assurances to the people on Taiwan with respect to their security in the future.

Mr. President, I think it would be an act of grave irresponsibility for the Senate to reach back and attempt to undo, or at least to throw into serious question, the actions we have taken previously relating to Taiwan and to mainland China.

Those countries themselves have adjusted to the new American position. It is one which clearly serves our interests in Asia. The authorities on Taiwan have expressed their gratitude for the provisions written into the Taiwan Enabling Act. I have a letter from the Premier of the Republic of China, addressed to me, which makes clear that the authorities on Taiwan are pleased with the action the Senate took in making certain that the legitimate interests of the people on Taiwan were protected fully. The letter reads:

DEAR SENATOR CHURCH: I am pleased to learn the passage of the Taiwan relations act by your Congress. The act is a result of careful and judicious deliberations which hopefully will provide a new basis for the relationship between our two nations. I am grateful for what you have done to make this bill possible and wish to express to you my deepest appreciation. It is our sincere hope that through our joint efforts the traditional cordial relations of friendship and cooperation which have long existed between our two peoples will continue to grow and flourish.

With highest consideration,

Y. S. SUN,
*Premier of the Republic of China.*

The letter is dated April 2, 1979.

So, Mr. President, why should the Senate, at this late date, refuse to make it clear that this sense-of-the-Senate resolution is addressed to the future and not the past? I think most Senators will wish to make that plain.

I do not believe they will accept the amendment proposed in the form of a substitute, which is now the pending business, by the distinguished Senator from Arizona (Mr. GOLDWATER). It clearly would give new legitimacy to a lawsuit which has been rejected in the district court—rejected on the ground that the Senate had not taken sufficient action for the court to take jurisdiction over the issue of whether the President possessed constitutional power to terminate the Taiwan mutual defense treaty with the United States.

The last words of the judge's opinion must be underscored if Senators are to understand what is really at stake here. The words of the opinion pertinent to this issue are as follows:

If the Congress approves the President's action, the issue presently before the court would be moot. If the Senate or the Congress takes action, the result of which falls short of approving the President's termination effort, then the controversy will be ripe for a judicial declaration respecting the President's authority to act unilaterally. Until then, the complaint is dismissed, without prejudice.

If the Senate adopts the substitute proposed by the able Senator from Arizona (Mr. GOLDWATER), it will be completing an action in which it states that the provisions of this resolution "shall not be construed to approve or disapprove of the termination of the mutual defense treaty with the Republic of China."

I submit, Mr. President, that the adoption of that language dovetails exactly with the language used by the judge; for, clearly, we will have taken an action which falls short of approving the President's termination effort. We might as well know what the result will be. If the judge follows his own written decision, the result will be that the court will seize jurisdiction of this case, and from then on the American position in Asia will be subject to judicial determination.

And those countries that have come to rely upon us will be given notice by the judicial action that our assurances are subject to reversal if the courts so decide. In other words, we will have kicked the props out from under the American position in Asia.

I say that would be an irresponsible action. I am perfectly will to accept the decision of the Senate. I do not quarrel with it. The Committee on Foreign Relations adopted a broader sense of the Senate Resolution relating to all treaties, but the Senate saw fit to reject that broader recommendation in favor of the short and limited language offered by the distinguished Senator from Virginia, Mr. BYRD.

The Senate has made its decision on that score. I accept it gladly, and I am happy to join with those who want to put the President on notice that in the future no mutual security pact involving the United States should be terminated without the concurrence of the Senate.

But this is quite a different issue. When the Senate votes on the proposed substitute offered by the able Senator from Arizona, it will be voting on whether to reopen the past. That is an action fraught with mischief, and one that could redound against our best interests in the most serious way.

For these reasons, Mr. President, I hope that Senators will examine this matter closely before voting, so that they will be fully aware of the ramifications of their vote.

I think that we would all be well served to give the Senate an opportunity to reflect upon this before pressing it to a vote.

For that reason, Mr. President, I am happy to oblige the majority leader in his decision to ask the Senate to proceed to a consideration of the Economic Assistance Act, which can now be called up. But that of course is the prerogative of the majority leader, and in order that he may have an opportunity to return to the Chamber 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. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## NUCLEAR ENERGY GETTING 40 PERCENT FEDERAL SUBSIDY

Mr. MELCHER. Mr. President, It is costing the industry 1.5 cents per kilowatt hour to generate electric power at the nation's nuclear plants, but there is another 40 percent of that amount—0.62 cents per kilowatt hour—being paid by taxpayers, on the basis of a General Accounting Office (GAO) report just submitted to me.

The GAO report, responding to a letter of inquiry that I sent to them in October 1978, covers Federal costs for nonmilitary nuclear research and development, enrichment of uranium for fuel use, and licensing and regulation based on current expenditures. It does not allocate any of earlier years' uranium mining, research and development costs to the government to current year costs, nor any costs for Federal indemnity insurance provided the industry since no Federal indemnity payments have yet been made.

The report shows that Federal subsidy costs have been going up while the average generating costs paid by the industry have stabilized during 1977 and 1978.

The GAO listed the costs for each category in 1978, and calculated the federal subsidy, as follows:

| | Million |
|---|---|
| Research and development costs | $1,196 |
| Enrichment | 220 |
| Regulation | 240 |
| Total | 1,656 |
| Billion kilowatt hours generated | 265 |
| Cents per kilowatt hour | 0.62 |

Nuclear electric generation in the future will cost much more; just how much will not be known until we know what added safety precautions will be necessary for safe operation of the plants and how much safe storage of radioactive wastes is going to cost. If we are comparing nonnuclear electrical generation costs, methods and technologies, we must include these substantial additional federal costs, as well as any subsidies the Government may be providing the non-nuclear generating methods such as water, wind and coal research, strip mining regulations, and so forth.

It comes through very clearly, howver, that substantial Federal investment in research and development of alternative sources of energy for electric power generation are abundantly justified in comparison to nuclear costs.

The $71 million requested by the President for research in magnetohydrodynamics (MHD), a clean technology which promises a 50-percent increase in electric energy that can be recovered from coal, which is still the energy source for the generation of several times more power than our nuuclear plants, is a pittance compared to our ongoing subsidies to nuclear energy.

Nuclear regulatory costs alone, which the GAO puts at $240 million in 1978, will advance more than the total requested for MHD research, to $373 million requested for 1980, or $133 million more. Surely MHD work is worth that amount or more.

Mr. President, I ask unanimous consent that the text of the GAO report be printed in the RECORD.

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

### GAO REPORT

#### CHAPTER 1

*Introduction*

Whether nuclear powerplants should be relied on as a significant future energy source is one of the most controversial energy issues in the United States. The issue is highly complex.

One of the most complex facets of this controversy relates to the cost of nuclear power. Nuclear power proponents often maintain that the electricity generated at nuclear powerplants is significantly less costly than alternative energy sources, such as coal and oil. On the other hand, nuclear power opponents often contend that this advantage is the result of various Federal incentives, like the cost of the Department of Energy's (DOE's) nuclear-related research and development. Accordingly, the opponents contend that eliminating these incentives would place nuclear power in an uneconomic position.

On October 23, 1978, Senator John Melcher asked GAO to help resolve this issue. Senator Melcher asked GAO a number of questions about nuclear power costs. Taken together, these questions were aimed at determining—to the extent possible—the "full" cost of nuclear-generated electricity. Such cost would include not only those electric utility costs which are passed on to the consumers in their electric bills, but would also include those borne by the Federal Government. The Federal costs, many of which could be considered as subsidies or incentives to the nuclear power industry, would not be passed on to the consumer through the utility, but would generally be paid for through tax revenues. The two costs together could roughly be considered the "full" cost of nuclear power.

In response to Senator Melcher's request, this report primarily addresses.

The current and projected costs of nuclear-generated electricity borne directly by the Nation's electric utilities (see ch. 2) and

The past and current Federal costs and financial incentives attributable to the Government's interest in promoting and regulating nuclear power (see ch. 3.)

Other questions asked by Senator Melcher are also discussed in the report. A copy of Senator Melcher's request is included as appendix I of this report.

*Scope of review*

We obtained the information contained in this report by reviewing key documents, studies, reports, correspondence, and other records. We also interviewed officials at the:

Atomic Industrial Forum, Inc., Washington, D.C.;

Commonwealth Edison Company, Chicago, Illinois;

DOE headquarters, Washington, D.C., and Germantown, Maryland;

Edison Electric Institute, New York, New York;

National Economic Research Associates, New York, New York;

Nuclear Regulatory Commission (NRC) headquarters, Bethesda, Maryland;

Philadelphia Electric Company, Philadelphia, Pennsylvania; and

United Engineers and Constructors, Inc., Philadelphia, Pennsylvania.

It is important to note that, while this report addresses only the costs—both apparent and hidden—of nuclear power, other energy sources receive Federal subsidies. Therefore, before one can compare the full cost of nuclear power to other energy sources, such as coal or oil, the full cost of other sources should also be calculated. Such a comparison is beyond the scope of this report.

Agency comments

We submitted this report for comment to DOE and NRC. DOE officials indicated that they generally agreed with the report except where it (1) includes Federal expenditures for the liquid metal fast breeder reactor as a cost of nuclear power and (2) shows the Federal cost of nuclear power in terms of cents per kilowatt-hour. These officials believe that fast breeder reactor expenditures are not directly related to the present generation of nuclear power, and that the cents per kilowatt-hour calculation is misleading because it allocates all Federal costs and subsidies in a given year to the total kilowatt-hour generation of nuclear plants during that year. We believe that the fast breeder reactor is widely regarded as a nuclear fission technology, and although it has not been commercialized, expenditures for its research and development should be included in the total Federal cost of nuclear energy. We also recognize that our method of calculating the Federal cost of nuclear energy per kilowatt-hour has a disadvantage as noted by the officials. While we noted this disadvantage, we left the calculation in the report, however, to be responsive to Senator Melcher's request.

The NRC staff also commented on a draft of this report. Their comments which were generally similar to DOE's are reflected, where appropriate, in the body of this report.

#### CHAPTER 2

*The commercial costs of nuclear power*

The generation of electricity is a process whereby a primary energy source (such as coal, oil, gas, or uranium) is converted into another form—electriicty—which is generally more convenient to use. While fossil fuels can be converted directly to other sources of energy, nuclear fuel is currently used in the private sector mainly for conversion to electricity. This conversion takes place at nuclear powerplants.

The first civilian nuclear powerplant began operation in 1957 in Shippingport, Pennsylvania. This 60-megawatt prototype reactor was Government-owned, but contractor-operated by the Duquesne Light Company under a cooperative agreement with the former Atomic Energy Commission.[1]

[1] In October 1974 the Energy Reorganization Act of 1974 (Public Law 93-438) abolished the Atomic Energy Commission and created NRC and the Energy Research and Development Administration. On October 1, 1977, pursuant to the Department of Energy Organization Act (Public Law 95-91), the Energy Research and Development Administration's responsibilities were transferred to DOE.

As of January 31, 1979, 70 nuclear powerplants were licensed to operate by NRC. These 70 plants, having a capacity of about 50,000 megawatts, provided about 13 percent of the Nation's electricity. In addition, DOE operates two reactors with a capacity of 940 megawatts, which are not licensed by NRC. NRC recently reported that an additional 126 powerplants, representing almost 140,000 megawatts, are either under construction or planned.

*Current costs of nuclear power generation*

Before a utility decides to construct a powerplant—usually coal or nuclear—it will compare the costs of one to the other. This comparison is usually based on three major factors:

Capital costs.

Fuel costs.

Operation and maintenance costs.

Together, these equal the cost—often called the "bus-bar" cost—to produce electricity at the powerplant and do not include transmission, distribution, and overhead charges common to all sources of electricity. In discussing costs in this chapter, we will be concerned mainly with the bus-bar costs to generate electricity.

*Capital costs*

Capital costs, the largest of the three factors, can be viewed as either the actual dollar investment in the facility or the fixed charges associated with this investment. In developing bus-bar electric production costs, utilities use the fixed-charge rate.

The annual fixed-charge rate consists of (1) depreciation, (2) property insurance, (3) property taxes, (4) an interim replacement allowance, and (5) return on investment. The fixed rate will vary from utility to utility with the major variable being the utility's capitalization structure.

The capitalization structure of a utility determines the cost of money for new generating capacity. For publicly owned (municipal) utilities, this cost equals the interest rate on new bond issues. Investor-owned utilities, however, have an established allowable rate of return based, in part, on their capital structure, i.e., a combination of common stock, preferred stock, and bonds. Other variables among utilities include different credit ratings, various rates of return, and State and local taxes.

*Fuel costs*

A utility's fuel cost includes the cost of the present nuclear fuel cycle, namely, uranium mining and milling, production, enrichment, fuel fabrication, and interim storage of the used fuel assemblies.[2] All of these steps, except uranium enrichment, which is run by the Federal Government on a cost recovery basis, are handled by industry.

Fuel costs vary from utility to utility due mainly to two factors—the cost of uranium ore and the price paid for enriching services. For example, one utility owns a mining and milling company which may allow it to acquire uranium at a lower cost than the current price of the ore. Further, DOE provides enriching services under three types of contracts: (1) requirements contracts, (2) long-term fixed-commitment contracts, and (3) adjustable fixed-commitment contracts. (See page 15.) The contract price for the enriching service may vary, depending on the type of contract negotiated.

*Operation and maintenance costs*

Operation and maintenance costs consist mainly of salaries and benefits for the powerplant's operation and maintenance staff, fixed and variable costs for maintenance materials, insurance and licensing costs, and the cost of administration. These costs vary, of course, depending on the requirements for staff and the size and age of the plant.

*Total bus-bar costs*

The preceding discussion of the three types of costs leads to the question—what does nuclear-generated electricity cost at the bus-bar?

In June 1978 DOE estimated the actual cost at the bus-bar for the years 1976 and 1977. This estimate was based on the annual reports of both privately owned and publicly owned utilities submitted to DOE's Energy Information Administration. These estimates are shown in the following table.

*Estimated actual cost at the Bus-bar 1976–77*

[cents/kilowatt-hour]

| Cost factor | Average unit costs 1976 | 1977 |
|---|---|---|
| Fuel (actual) | 0.27 | 0.28 |
| Operation and maintenance (actual) | 0.23 | 0.25 |
| Capital (estimated) [a] | 0.96 | [b] 0.92 |
| Generation cost (estimated) | 1.46 | 1.45 |

[a] Capital costs are based on an estimated constant fixed-charge rate of 17 percent. Actual fixed-charge rates are not submitted and vary from utility to utility based on tax rates, return on equity, etc.

[b] Reduction due to averaging prior years capital investments.

DOE's estimates were very close to those kept by the nuclear industry. For example, each year the Atomic Industrial Forum—an international association of more than 600 organizations interested in the peaceful uses of nuclear energy—requests that all utilities with nuclear powerplants, as well as those purchasing substantial amounts of nuclear power, compute the total actual cost of producing a kilowatt-hour via the nuclear option. The Forum then accumulates this data and develops a weighted average cost. For both 1976 and 1977, the Forum reported that the weighted average cost of electricity from the Nation's nuclear powerplants was 1.5 cents per kilowatt-hour.

While figures for 1978 were not available from DOE at the time of this report, the Atomic Industrial Forum reported that 1978 generating costs were 1.5 cents per kilowatt-hour, about the same as they were in 1977 and 1976. A list of the Nation's nuclear utilities showing their reported costs for 1976 through 1978 is included as appendix III.

*Future costs of nuclear power generation*

This report concentrates on the most recent historical costs of generating electrical power via the nuclear option. However, in the future these costs will likely change in two ways. First, the existing cost factors may increase and second, other currently noncritical cost factors will receive more emphasis.

*Projection of costs of current factors*

Many estimates are available for the future cost of nuclear-generated electricity. For example, DOE projected that the cost of nuclear power beginning operation in 1985 will be:

| | Cents/kilowatt-hour [1] |
|---|---|
| Capital costs | 1.6 |
| Fuel costs | 0.7 |
| Operation and maintenance costs [2] | 0.1 |
| Total costs | 2.4 |

[1] Based on GAO escalation of 1975 dollars at 6.5 percent per annum.

[2] Minimal operating and maintenance costs during initial operating year.

Another example is the following NRC October 1978 cost projection of nuclear power coming on line in 1990 for various regions of the country.

PROJECTED COSTS FOR 1990 INITIAL YEAR OPERATION [1]

[In cents, per kilowatt-hour]

| Region | Capital | Fuel | Operation and maintenance | Total |
|---|---|---|---|---|
| New England | 4.4 | 1.5 | 0.3 | 6.2 |
| New York/New Jersey | 4.6 | 1.5 | .3 | 6.4 |
| Middle Atlantic | 4.0 | 1.5 | .3 | 5.8 |
| South Atlantic | 4.0 | 1.5 | .3 | 5.8 |
| Midwest | 4.4 | 1.5 | .3 | 6.2 |
| Southwest | 3.9 | 1.5 | .3 | 5.7 |
| Central | 4.3 | 1.5 | .3 | 6.1 |
| North Central | 4.2 | 1.5 | .3 | 6.0 |
| West | 4.5 | 1.5 | .3 | 6.3 |
| Northwest | 4.4 | 1.5 | .3 | 6.2 |
| National average | 4.3 | 1.5 | .3 | 6.1 |

[1] All estimates are in 1990 dollars to account for inflation.

*Other cost factors*

While much of the increased cost shown in the previous projections can be attributed to inflation, two new costs will be for waste management and decommissioning. Because actual procedures for both waste management and decommissioning are not known, the costs for these activities can only be estimated. While these costs will generally be added as factors to the bus-bar cost of producing electricity via the nuclear option, some utilities already include components for these activities.

*Waste management*

The Nation's nuclear waste management policies are constantly evolving. Today DOE expects that, in general, nuclear fuel—once discharged from the reactor—will pass from the utility to a temporary storage facility, often called an "away from reactor" storage facility. If a final decision is made to discard the fuel, it could then be transported to a geologic repository where it will be permanently disposed. Considerable Federal research and development will be necessary however, before these disposal facilities will be available to take the utilities' used fuel.

The Federal Government proposes to eventually offer to take title to and store spent nuclear fuel from privately owned power reactors. In keeping with this policy, DOE expects that there will be a one-time charge for the storage and disposal services provided by the Government. DOE also expects this charge to recover all Government costs. In July 1978 DOE published a report titled "Preliminary Estimates of the Charge for Spent-Fuel Storage and Disposal Services," which estimates that the one-time charge for storage and disposal would be approximately 0.1 cents per kilowatt-hour. It should be pointed out that this is only an estimate and it could change significantly if the procedures change.

As mentioned, the 0.1 cents per kilowatt-hour charge is based on estimates of full cost recovery by the Government. The following schedule shows all of the costs which DOE believes will need to be recovered in the one-time charge.

| Facility or service | Costs to be recovered [a] (millions) |
|---|---|
| Away from reactor storage | $275 |
| Transportation to repository | 100 |
| Encapsulation facility | 1,325 |
| Geologic repository | 1,141 |
| Research and development | 560 |
| Government overhead | 234 |
| Total | $4,635 |

[a] 1978 dollars.

[2] A brief description of the nuclear fuel cycle is included as app. II of this report.

*Decommissioning*

Decommissioning can be defined as all of the measures taken at the end of a nuclear facility's operating life to assure the continued protection of the public from any residual radioactivity or other potential hazards present in the facility. In a 1978 study prepared for NRC by Battelle Pacific Northwest Laboratory, two approaches to nuclear powerplant decommissioning were considered—immediate dismantlement and safe storage with deferred dismantlement.

Immediate dismantlement is the removal of radioactive materials with disassembly and decontamination during a 4-year period following final operation of a powerplant. The process known as safe storage with deferred dismantlement involves two steps. First, radioactive materials and contaminated areas are controlled to assure that the public is protected from residual radioactivity. Second, dismantlement is delayed until radioactivity has decayed to considerably lower levels.

The Battelle study estimated these methods to cost $42.1 million and $50.2 million, respectively, for a 1,175-megawatt powerplant. The costs of decommissioning are expected to be borne by the utility. Commonwealth Edison Company, the largest generator of nuclear power in the United States, estimated that these expenses translate into 0.02 cents per kilowatt-hour.

CHAPTER 3

*The Federal costs of nuclear power*

All commercial nuclear power technology can be traced directly or indirectly to the Federal Government's military program, namely the development of nuclear weapons and reactors. The Atomic Energy Act of 1946 (Public Law 79–585) transferred these military nuclear programs to civilian control and charged the Atomic Energy Commission to develop the non-military aspects of nuclear energy. Later, the Atomic Energy Act of 1954 (Public Law 83–703) paved the way for industrial participation in the nuclear power development program. This law provided for declassification of considerable amounts of restricted information and permitted private ownership and operation of civilian nuclear powerplants.

Developing commercial nuclear power required large financial resources. Financial risks of this nature required Federal Government and industry cooperation which resulted in the Nation's first Power Reactor Demonstration Program in 1955. Under this program, the Atomic Energy Commission offered large financial incentives, such as research and development technology, fuel-lease waivers, fuel fabrication, and training to cooperating electric utilities.

The Government's objective was to eventually transfer all federally developed commercial reactor and fuel-cycle technology to a self-sustaining private industry. All steps in the fuel cycle—except uranium enrichment and waste management—are now handled by private industry. (See app. II.) Through 1978, Federal participation[1] in developing the Nation's commercial nuclear power industry has cost the taxpayer as estimated $12.1 billion since 1950. This represents research, development, and demonstration incentives totaling $9.7 billion; regulatory costs of $1.2 billion; and enriching incentives totaling $1.2 billion.

While the Federal Government has been active in a large number of nuclear areas, its major support to the nuclear industry has been in the following areas:

Nuclear research, development, and demonstration.

Nuclear regulation to protect the public's health and safety.

Enriching uranium so that it is usable in commercial nuclear powerplants.

Stimulating mining of domestic uranium.

Indemnifying powerplant owners and others in the industry against nuclear accidents.

*Nuclear research, development, and demonstration*

From its inception, the Atomic Energy Commission supported a large nuclear reactor research, development, and demonstration program through contracts with national laboratories, industrial concerns, and private and public institutions. This program—perhaps the most visible of the Federal Government's nuclear efforts—was subsequently carried out by the Energy Research and Development Administration and then by DOE. These programs were aimed at promoting basic research and development and, with industry support, building demonstration plants.

According to DOE, the cost of Federal nuclear research, development, and demonstration totaled $8.6 billion. This represents program funds expended from fiscal years 1950 through 1978 on one or more of the following programs:

Nuclear materials.
Civilian reactor development.
Advanced isotope separations.
Waste management.
Reactor safety research.
Uranium resource assessment.

A table of the Federal Government's expenditures from 1950 through 1978 for each of these programs is included as appendix IV of this report.

Eighty-one percent, or $7.0 billion, of these Federal research and development funds were spent for the so-called civilian reactor development program, including $4.4 billion for the Liquid Metal Fast Breeder Reactor—once the Nation's highest priority energy research and development program. In the early 1950s, the Atomic Energy Commission contributed only about 1 percent of its budget to commercial nuclear power research and development. In 1978 that contribution represented 17 percent of the DOE budget.

A 1978 analysis by the Battelle Memorial Institute indicated that DOE's cost figures for research, development, and demonstration excluded nuclear-oriented costs for such efforts as the Biology and Environmental Sciences Program, and the Education Information and Training Program. These programs were related to many programs, not only the civilian nuclear power program. Battelle estimated that the portion of these programs attributable to commercial nuclear energy cost about $0.6 billion.

Battelle also estimated the portion of the Government's program management, or administrative costs attributable to nuclear power programs, by assuming that in any one year, program management costs allocated to nuclear power should be the same as the total percentage spent in that area. Thus, an additional $0.5 billion could be included as a cost of commercial nuclear power development.

The total Federal commercial contribution for nuclear-related research, development, and demonstration—including DOE's "mixed" program contributions and administrative costs—totaled $9.7 billion through fiscal year 1978.

*Nuclear regulation*

The Atomic Energy Commission was solely responsible for regulating the nuclear industry to protect the public's health and safety from 1946 through 1974. The Energy Reorganization Act of 1974 (Public Law 93–438) separated nuclear power development and promotional functions from regulatory functions and created NRC. Today NRC regulates the design, construction, and operation of commercial nuclear powerplants and associated facilities and plays a major role in regulating all commercial fuel cycle phases except mining and enrichment.[2]

The NRC regulatory program's basic purpose is to carry out the Commission's statutory responsibilities to assure that the possession, use, and disposal of radioactive facilities and materials are conducted not only in a manner consistent with the public's health and safety and the Nation's defense and security, but also with the proper regard for environmental quality. Regulatory control was relatively simple when all nuclear materials were Government-owned, but became more difficult with the passage of the 1964 Private Ownership of Special Nuclear Materials Act (Public Law 88–489). This act allowed many private organizations to own nuclear materials.

The Federal Government has spent $1.2 billion from fiscal years 1960 through 1978 regulating the commercial nuclear power industry. Offsetting these costs, NRC collects various fees from its licensees. According to an NRC official, the fees represent only 20 percent of the actual licensing costs. Through fiscal year 1978, these fees have produced $74.3 million in revenues for NRC.

A table of yearly expenditures for nuclear regulation is found in appendix V.

*Uranium enrichment*

Uranium enrichment is a process which prepares uranium for use as a nuclear reactor fuel. Basically, it converts natural uranium into a mixture with enough of the isotope uranium-235 to sustain a nuclear reaction.

The Federal Government has built three large enrichment plants at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio. These facilities, representing the major source of free world enriched uranium, are currently capable of annually servicing about 200 large nuclear powerplants.

Originally these enrichment plants were used to produce enriched uranium for the Nation's nuclear weapons program. Today, they provide enrichment services mainly for sale to domestic and foreign utilities. These domestic and foreign customers are supplied under:

Requirements contracts where DOE agrees to supply the enriched uranium needed to fuel a specific reactor;

Long-term, fixed-commitment contracts where DOE agrees to provide fixed amounts of enriched uranium for a certain time period; or

Adjustable fixed-commitment contracts which allow the purchasers more flexibility than with the long-term, fixed-commitment contract.

The adjustable fixed-commitment contract became available in 1978 and is the only type of contract available to new customers.

The Atomic Energy Act of 1954, subsection 161B, (Public Law 83–703, as amended, requires DOE to price its uranium enrichment services provided under the above contracts to recover all Federal costs over a reasonable period of time. However, the Federal Government has incurred costs, or provided apparent subsidies to the nuclear power industry that have not yet been paid for by industry. The Federal incentives provided the commercial nuclear power industry in the enrichment area include:

A price difference between the Government's current enriching charge and what it would cost if a commercial enriching facility provided the services.

Imputed interest on the Government's investment in uranium feed.

*Fair value pricing*

Three times in the past 5 years, DOE has

[1] Defined to include direct or indirect payments, economic concessions, and privileges or benefits provided to any enterprise by the Government to promote its nuclear policies.

[2] Mining is controlled by individual States; enrichment is regulated by DOE.

submitted a proposal to the Congress to revise the current uranium enrichment price structure. The proposed legislation would have established a "fair value" for pricing services by eliminating or reducing the difference between lower Government charges and those of potential domestic private enrichment projects.

DOE's current price, by law, excludes a return on equity, insurance, and taxes which a commercial supplier would pass on to the customer. This difference represented $220 million from fiscal year 1976 through fiscal year 1978. In a recent report [3] addressing proposed legislation, we stated that a fair value pricing policy would generate additional revenues to the Federal Government of $1.5 billion for fiscal years 1979 through 1983.

This proposed legislation did not gain congressional approval, and DOE does not intend, at least in the near future, to resubmit a fair value pricing proposal.

*Imputed interest*

Another cost of enrichment not charged to utilities is the imputed interest on the Government's investment in uranium feed stock—the uranium material that will eventually be processed through the enrichment plants. DOE's enriching prices must, by law, reflect the Government's enriching services cost.

Excluding imputed interest on feed stock represents a loss to the Government. If such funds are not so disbursed, they could repay or reduce Government borrowings and, therefore, reduce interest charges.

DOE recognizes imputed interest on uranium needed to provide enrichment services as a recoverable cost. However, it is our understanding that although DOE plans to initiate recovery of this lost interest in fiscal year 1979, the Department does not intend to recover this cost for fiscal years 1969–1978, which we estimate to be $1 billion.

DOE officials told us that they believe that the failure to recover the imputed interest is a Federal cost of nuclear power. However, they tentatively believe that it should not be called a cost of enrichment. They believe that it might be more appropriate to include it in the section of this report on uranium mining. At the time of this report, both DOE and GAO were studying this issue in more detail. On March 8, 1979, we sent a letter of inquiry to DOE addressing various aspects of this issue. As of the date of this report, however, DOE had not responded to this inquiry.

*Federal costs in terms of cents per kilowatt-hour*

In his request, Senator Melcher asked us to show, in cents per kilowatt-hour, the Federal nuclear costs exceeding those incurred by private utility companies. The following table shows this by allocating the various Federal costs and incentives in a given year—1976, 1977, and 1978—to the total kilowatt-hours generated by nuclear plants in that year.

[Dollar amounts in millions]

| Fiscal year | R. & D.[1] | Enrichment | Regulation | Total | Billion kilowatt-hours generated | Cents/kilowatt-hour |
|---|---|---|---|---|---|---|
| 1976 [2] | $936 | $120 | $221 | $1,277 | 228 | 0.51 |
| 1977 | 989 | 180 | 213 | 1,382 | 243 | .57 |
| 1978 | 1,196 | 220 | 240 | 1,656 | 265 | .62 |

[1] Includes $81,200,000 for uranium resource assessment discussed on p. 18.
[2] 1976 figures include the 3-mo transition quarter.

[3] "Fair Value Enrichment Pricing: Is It Fair?" (EMD-78-66, Apr. 19, 1978).

It is important to note that, in making this calculation, we had to assume that the costs in each year were to be "matched" with the kilowatt-hours generated during that year. Unfortunately, our method has a disadvantage in that the costs incurred in any one year—1976, 1977, or 1978—may benefit the nuclear industry during future years. This is particularly true for research and development costs. On the other hand, costs incurred prior to 1976 may benefit the industry during the 1976–1978 period. It should be noted that some sizable Federal contributions to the nuclear power program are not easily quantifiable. These contributions are discussed below.

*Uranium mining*

The U.S. war effort needs for uranium prior to the mid-1940s were supplied from a Belgian Congo mine, a Canadian mine, and a few scattered U.S. deposits. Eventually, the former Atomic Energy Commission recognized the Nation's dependence on foreign ore and established a uranium ore procurement program to stimulate domestic production. As a result, the Commission entered into long-term contracts with the following incentives:

A 10-year guaranteed minimum price for certain high grade ore.

A $10,000 discovery and production bonus.

A guaranteed 3-year minimum price for Colorado Plateau ores.

The program's success required the eventual elimination of these benefits to avoid an excessive stockpile of uranium ore. The only benefits remaining, following the 1971 Federal termination of the uranium purchase program, are a restriction on foreign ore imports and DOE's National Uranium Resource Evaluation program.

The 1964 Private Ownership of Special Nuclear Materials Act in lieu therefore, directed that, to the extent possible these enrichment plants should not enrich foreign ores intended for use in the United States. This provision, which is not quantifiable, protected the domestic uranium industry from less expensive foreign uranium. A Notice of Modification of Restriction on Enrichment of Foreign Uranium for Domestic Use was published in the Federal Register and became effective on October 25, 1974. Under this plan, in 1977 up to 10 percent of the uranium furnished for enrichment by a domestic customer may come from a foreign source. The amount allowed would increase until 1984 when there will be no restriction on enrichment of foreign uranium for use in domestic reactors.

DOE's National Uranium Resource Evaluation program researches and estimates the potential domestic uranium reserves at various mining and milling costs. Program data, based on topographic and geological analysis, provides input to our national energy policy. According to DOE estimates, $116.2 million has been spent on this program through fiscal year 1978. This will provide information to both the Federal Government and the commercial nuclear industry. (See app. IV.)

*Nuclear Indemnification*

The 1954 Atomic Energy Act permitted private ownership and operation of nuclear powerplants. Private ownership, however, raised an important question—who was to be financially liable in the event of a catastrophic nuclear accident? Nuclear facility suppliers and operators were generally unwilling to risk solvency on a budding industry. Further, the insurance industry was unwilling to fully insure these plants because no loss experience existed. The solution, a 1957 amendment to the Atomic Energy Act of 1954, provided the public, AEC licensees, and contractors financial protection against a nuclear accident.

This amendment—often called the Price-Anderson Act—effectively limited liability for any nuclear incident to $560 million and was to remain in effect for 10 years. The liability amount represented a maximum $500-million Government indemnity for each nuclear incident in addition to the maximum private liability insurance available in 1957—$60 million. The act was amended in 1965 by extending Federal indemnity for an additional 10 years, as well as specifically limiting the $560 million for each accident.

In 1966 it was again amended to provide for a "no-fault" clause, meaning that proof of negligence was not a requirement for compensating the injured party.

In 1975, the act was amended once again. This last amendment will eventually phase out Government indemnification for commercial reactors. It will not, however, phase out the $500-million indemnification for non-profit educational reactors.

The phase-out legislation will eventually eliminate Federal liability. The legislation shifts the financial risk from the Government to the nuclear industry. Insurance companies are currently providing $140 million of insurance and each commercial reactor must pay a retrospective premium or deferred premium of $5 million per reactor per incident. As a result, the Government indemnification stands at $70 million. The indemnification will be phased out as more private insurance becomes available and the number of operating reactors increase. To date no claims have been filed against the Federal Government.

The Price-Anderson Act provided an impetus needed to develop the nuclear industry without jeopardizing the industry's financial stability. However, quantifying that impetus was not feasible.

In a 1975 report,[4] we estimated an annual indemnity subsidy for a utility with one or two on-site reactors. Applying these figures annually to each operating reactor does not reflect the coverage provided fuel fabricators, suppliers, engineers, valve producers, and the general public. To our knowledge, no one has attempted to quantify this portion of the subsidy.

Mr. MELCHER. 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.

## INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 211, which is at the desk, S. 588, the bill on which the Senate will proceed tomorrow when the Senate again convenes.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 588) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that Act, to authorize the establishment of an institute for technological cooperation, and for other purposes.

There being no objection, the Senate proceeded to the consideration of the

[4] "Selected Aspects of Nuclear Powerplant Reliability and Economics" (RED-76-7, Aug. 15, 1975).

bill, which had been reported from the Committee on Foreign Relations with an amendment, and from the Committee on Governmental Affairs with amendments.

Mr. ROBERT C. BYRD. Mr. President, both Mr. JAVITS and Mr. CHURCH, I think, are prepared to open with statements.

I understood that Mr. BAKER had an amendment to another measure, which I will now proceed with.

## ANADROMOUS FISH CONSERVATION ACT AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action which was taken last Wednesday on S. 838, in connection with which a technical amendment has to be taken up and which Mr. Baker will propound, be vitiated and that the bill be returned to its second reading for not to exceed 5 minutes.

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

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 838) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the Act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters.

The Senate proceeded to consider the bill.

UP AMENDMENT NO. 267

Mr. BAKER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for himself and Mr. CHAFEE proposes an unprinted amendment numbered 267.

On page 2, line 18, strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 19 strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 20 strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 22 strike "October 1" and insert in lieu thereof "September 30".

Mr. ROBERT C. BYRD. Mr. President, let me say on behalf of Mr. RANDOLPH, who is the chairman of the Public Works Committee, that this amendment is not only acceptable but it is necessary and so, therefore, there is no opposition to the amendment on this side of the aisle.

Mr. BAKER. Mr. President, I thank the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

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

Mr. BAKER. 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.

## INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1979

The Senate continued with the consideration of S. 588.

Mr. ROBERT C. BYRD. Mr. President, the pending measure before the Senate I believe is the Foreign Assistance Act, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, may we know the time situation on this bill?

The PRESIDING OFFICER. There are 2 hours on the bill, to be equally divided between the Senator from Idaho (Mr. CHURCH) and the Senator from New York (Mr. JAVITS), and 1 hour on amendments in the first degree, except 2 hours on an amendment by Senator DECONCINI and six other amendments exempted from the germaneness requirement, 30 minutes on secondary amendments and 28 minutes on debatable motions and appeals.

Mr. JAVITS. I thank the Chair.

I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New York.

## ORDER FOR RECESS FROM CONCLUSION OF BUSINESS TODAY UNTIL 8:30 P.M. AND FOR RECESS FOLLOWING THE JOINT SESSION OF CONGRESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at no later than 5:30 p.m. today the Senate stand in recess until 8:30 p.m. this evening at which time Senators will gather to proceed in a body to the Hall of the House of Representatives to receive a message from the President of the United States in joint session and that upon the dissolution of that joint session the Senate then stand in recess until the hour of 9:30 a.m. tomorrow.

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

## ORDER FOR RECOGNITION OF SENATOR DOMENICI TOMORROW AND RESUMPTION OF CONSIDERATION OF S. 588 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow morning Mr. DOMENICI be recognized for not to exceed 15 minutes, after which the Senate resume consideration of the now pending measure, S. 588, Calendar Order No. 211.

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

Mr. ROBERT C. BYRD. This would mean that at about 10 o'clock tomorrow morning the Senate would resume consideration of the amendment.

I thank the distinguished Senator from New York.

## INTERNATIONAL DEVELOPENT ASSISTANCE ACT OF 1979

The Senate continued with the consideration of the bill.

Mr. CHURCH. Mr. President, the International Development Assistance Act authorizes fiscal year 1980 appropriations for bilateral development assistance and our voluntary contributions to various international organizations. In addition, this year's bill authorizes the establishment of, and funding for, the new Institute for Technological Cooperation.

In recent years, the principal issue associated with this legislation has been to what degree Congress would increase funding for these programs over the previous fiscal year. Each year, the executive branch has requested ever increasing authorizations for these programs, and each year the Congress has approved these authorizations increases in some degree. Yet, I believe we became so preoccupied with increasing the size of the foreign aid program that we lost sight of what should have been our central concern: How effectively are these resources being used to assist poor people in poor countries?

During a year in which domestic programs are either being cut back or held at last year's level, it is imperative that we also hold the line on foreign aid. Our times require that we make difficult choices concerning spending priorities at home and abroad. We cannot reduce Federal spending and we cannot balance our Federal budget if each program is allowed to grow with little concern given to the quality of the program. The committee's recommendations on this bill reflect both these goals. It recognizes the need to control Federal spending and the need to improve the quality of bilateral aid efforts.

Mr. President, the committee recommends substantial reductions in the authorizations contained in this bill. As reported, title I of the bill is $212.2 million below the President's request, which represents a reduction of 10 percent; $155.9 million below the level approved by the House earlier this year; and $44.1 million below fiscal year 1979 appropriations.

Taking title I and title II together, the total appropriations authorized in this bill are $19.1 million below last year's appropriated levels. This includes $25 million for a new program, the Institute for Technological Cooperation.

Not only did the committee recommend reductions in these programs, but we also carefully reviewed the President's proposals and demonstrated on a country-by-country, project-by-project basis how and where the reductions could be made.

In some cases, the committee followed the lead of the executive branch and recommended the total elimination of programs in such countries as Pakistan and Ethiopia. In the case of Pakistan, the program termination stems from a violation of the nuclear nonproliferation provisions of the Foreign Assistance Act. Ethiopia is in violation of the provisions

prohibiting aid to countries which expropriate American property without adequate compensation.

In other cases, the committee reviewed the internal conditions in countries for which aid was proposed and determined that, under current circumstances, our bilateral aid programs could not reach the poor people for whom they are intended to help.

The committee also reviewed certain proposed activities and projects and recommended program reductions or delay in project implementation. Specifically, the committee recommends a 40-percent reduction in AID research and studies. In a year when AID programs must be reduced, assistance which directly benefits poor people in poor countries should have priority over research whose benefits to the poor are all too often questionable.

Mr. President, the committee report on S. 588 provides detailed information concerning the recommended reductions. However, I want to emphasize that the committee has not tied the hands of the President. With the single exception of Afghanistan, we did not include statutory prohibitions on the activities for which reductions were recommended. If circumstances change in these countries, the President has authority to provide assistance to them.

In our concern over the spending amounts authorized in S. 588, we must not lose sight of its central purpose. Pursuant to congressional initiative in 1973, these funds are intended to directly benefit poor people in poor countries. These are not giveaway programs. These are programs designed to help people help themselves. These programs help small farmers to increase their productivity which, hopefully, will lead to food self-sufficiency in these countries. These programs provide the resources and expertise required to promote private entrepeneurship. The funds in this bill are used to help curb the population growth threatening to overwhelm many developing countries.

The programs funded by this bill not only benefit poor people abroad; they constitute an important investment in our own future as well. Every day, we see more clearly how events abroad affect our lives at home. We sell more American goods and services to developing countries than to Europe and Japan combined. Without these markets, our balance-of-trade deficit would be much greater and unemployment much higher. Many of the most vital raw materials required for our own factories come from these developing countries as well. Therefore, we have a definite stake in both the pace and orderly nature of development in these countries.

Mr. President, this bill has received strong bipartisan support in the Committee on Foreign Relations, which ordered it reported with a favorable recommendation by a vote of 13 to 1. Title II of the bill has the support of both the Committee on Foreign Relations and the Committee on Governmental Affairs. I urge the Senate to adopt the International Development Assistance Act of 1979.

Mr. President, I ask unanimous consent that the following persons from the staff of the Committee on Foreign Relations have the privilege of the floor during the consideration and voting on S. 588: Richard McCall, Rudolph Rousseau, Gerald Decker, William Bader, and Patrick Shea.

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

Mr. CHURCH. Mr. President, I ask unanimous consent that the amendments of both committees to S. 588 be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

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

The amendments agreed to en bloc are as follows:

The amendment of the Committee on Foreign Relations is to strike all after the enacting clause and insert the following:

That this Act may be cited as the "International Development Assistance Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $583,548,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104 (q) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $193,630,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

"(2) $124,731,000 for the fiscal year 1980 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $87,646,000 for the fiscal year 1980, which are authorized to remain available until expended.";

(2) in subsection (b), by inserting "(1)" after "(b)"; and

(3) by adding at the end of subsection (b)(1) the following:

"(2) Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVEOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b), as amended by paragraph (1) of this subsection, as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under section 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the necessary technology to locate, explore, and develop indigenous energy resources and the financing to develop such resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened. This could have a positive impact upon energy prices in international markets and, thus, a positive effect upon the balance-of-payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources for commercial purposes, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis and the training of skilled personnel.

"(2) Of the funds made available to carry out this section, up to $5,000,000 for the fiscal year 1980 may be used for the purposes of paragraph (1) in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $119,747,000 for the fiscal year 1980, which are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 106. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by amending the section caption to read "ENERGY PROGRAMS".

(b) Such section is further amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(c) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (b) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $30,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 108. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be used, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980.".

ACCELERATED LOAN REPAYMENTS

SEC. 109. At the end of chapter 1 of part I of the Foreign Assistance Act of 1961, add the following:

"SEC. 126. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part is directed to conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. An annual report of the status of such accelerated loan repayments shall be made to such Committees.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 110. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 111. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and by inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" in the second sentence and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof, "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued through September 30, 1982, under section 222, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

GENERAL AUTHORITY

SEC. 112. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3), by inserting after "university research" the following: "in the developing countries themselves;"; and

(2) subsection (c) is amended to read as follows:

"(c) to the maximum extent practicable, activities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $279,590,000 for the fiscal year 1980. Of the funds authorized to be appropriated under this subsection for the fiscal year 1980, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 114. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 115. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 116. At the end of chapter 1 of part III of the Foreign Assistance Act of 1961, insert the following:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) The Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that it is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 117. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 118. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 119. Sections 123(b), 607(a), and 635 (c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 120. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

TITLE II—INSTITUTE FOR TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 201. As declared by the Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a mature world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on those critical problems that impede development and limit efficient use of the world's human, natural, and capital resources.

INSTITUTE FOR TECHNOLOGICAL COOPERATION

SEC. 202. To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

FUNCTIONS OF THE INSTITUTE

SEC. 203. (a) In carrying out its purposes, the Institute shall have the following functions:

(1) assist developing countries to strengthen their own capacity to generate, adapt, utilize, and disseminate knowledge and technologies necessary for their development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on those problems which affect the lives of the majority of the people in developing countries;

(3) foster the exchange of scientists and other technical experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in research, training, and other forms of cooperation with developing countries; and

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred herein, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(c) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(d) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 204. (a) To carry out the purposes and functions of the Institute, the President may—

(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or without the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or without the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or without the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

(b) Any authority provided for under this section involving the expenditure of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 206. (a) A Deputy Director of the Institute shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code;

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL TECHNOLOGICAL COOPERATION

SEC. 207. (a) In order to further the purposes of the Institute, the President, is authorized to establish a Council on International Technological Cooperation (hereafter in this title referred to as the "Council").

(b) The Council shall—

(1) advise the Director with respect to the policies, programs, and procedures of the Institute;

(2) make recommendations to the Director on the use of the resources available to the Institute;

(3) advise the Director on matters involving the activities of the Institute outside the United States and appropriate relationships with the private sector, within and without the United States; and

(4) make recommendations on all the foregoing, and the Director shall not approve or disapprove a new program or initiative until he has received within a reasonable period of time the recommendation of the Council.

(c) The Council shall consist of up to twenty-five members selected by the President, one of whom the President shall designate as Chairman. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by

their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) up to five members of the Council may be officials of the United States Government, one of whom shall be the Secretary of State or his designee.

(d) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in government service employed intermittently. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

INSTITUTE FELLOWSHIPS

SEC. 208. (a) The President is authorized annually to award up to twenty fellowships for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals, who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for Concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provision outside country of residence), subsistence for transportation, housing (when assigned (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 209. Members of the Council and Institute Fellows shall avoid any action which might result in, or create the appearance of, a conflict of interest, including but not limited to:

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 210. There are hereby authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 for the fiscal year 1980. Funds appropriated under this section are authorized to remain available until expended.

EVALUATIONS AND ANNUAL REPORT

SEC. 211. (a)(1) Not later than six months after the establishment of the Institute, the Director, in consultation with the Council, shall establish procedures for the evaluation of the programs of the Institute. Such procedures shall be reviewed annually and may be modified at such time. Evaluations performed pursuant to such procedures shall be made annually and submitted to the President and to the Congress not later than sixty days after the close of each preceding fiscal year.

(2) Whenever there is established, pursuant to Reorganization Plan numbered 2, transmitted to the Congress by the President on April 10, 1979, an International Development Cooperation Agency, then the Director shall consult with the Director of the International Development Cooperation Agency in establishing or modifying, as the case may be, such procedures and shall submit such evaluations to the Director of the International Development Corporation Agency for submittal to the President and Congress as provided for under paragraph (1).

(b) Not later than ninety days after the close of each preceding fiscal year, the President shall submit to the Congress a complete and detailed report of the operations of the Institute during such fiscal year, together with a report on the evaluations required by subsection (a) and on proposed actions to be taken, if necessary, pursuant to consideration of the evaluations.

(c) The General Accounting Office shall undertake a critical evalaution of the Institute to ascertain the effectiveness of its management and programs and shall submit such evaluation to the Congress not later than sixty days after the close of the fiscal year 1988.

MISCELLANEOUS PROVISIONS

SEC. 212. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

"(70) Director, Institute for Technological Cooperation.".

(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

"(128) Deputy Director, Institute for Technological Cooperation.".

(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end theerof the following:

"(152) Additional officers, Institute for Technological Cooperation (2).".

(d) The number of positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by four.

EFFECTIVE DATE

SEC. 213. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.

The amendments of the Committee on Governmental Affairs are as follows:

On page 37, line 21, strike "is authorized to" and insert "shall";

One page 42, line 2, strike "III" and insert "II";

On page 42, line 3, strike "5314" and insert "5313";

On page 42, line 14, strike "IV" and insert "III";

On page 42, line 15, strike "5315" and insert "5314";

On page 42, line 21, strike "V" and insert "IV";

On page 42, line 22, strike "5316" and insert "5315";

On page 43, line 4, strike "is authorized to" and insert "shall";

On page 44, line 3, strike "interest in" and insert "knowledge of";

On page 49, line 11, strike "5314" and insert "5313";

On page 49, line 12, strike "III" and insert "II";

On page 49, line 15, strike "(70)" and insert "(25)";

On page 49, line 17, strike "5315" and insert "5314";

On Page 49, line 18, strike "IV" and insert "III";

On page 49, line 22, strike "5316" and insert "5315";

On page 49, line 23, strike "V" and insert "IV";

On page 50, line 1, strike "(152)" and insert "(128)";

On page 50, beginning with line 6, insert the following :

TERMINATION OF PROVISIONS

SEC. 213. The provisions of this title shall terminate on September 30, 1989.

On page 50, line 10, strike "213" and insert "214".

So as to make the bill read:

That this Act may be cited as the "International Development Assistance Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $583,548,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural ca-

pacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104 (q) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $193,630,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

(2) $125,731,000 for the fiscal year 1980 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $87,646,000 for the fiscal year 1980, which are authorized to remain available until expended.";

(2) in subsection (b), by inserting "(1)" after "(b)"; and

(3) by adding at the end of subsection (b)(1) the following:

"(2) Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b), as amended by paragraph (1) of this subsection, as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the necessary technology to locate, explore, and develop such resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened. This could have a positive impact upon energy prices in international markets and, thus, a positive effect upon the balance-of-payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources for commercial purposes, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis and the training of skilled personnel.

"(2) Of the funds made available to carry out this section, up to $5,000,000 for the fiscal year 1980 may be used for the purposes of paragraph (1) in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $119,747,000 for the fiscal year 1980, which are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 106. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by amending the section caption to read "ENERGY PROGRAMS".

(b) Such section is further amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(c) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (b) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $30,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 108. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be used, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980.".

ACCELERATED LOAN REPAYMENTS

SEC. 109. At the end of chapter 1 of part I of the Foreign Assistance Act of 1961, add the following:

"SEC. 126. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part is directed to conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. An annual report of the status of such accelerated loan repayments shall be made to such Committees.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 110. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropri-

ated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 111. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and by inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" in the second sentence and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof, "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued through September 30, 1982, under section 222, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

GENERAL AUTHORITY

SEC. 112. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3), by inserting after "university research" the following: "in the developing countries themselves;"; and

(2) subsection (c) is amended to read as follows:

"(c) to the maximum extent practicable, acivities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $279,590,000 for the fiscal year 1980. Of the funds authorized to be appropriated under this subsection for the fiscal year 1980, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 114. Section 492 of Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 115. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 116. At the end of chapter 1 of part III of the Foreign Assistance Act of 1961, insert the following:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) The Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that it is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 117. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 118. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 119. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 120. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

## TITLE II—INSTITUTE FOR TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 201. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humantarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a mature world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on those critical problems that impede development and limit efficient use of the world's human, natural, and capital resources.

INSTITUTE FOR TECHNOLOGICAL COOPERATION

SEC. 202. To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President shall establish an Institute for Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

FUNCTIONS OF THE INSTITUTE

SEC. 203. (a) In carrying out its purposes, the Institute shall have the following functions:

(1) assist developing countries to strengthen their own capacity to generate, adapt, utilize, and disseminate knowledge and technologies necessary for their development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on those problems which affect the lives of the majority of the people in developing countries;

(3) foster the exchange of scientists and other technical experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in research, training, and other forms of cooperation with developing countries; and

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred herein, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(c) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(d) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 204. (a) To carry out the purposes and functions of the Institute, the President may—

(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or without the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or without the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or without the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

(b) Any authority provided for under this section involving the expenditure of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level II of the Executive Schedule under section 5313 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 206. (a) A Deputy Director of the Institute shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code;

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL TECHNOLOGICAL COOPERATION

SEC. 207. (a) In order to further the purposes of the Institute, the President shall establish a Council on International Technological Cooperation (hereafter in this title referred to as the "Council").

(b) The Council shall—

(1) advise the Director with respect to the policies, programs, and procedures of the Institute;

(2) make recommendations to the Director on the use of the resources available to the Institute;

(3) advise the Director on matters involving the activities of the Institute outside the United States and appropriate relationships with the private sector, within and without the United States; and

(4) make recommendations on all the foregoing, and the Director shall not approve or disapprove a new program or initiative until he has received within a reasonable period of time the recommendation of the Council.

(c) The Council shall consist of up to twenty-five members selected by the President, one of whom the President shall designate as Chairman. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their knowledge of the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) up to five members of the Council may be officials of the United States Government, one of whom shall be the Secretary of State or his designee.

(d) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in Government service employed intermittently. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

INSTITUTE FELLOWSHIPS

SEC. 208. (a) The President is authorized annually to award up to twenty fellowships for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals, who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provision for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States Citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 209. Members of the Council and Institute Fellows shall avoid any action which might result in, or create the appearance of, a conflict of interest, including but not limited to:

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 210. There are hereby authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 for the fiscal year 1980. Funds appropriated under this section are authorized to remain available until expended.

EVALUATIONS AND ANNUAL REPORT

SEC. 212. (a)(1) Not later than six months after the establishment of the Institute, the Director, in consultation with the Council,

shall establish procedures for the evaluation of the programs of the Institute. Such procedures shall be reviewed annually and may be modified at such time. Evaluations performed pursuant to such procedures shall be made annually and submitted to the President and to the Congress not later than sixty days after the close of each preceding fiscal year.

(2) Whenever there is established, pursuant to Reorganization Plan numbered 2, transmitted to the Congress by the President on April 10, 1979, an International Development Cooperation Agency, then the Director shall consult with the Director of the International Development Cooperation Agency in establishing or modifying, as the case may be, such producers and shall submit such evaluations to the Director of the International Development Cooperation Agency for submittal to the President and Congress as provided for under paragraph (1).

(b) Not later than ninety days after the close of each preceding fiscal year, the President shall submit to the Congress a complete and detailed report of the operations of the Institute during such fiscal year, together with a report on the evaluations required by subsection (a) and on proposed actions to be taken, if necessary, pursuant to consideration of the evaluations.

(c) The General Accounting Office shall undertake a critical evaluation of the Institute to ascertain the effectiveness of its management and programs and shall submit such evaluation to the Congress not later than sixty days after the close of the fiscal year 1988.

MISCELLANEOUS PROVISIONS

SEC. 212. (a) Section 5313 of title 5 of the United States Code, relating to level II of the Executive Schedule, is amended by adding at the end thereof the following:

(25) Director, Institute for Technological Cooperation.".

(b) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

(70) Deputy Director, Institute for Technological Cooperation.".

(c) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

(128) Additional officers, Institute for Technological Cooperation (2).".

(d) The number of positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by four.

TERMINATION OF PROVISIONS

SEC. 213. The provisions of this title shall terminate on September 30, 1989.

EFFECTIVE DATE

SEC. 214. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.

Mr. CHURCH. Mr. President, on behalf of Senator JAVITS, I also ask unanimous consent that the privileges of the floor be granted to Jacques Gorlin during the consideration and voting on S. 588.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. 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. JAVITS. Mr. President, I rise to join my colleague from Idaho, the chairman of the Foreign Relations Committee, in urging my colleagues to approve S. 588, the International Development Assistance Act of 1979. The bill represents the culmination of an intensive analysis and thorough review of the administration's fiscal year 1980 foreign assistance request by the committee at a time when we are all under intense pressure to limit budgetary expenditures.

Foreign assistance is important not only for its contribution to economic growth in the developing countries but also for its direct economic impact on the economy of the United States. The importance of the developing countries to the U.S. economy should not be underestimated. The recession of 1975 would have been far worse had we not been able to continue to find markets in the developing countries for our exports. At present, developing countries purchase about 40 percent of our exports and represent the greatest potential for expansion of our overseas markets. In addition, developing countries already provide the United States with more than 25 percent of the raw materials we require. Jobs in the United States are becoming increasingly dependent upon these export markets and upon access to critical raw materials which we import from developing countries. Given the rapidly increasing trade and financial ties between the United States and the developing countries, I urge my colleagues to look at this foreign aid bill as a wise investment in the continued economic health of the United States.

I have just returned from a visit to the Sudan where, as the special envoy of the President, I met with President Nemeiri. Both in the Sudan and in Morocco, where I had extensive discussions with King Hassan, I found a great need for the types of economic development programs funded under the bilateral development assistance bill that we are considering today. The administration has earmarked $30.2 million in economic assistance to the Sudan for fiscal year 1980, double the $15 million figure of fiscal year 1979. More than $6.5 million is contemplated for Morocco in fiscal year 1980. Both these countries not only continue to be very important forces for moderation in the Middle East but face serious developmental problems which we can help to alleviate through strong bilateral economic assistance effort.

Title I of this bill authorizes appropriations totaling $1,736,829,000 for fiscal year 1980 for bilateral assistance, international disaster assistance programs, AID operating expenses, and voluntary U.S. contributions to international organizations. This represents a reduction of $212 million below the executive branch request for fiscal year 1980 and $44.1 million below comparable fiscal year 1979 authorizations.

The $1,736 million in authorizations for bilateral economic assistance represents 20 percent of the total foreign assistance authorization levels—bilateral and multilateral economic assistance, international security assistance, and Peace Corps—of $8,749 million requested in this session of the Congress. The budget authority requested for fiscal year 1980 for foreign economic and financial assistance represents .33 percent of our total GNP and less than 2 percent—1.36 percent—of the total budget. The cost of such programs even when fully funded is small when compared to the significant impact that such assistance can have on the economies of the recipient countries.

The committee carefully considered the executive branch request for a $202 million increase for the AID functional developmental assistance programs in fiscal year 1980. Admittedly, the developing countries could use greater levels of foreign assistance—and many countries, such as the Sudan and countries in the rest of the African continent and Asia, are programed to receive greater aid in fiscal year 1980—nevertheless, I join the chairman of the Foreign Relations Committee in recommending to my colleagues the reductions made by the committee in the administration's request. Any increase in the overall foreign aid budget at a time when the budgets for important domestic programs—especially those helping the urban poor—are being reduced or held to last year's levels must be carefully considered and thoroughly justified.

Despite the necessity of a reduction in AID authorizations and the responsible manner in which they were made, we must recognize that the United States must maintain a strong commitment to the developing world. In the past, the United States has agreed in principle to several summits and other international fora that sustained and increased aid to LDC's is an extremely important element for improving relations between the North and South. We must insure that these commitments are not empty rhetoric, or we run the risk of losing credibility with these economically and politically important countries.

In making a 16.8 percent reduction in the executive branch request for the AID functional programs, the committee did not engage in an indiscriminate broad brush cut. In the report accompanying the bill, the committee has pinpointed specific country programs and projects which it recommends to the executive branch for cuts. In no way are these recommendations legislatively mandated, and the executive branch has the necessary flexibility required to use effectively the resources that we are authorizing today. I understand that in many of the countries on our indicative list the administration plans to continue some economic aid. We have provided the administration with the flexibility to continue these programs if it believes that the concerns of the Congress for human rights, nuclear nonproliferation, and other matters have been safeguarded and that the programs will meet our economic assistance objectives for these countries. I hope the administration to make use of this flexibility within the overall funding limits set by the Congress.

While the major thrust of title I of this bill is generally aimed at the poorest countries, many of the so-called middle-

income countries face serious developmental problems, especially among the the poorest elements of their population. Many of these countries continue to require concessional assistance while others have graduated and are able to pay for the technical assistance that they receive. It is especially critical that innovative development cooperation programs be worked out for these countries, especially for the countries of Latin America and the Caribbean. Once the new International Development Cooperation Administration (IDCA) is established, extension of development programs specifically suited to these countries and their ability to pay should be one of its primary objectives.

Furthermore, the U.S. private sector should be brought into the development process for these middle-income countries through such programs as OPIC. In addition, more use should be made of AID's reimbursable development programs which help those developing countries able to pay for their own development. I wish to make note of a new program which AID has undertaken with funds authorized under section 661 of the Foreign Assistance Act to promote reimbursable development programs overseas consistent with the objectives of the U.S. foreign assistance program and that result in procurement of goods and services from the U.S. private sector. This program is an important step in the promotion of U.S. private sector participation in overseas development activities in friendly countries.

Mr. President, I ask unanimous consent that the following table provided by AID and describing the approved reimbursable developing programs by country be inserted at this point in the RECORD.

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

APPROVED REIMBURSABLE DEVELOPMENT PROGRAMS BY COUNTRY

| Country and U.S. agency | Approved | Purpose | Estimated value |
|---|---|---|---|
| Algeria: USGS | 1974 | Satellite photo interpretation | $1,116,000 |
| Argentina: FHWA | 1969 | Highway planning/engineering | 608,420 |
| Australia: | | | |
| FAA | 1977 | Navigation equipment | 100,000 |
| USCG | 1977 | Search and rescue training | 620 |
| Bermuda: | | | |
| USCG | 1974 | Oil spill assistance | |
| USCG | 1979 | Coast Guard training | 4,000 |
| Bolivia: FAA | 1976 | Navigation equipment | 50,000 |
| Brazil: | | | |
| COE | 1975 | Waterways project | 8,400 |
| FAA | 1973 | Air navigational equipment | 150,000 |
| USGS | 1976 | Earth science activities | 200,000 |
| EPA | 1979 | Environmental training | 55,000 |
| Canada: | | | |
| FAA | 1977 | Spare parts and technical services | 100,000 |
| FAA | 1977 | Electronic tubes | 21,684 |
| Chile: | | | |
| FAA | 1973 | Calibration/repair work | 200,000 |
| USGS | 1977 | Petroleum exploration consultant | 4,422 |
| China, Republic of: FAA | 1972 | Navigational equipment | 50,000 |
| Colombia: USCG | 1976 | Oil spill assistance | |
| Costa Rica: FAA | 1977 | ATC training and equipment | 200,000 |
| Dominican Republic: AID | 1975 | Housing assistance | 55,000 |
| Ecuador: USCG | 1976 | Oil spill assistance | |
| Germany: FAA | 1976 | Cathode tubes | 5,024 |
| Guatemala: AID | 1977 | Participant training | 2,000,000 |
| Honduras: COE | 1977 | Flood control study reference teams | 6,000 |
| Hong Kong: USCG | 1977 | Aids to navigation training | 940 |
| India: USGS | 1976 | Moving boat equipment | 9,222 |
| Iran: | | | |
| DOL/HEW | 1975 | Manpower program development | 240,345 |
| EPA | 1976 | Environmental technical/economic studies. | 250,000 |
| FAA | 1973 | Air navigation/communication equipment. | 100,000 |
| FAA | 1975 | Improve air traffic control | 47,500,000 |
| FHWA | 1975 | Highway improvement program | 1,750,000 |
| GSA | 1976 | Civil defense plan (humanitarian) | 350,000 |
| USDA | 1975 | Development of agriculture potential | 125,250,000 |
| USGS | 1975 | Mineral surveys | 287,000 |
| Korea: | | | |
| USVA | 1977 | Medical assistance/treatment | |
| COE | 1979 | Han River development technical studies. | 650,000 |
| Kuwait: FHWA | 1968 | Highway assistance | 264,000 |
| Libya: USGS | 1976 | Water resources investigation | 5,000 |
| Malaysia: | | | |
| BuRec | 1975 | Kuala Lumpur flood control | $1,111,000 |
| USGS | 1977 | Advisory services to Petronas | 25,000 |
| Micronesia (Trust Territory): IRS | 1977 | Tax administration advisor services | 201,000 |
| New Zealand: FAA | 1976 | Spare parts and equipment | 200,000 |
| Nicaragua: | | | |
| BuRec | 1976 | Assist water resources plan | 55,000 |
| BuRec | 1977 | Tipitapa-Tamarindo project (feasibility). | 625,000 |
| Nigeria: | | | |
| AID | 1977 | Nigerian manpower training program | 50,000,000 |
| USGS | 1976 | Geological services for new capital | 200,000 |
| BuCen | 1978 | Installation/training data processing systems. | 21,717 |
| Norway: USCG | 1977 | Goods and services (oil well leakage) | |
| Oman: FAA | 1975 | Civil aviation safety procedures | 396,640 |
| Pakistan: FAA | 1976 | Spare parts and technical services | 200,000 |
| Peru: | | | |
| BuRec | 1977 | Irrigation project technical assistance | 650,000 |
| USGS | 1975 | Geology investigations | 64,790 |
| Philippines: FAA | 1969 | Communication/navigation spares | 50,000 |
| Qatar: | | | |
| AID | 1975 | Housing assistance | 105,000 |
| COE | 1979 | Dredging studies—Ports af Doha and Umm Said. | 32,050 |
| Saipan (Trust Territory): IRS | 1977 | Tax administration advisory services | 142,000 |
| Saudi Arabia: | | | |
| Treasury | 1975 | Blanket/joint commission | 636,100,000 |
| Treasury | 1975 | Electrification commodities | 57,600,000 |
| Treasury | 1977 | Highway transportation | 6,336,086 |
| USCG | 1976 | Survey of S. A. Coast Guard | |
| USGS | 1963 | Mineral resource survey | 23,000,000 |
| FHWA | 1977 | Highway/bridge assistance | |
| Spain: FAA | 1977 | Air traffic control system | 996,000 |
| Switzerland: FAA | 1977 | Spare parts | 35,000 |
| Trinidad/Tobago: IRS | 1968 | Tax assistance | 141,335 |
| Tunisia: FAA | 1973 | Air navigation equipment | 100,000 |
| UAE: | | | |
| AID | 1976 | Town planning | 63,000 |
| BuRec | 1976 | Water runoff program | 308,000 |
| Customs | 1975 | Customs assistance | 375,330 |
| Venezuela: | | | |
| AID | 1977 | Market research Fundaconstruction | 100,000 |
| DOL | 1977 | National consumer price indexing system. | 21,000 |
| FAA | 1976 | Air navigation control | 799,300 |
| USGS | 1975 | Remote sensing material | 20,000 |
| USGS | 1977 | Seminar on ground water | 3,142 |
| Zaire: BuRec | 1973 | Hydroelectric project study | 1,290,000 |

Mr. JAVITS. Section 104 of the bill deals with development of indigenous energy resources and is designed to strengthen the policy guidelines in energy programs in developing countries. This section is intended to indicate that oil, gas, and coal development are legitimate parts of development programs, as is the development of small scale renewable resources.

The committee found that the development of indigenous energy resources for commercial purposes may be of significant value to the economies of the developing nations and has accordingly amended section 102(b) of the Foreign Assistance Act of 1961 to enable expenditure of funds made available for energy programs related to the analysis and development of such resources. In its report, the committee has directed the administrator of AID to submit a report to the committee, no later than 4 months from date of enactment, assessing those forms of data collection and analysis and other technical assistance most needed to permit energy development for commercial purposes in developing countries which are not members of the Organization of Petroleum Exporting Countries.

Section 111 of the bill raises the ceiling for the housing guaranty program by $375 million. In addition, it permits housing guaranty programs in the middle-income countries, which will facilitate the funding of adequate housing for the poor. In addition, $50 million is earmarked for housing programs in Israel and Egypt provided that they meet the development criteria presently enumerated in section 222 of the Foreign Assistance Act. Both Israel and Egypt are faced with serious housing problems specifically among the pocrest elements of their populations; and by providing guarantees, resources would be provided for such programs at the least cost to the United States.

The committee has once again included in the $52 million authorization for UNWRA the provision that $9.5 million will be disbursed only when matched by equivalent contributions by OPEC members. We found that OPEC responded to a similar provision in last year's bill by providing the matching funds and should be encouraged by this provision to do so again this year.

I believe that the Institute for Technological Cooperation (ITC), which would be established by title II of the bill, provides a great potential for meeting in an innovative manner the generic development problems faced by the developing countries. The program is de-

signed to strengthen the capacity of people in the LDC's to solve their own development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate such scientific and technological cooperation between the United States and these developing countries. Both the Foreign Relations Committee and the Governmental Affairs Committee have reviewed the administration's ITC request and have reported it favorably with amendments of their own to the Senate.

The Foreign Relations Committee has sought to strengthen the role of the advisory council, which, as proposed by the administration, would not have brought the council into the mainstream of the operations and policymaking of the Institute. This would have defeated the Institute's original intent. The committee has strengthened the role of the advisory council by requiring the director to consider the recommendations of the council before approving or disapproving any new programs or initiatives. The additional language proposed by the committee is intended to provide the council, which includes representatives of developing countries, with a substantial role in the Institute. The provision is also intended to require the director to solicit the views of the council on any transfers of projects or programs from other agencies particularly the transfer of centrally funded projects from AID. The provision provides adequate flexibility for the director while strengthening the role of the council.

In conclusion, Mr. President, the bill before us represents a workable compromise between the foreign policy requirements of the United States and the budgetary realities that we are facing today.

Mr. CHURCH. Mr. President, there does not seem to be an overwhelming urge on the part of Senators to plunge into the debate on this bill. I think that Senators who may be interested in offering amendments will do so tomorrow. Since the opening statements on the bill have been completed, I think that we are now prepared to recess.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business and that Senators may speak therein up to 5 minutes each.

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

Is there morning business?

## HUMAN RIGHTS IN LITHUANIA

Mr. HEINZ. Mr. President, 40 years ago this October, after the outbreak of World War II, the Soviet Union obtained the right to station troops in Lithuania. In June, 1940, 39 years ago this week, the Soviet Government used this military alliance to demand that Lithuania form a government acceptable to Moscow. At the same time, Soviet forces entered Lithuania and began to harass her citizens.

Since then, Communist propaganda claims great accomplishments for Lithuania. However, those who have been able to escape report a lack of freedom and the imposition of totalitarian methods which exist throughout the Communist world.

That the Soviets have caused Lithuanians to suffer because of their national and religious beliefs has been demonstrated no better than during Pope John Paul II's visit this month to neighboring Poland. Lithuanian clergy were reportedly forbidden to go to Poland during the Pope's visit. The government refused to allow coverage of the Pope's addresses, which advocated respect for human rights.

Nonetheless, the Pope sparked an uncontrollable outburst of emotion in Lithuania and all of Eastern Europe. Because of beamed radio coverage provided by Radio Free Europe, the BBC, and the Voice of America, he was able to talk directly to the other Communist nations. The Pope proclaimed:

> He (the Pope) comes here to speak before the whole church, before Europe and the world, of those often forgotten nations and peoples. He comes here to cry "with a loud voice." He comes here to embrace all these peoples, together with his own nation. * * * These languages cannot fail to be heard, especially by the first Slav Pope in the history of the church.

Mr. President, two Lithuanians, Viktoras Petkus and Balys Gajauska, are prominent among "forgotten peoples" mentioned by Pope John Paul. Last year, when I brought their plights to the attention of this Chamber, they each had been sentenced to 10 years of imprisonment followed by 5 years of exile for organizing against Soviet oppression. This year they were both nominated for the Nobel Peace Prize, but their conditions only are getting worse. Viktoras Petkus has no family to plead his case, and Balys Gajaukus is in poor health. Unless their release and freedom can be secured by the Western World, both men will likely spend the rest of their lives in their cells.

There are thousands more "prisoners of conscience" like Petkus and Gajaukus rotting in Soviet concentration camps, but few of these names ever reach the West; their voices are rarely heard. Yet we who are free need not remain silent. The United States has always had a deep concern for human rights. The same rights denied to Lithuanians—to worship freedom, freedom of speech, and freedom of thought—are cherished realities in our land. And we offer hope to all who seek to realize the rights and dignity of man.

Therefore, Mr. President, we must speak out "with a loud voice" against violations of human rights, as the Pope did in Poland. President Carter must make it clear to the Soviet Union that America stands fully behind its policy on human rights, specifically by demanding the release of Petkus and Gajaukus and the other brave men and women being persecuted by the Soviet Union. If we do nothing about denials of human rights abroad, we are denying the basic principles on which this country was founded. Thus, if on this anniversary of the Soviet appropriation of Lithuania we wish to encourage the spread of freedom, then primary reliance must be on the force of our own example.

## MESSAGES FROM THE HOUSE

At 10:40 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House numbered 1 to the bill (S. 869) to amend section 207 of title 18, United States Code; and that the House recedes from its amendment numbered 2 to the bill.

### ENROLLED BILLS SIGNED

At 12:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 3577. An act to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; and

H.R. 3879. An act to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

## COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1611. A communication from the Secretary of Agriculture, transmitting, for the information of the Senate, corrections in the Department's May 21, 1979, food stamp bill submission; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1612. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report of the results of a study of the various agreements between Government and private industry that have been developed under the terms of the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

EC-1613. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Factors Influencing the Size of the U.S. Strategic Petroleum Reserve," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1614. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Policy Needed to Guide Natural Gas Regulation on Federal Lands," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1615. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Natural Gas Reserves Estimates: A Good Federal Program Emerging, But Problems and Duplications Persist," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1616. A communication from the Comptroller General of the United States,

transmitting, pursuant to law, a report entitled "Water Supply for Urban Areas: Problems in Meeting Future Demand," June 15, 1979; to the Committee on Environment and Public Works.

EC-1617. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make improvements in the Medicare and Medicaid programs; to the Committee on Finance.

EC-1618. A communication from the Acting Administration, General Services Administration, transmitting, pursuant to law, a report of recommendations on the Federal Council on the Aging report to the President in January 1978 entitled "Annual Report to the President—1977"; to the Committee on Governmental Affairs.

EC-1619. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Inter-American Foundation for Fiscal Years Ended September 30, 1978 and 1977," June 14, 1979; to the Committee on Governmental Affairs.

EC-1620. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a report on Records Management Activities in Fiscal Year 1978; to the Committee on Governmental Affairs.

EC-1621. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "The Status of Handicapped Children in Head Start Programs," February 1979; to the Committee on Labor and Human Resources.

## PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-296. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 29

"Whereas, In the McCarran-Ferguson Act enacted in 1945 (15 U.S.C. Section 1011-1015), Congress determined "that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

"Whereas, Federal government officials have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the insurance industry; and

"Whereas, It is becoming increasingly clear the establishment of federal regulation is not a panacea but increases the cost of government, adds confusion and delay, and often increases the cost of products and services without providing any offsetting benefits to the consumer; and

"Whereas, It is often necessary, subject to state regulations, to combine the resources of several insurance companies in order to provide effective insurance coverage in an efficient manner at a reasonable cost and to provote innovation whereby new products and services are made available; and

"Whereas, There has been no evdience that individual states cannot continue to effectively regulate the insurance industry or that federal regulation of the industry and application of federal antitrust laws will have a favorable effect upon the insurance industry or benefit the public; now, therefore, be it

"Resolved by the Senate of the State of Texas, the House of Representatives concurring. That the 66th Legislature hereby memorialize the Congress of the United States to reject any legislation amending the McCarran-Ferguson Act (15 U.S.C. Sections 1011-1015) which would limit state regulation or increase federal regulation of the business of insurance; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

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POM-297. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Armed Services:

"RESOLUTION

"Whereas, On November 1, 1942, while heroically resisting a determined enemy onslaught near the Matanikau River on Guadalcanal, United States Marine Corps Corporal Anthony Casamento was seriously and grieviously wounded by 14 bullets and innumerable grenade fragments; and

"Whereas, Anthony Casamento's single-handed action prevented his position from being overrun, protected his wounded comrades from a murderous bayonet slaughter, and kept the enemy forces from gaining a commanding ridge position from which to unleash a withering fire on the rest of the battalion; and

"Whereas, By any reasonable standard, such valiant efforts would more than qualify Anthony Casamento for the Medal of Honor; and

"Whereas, In 1965 the Board of Decorations and Medals of the Department of the Navy recognized the heroism of Anthony Casamento and unanimously recommended that he receive the Medal of Honor; and

"Whereas, In spite of this recommendation by the Board, the testimony of eyewitnesses and the obvious merit and justification of awarding the Medal of Honor to Anthony Casamento, the Department of the Navy has inexplicably refused to give its necessary endorsement to such award; and

"Whereas, Members of the House of Representatives, the United States Senate, countless veterans from the Armed Forces of the United States, and many concerned American citizens are requesting that this matter be reopened and consideration again be given to awarding Anthony Casamento the Medal of Honor; and

"Whereas, This effort is being spearheaded in Pennsylvania by the Order of Sons of Italy Lodge 1776, in Morristown, which has brought this matter to the attention of the General Assembly of the Commonwealth of Pennsylvania; and

"Whereas, The General Assembly of the Commonwealth of Pennsylvania wishes to add its collective voice to those already raised in requesting that the case of Anthony Casamento be reopened and consideration again be given to awarding him the Medal of Honor; therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania does hereby memorialize the President of the United States and the Congress of the United States to do everything within their power to have the case of Anthony Casamento reexamined and that serious consideration be made on awarding him the Medal of Honor; and be it further

"Resolved, That duly authenticated copies of this resolution be forwarded to the President of the United States, the Vice President of the United States, the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the House of Representative Committee on Armed Forces, the Chairman of the Senate Committee on Armed Forces, each member of Congress elected from the Commonwealth of Pennsylvania, the Order of Sons of Italy Lodge, No. 1776, Morristown, Pennsylvania, and Anthony Casamento."

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POM-298. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 8

"Whereas, the territory of Guam has been represented in the United States Congress by a non-voting member of the House of Representatives; and

"Whereas, the District of Columbia, the Virgin Islands of the United States and the Commonwealth of Puerto Rico are represented by a non-voting member and a non-voting Resident Commissioner respectively; and

"Whereas, each of the several states of the United States is represented by at least one voting member to the House of Representatives; and

"Whereas, Article I, Section 2 of the United States Constitution effectively provides that only states of the United States shall have voting representatives in Congress; and

"Whereas, pursuant to Article V of the United States Constitution, the Congress could propose an amendment to the Constitution allowing for voting rights in the House of Representatives for the off-shore territories; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the United States Congress to propose a Constitutional amendment which would allow the off-shore territories of the United States voting representation in the House of Representatives; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice President of the United States; to tthe President Pro Tempore of the Senate; to Representative A. B. Won Pat and to the Governor of Guam."

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POM-299. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 9

"Whereas, the Twelfth and Twenty-Third Amendments to the United States Constitution effectively limit the right to vote for President of the United States to citizens of the United States living in the several states and the District of Columbia; and

"Whereas, pursuant to Article V of the United States Constitution the Congress can, when two-thirds of its members deem it necessary, propose amendments to the Constitution of the United States; and

"Whereas, only by means of a Constitutional amendment could the citizens of the United States residing in the several territories be permitted to vote in the United States Presidential elections; and

"Whereas, citizens residing in the territories ought to be accorded the same elective franchise as citizens residing in other parts of the United States; and

"Whereas, a Constitutional amendment allowing said citizens residing in territories to vote in United States Presidential elections would remove a manifest inequity from the great American political system; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the United States Congress to propose an amendment to the United States Constitution which would permit the United States citizen who is a

resident of one of the territories to vote in Presidential elections; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice President of the United States; to the President Pro Tempore of the Senate; to each state and territorial legislature; to the American Civil Liberties Union; to the National Legislative Conference; to the American Bar Association; to the Federal Bar Association; to Representative Antonio B. Won Pat; and to the Governor of Guam."

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POM-300. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION 1477

"Whereas, the Federal Clean Air Act of 1970 established mandatory automobile emission standards and time schedules for their implementation by automobile manufacturers; and

"Whereas, in response to the stringent emission control requirements of the Clean Air Act, automobile manufacturers have installed catalytic converters to reduce harmful pollutants on most cars built after 1974; and

"Whereas, catalytic converters are muffler-type devices intended to chemically alter harmful carbon monoxide, hydrocrabons, and nitrous oxides in automobile exhausts into harmless emissions; and

"Whereas, while the catalytic converters have enabled automobile manufacturers to comply with the mandates of the Clean Air Act, a serious question has arisen as to whether these devices are in the best interests of the nation's drivers and the general public as well; and

"Whereas, for example, the installation of catalytic converters on new vehicles reportedly increases the initial selling price of vehicles so equipped by an estimated average cost of up to four hundred dollars ($400.00) per vehicle; and

"Whereas, in addition, it is an established fact that minimal amounts of lead, a common ingredient in regular and premium gasolines, will seriously impair, if not totally negate the intended cleaning function of the catalytic converters; and

"Whereas, as a result, vehicles fitted with catalytic converters must, out of practical necessity, use only unleaded gasoline to assure the effective functioning of the emission control systems and to contain the emission of harmful pollutants within acceptable limits; and

"Whereas, unleaded gasoline is more expensive than conventional gasolines because of the extra costs associated with the production of unleaded gasoline; and

"Whereas, efforts of the federal government to assure adequate supplies of unleaded gasoline have not been entirely successful due in large part to circumstances of an international nature beyond the control of the federal government with the resultant shortage of unleaded fuel in several regions of the United States; and

"Whereas, experience has demonstrated that frequent repairs and engine service work are required for vehicles equipped with catalytic converters to assure maximum fuel efficiency and effective functioning of the emission control system with the resultant obvious additional costs which must be borne by owners of such vehicles; and

"Whereas, informed sources point to the additional cost of manufacturing unleaded gasoline coupled with the expected increase in price when and if gasoline is deregulated; and

"Whereas, the cost of replacing a defective catalytic converter with a new one is upwards of three hundred dollars ($300.00) per installation; and

"Whereas, effective alternative technologies have been developed to reduce the emission of harmful pollutants; and

"Whereas, the questionable effectiveness, fuel efficiency, high repair and maintenance cost, and other problems associated with the catalytic converter give rise to the firm conviction that the elimination of the catalytic converter and its replacement with alternate technologies may better serve the intended purposes of the catalytic converter is a matter of compelling national interest;

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"Section 1. That the President of the United States, the United States Congress, the Department of Energy, the Department of Transportation, the Environmental Protection Agency, and all other State Legislatures are respectfully urged to join in a concerted national effort to do away with the reliance on the use of catalytic converters in view of the concerns expressed in this resolution.

"Sec. 2. Upon ratification, copies of this resolution shall be sent to the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and the President of the United States.

"Sec. 3. This resolution is effective upon ratification.

"In the General Assembly read three times and ratified, this the 8th day of June, 1979."

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POM-301. A joint resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1

"Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is one of the greatest threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article five (V) of the Constitution of the United States, amendments to the federal Constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by three-fourths of the several states, and we believe such action is vital; Now therefore,

"Be it resolved by the General Assembly of the State of Iowa:

"Section 1. The Iowa general assembly proposes to the congress of the United States that procedures be instituted in the congress to propose and submit to the several states before July 1, 1980, an amendment to the Constitution of the United States requiring that the federal budget be balanced in the absence of a national emergency.

"Sec. 2. Alternatively, effective July 1, 1980, if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution, the Iowa general assembly respectfully makes application to and petitions the congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"Sec. 3. Effective July 1, 1980, this application by the Iowa general assembly constitutes a continuing application in accordance with Article five (V) of the Constitution of the United States until the legislatures of at least two-thirds of the several states have made similar applications pursuant to Article five (V), but if the congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution, or if before July 1, 1980, the general assembly repeals this application to call a constitutional convention, then this application and petition for a constitutional convention shall no longer be of any force or effect.

"Sec. 4. This application and petition shall be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

"Sec. 5. The Iowa general assembly also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal Constitution, or requiring the congress to call a constitutional convention for proposing such an amendment to the federal Constitution if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution before July 1, 1980.

"Sec. 6. The secretary of state of Iowa is directed to send copies of this resolution to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the speaker and the clerk of the United States house of representatives, the president and the secretary of the United States senate, and each member of the Iowa congressional delegation."

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POM-302. A petition from a private citizen, relating to SALT II; to the Committee on Foreign Relations.

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## REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the authority of the order of June 14, 1979, the following reports of committees were submitted on June 15, 1979:

By Mr. NELSON, from the Select Committee on Small Business:

Special report relating to Section 392(b) of the Congressional Budget Act of 1974 (Rept. No. 96-222).

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## REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. STENNIS, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amend-

ments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes (Rept. No. 96-223).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.R. 4289. A bill making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 96-224).

## EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the authority of the order of June 14, 1979, the following executive reports of committees were submitted on June 15, 1979:

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

Ex. J (96th Congress, 1st Session), Estate and Gift Tax Treaty with the French Republic (Ex. Rept. No. 96-3).

Ex. K (96th Congress, 1st Session), Protocol to the Income Tax Convention with the French Republic (Ex. Rept. No. 96-4).

Ex. Q (96th Congress, 1st Session), Third Protocol to the 1975 Tax Convention with the United Kingdom of Great Britain and Northern Ireland, as amended (Ex. Rept. No. 96-5).

Ex. R (96th Congress, 1st Session), Estate and Gift Tax Treaty with the United Kingdom of Great Britain and Northern Ireland (Ex. Rept. No. 96-6).

Ex. P (94th Congress, 2nd Session), Tax Convention with the Republic of Korea (Ex. Rept. No. 96-7).

Ex. X (96th Congress, 1st Session), Tax Convention with the Hungarian People's Republic (Ex. Rept. No. 96-8).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. PROXMIRE (for himself and Mr. HELMS):

S. 1353. A bill to limit the acquisition and use of motor vehicles; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. COHEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 1354. A bill to require the President to submit a report on the manpower needs of the Armed Forces; to the Committee on Armed Services.

By Mr. BAUCUS:

S. 1355. A bill for the relief of Ernest C. Brace; to the Committee on the Judiciary.

S. 1356. A bill for the relief of Ernest C. Brace; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1357. A bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON:

S. 1358. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of ten years; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 1359. A bill to permit the surviving spouse and unmarried children of a person interred in a cemetery located on a military installation to be interred in such cemetery; to the Committee on Armed Services.

By Mr. DOMENICI:

S. 1360. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize and direct the Secretary of Energy to enter into formal arrangements with a State to provide for State concurrence in the planning, siting, development, construction and operation of specified radioactive waste storage and disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1361. A bill to authorize the Secretary of the Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 1362. A bill to amend title 18, United States Code, with respect to exemption of certain fireworks from registration, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 1363. A bill to provide certain authorities for the Department of Energy; to the Committee on Energy and Natural Resources.

By Mr. TALMADGE (for himself, Mr. NUNN, Mr. SASSER, Mr. STEWART, and Mr. THURMOND):

S. 1364. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 1365. A bill to direct the Secretary of the department in which the United States Coast Guard is operating to cause the vessel Independence to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Commerce, Science, and Transportation.

S. 1366. A bill for the relief of Gregory Ernest Pritchard; to the Committee on the Judiciary.

By Mr. MCGOVERN (for himself, Mr. MELCHER, Mr. YOUNG, Mr. PRYOR, Mr. BOREN, Mr. COCHRAN, Mr. STEWART, and Mr. DOLE):

S. 1367. A bill to amend the Agricultural Act of 1949 to extend the applicability of the prevented planting and disaster provisions of such Act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ZORINSKY:

S. 1368. A bill to permit the importation of a leopard skin; to the Committee on Finance.

By Mr. HATFIELD:

S. 1369. A bill to designate certain National Forest System lands in the State of Oregon for inclusion in the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

By Mr. SARBANES (for himself and Mr. MATHIAS):

S. 1370. A bill to amend the Railroad Retirement Act of 1974 to provide that a current connection with the railroad industry is not lost by reason of certain employment with the Department of Energy; to the Committee on Labor and Human Resources.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. HELMS):

S. 1353. A bill to limit the acquisition and use of motor vehicles; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. DOLE (for himself, Mr. COHEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 1354. A bill to require the President to submit a report on the manpower needs of the Armed Forces; to the Committee on Armed Services.

### REGISTRATION FOR THE DRAFT

● Mr. DOLE. Mr. President, I am pleased to be joined today by Senators COHEN, MCGOVERN, and PROXMIRE, in introducing a bill that would direct the President to conduct a comprehensive study on the current capability of the Armed Forces of the United States to meet the equipment, clothing, living quarters and training personnel needed in the event of a total or partial mobilization. It would also provide an assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of a national emergency; recommendations for legislation, as the President may deem necessary in providing an effective and equitable military mobilization capability.

The President would be required to submit the results of this study together with his recommendations for needed legislation to the Committees on Armed Services of the Senate and the House of Representatives no later than 120 days after the date of enactment of this act.

### CONTRADICTIONS ON OUR MOBILIZATION CAPABILITY

Mr. President, in recent months we have heard much about the problems we face related to our inadequate military manpower levels. We have heard from both House and Senate Armed Services Committees that our Nation's mobilization capability is woefully inadequate. We are told that if we went to war tomorrow, it would take 110 days before the first inductee or draftee reported for the first day's basic training. Yet, when we hear from the Director of the Selective Service System, Mr. Robert E. Shuck, we learn that the System can, given the appropriate funds, deliver inductees within 30 days.

We are told that the Secretary of the Army is in favor of some form of registration, the Joint Chiefs unanimously in favor of it, while the Secretary of Defense opposes it. Ironically, it seems we have heard everyone's opinion on this issue, as confusing and conflicting as it may be, except the President's.

### WHERE IS THE PRESIDENT WHEN WE NEED HIM?

Mr. President, the President of the United States now has the authority, as well as the responsibility, to commence registration, subsequent classification, and the eventual draft. To date he has

not done this, he has not so much as even commented on the issue.

The President of the United States, who also serves as the Commander in Chief of the Armed Forces of the United States, has not found the issue of draft registration of enough urgency or importance, as others have, to warrant his comments and/or recommendations. Yet, Mr. President, we are being asked to accept the fact that this country is at the brink of war and that the only way to address this perceivable danger is to commence what could eventually end up as a peacetime draft. Regardless of whether we need to commence draft registration or not, the President of the United States must face up to his responsibilities in this matter by offering to the American people, his administration, and the Congress, direction and leadership and, most importantly, providing clear and adequate information on whether or not we need to reinstate the registration of our young people for the military draft.

IMPROVEMENTS IN THE SELECTIVE SERVICE SYSTEM OR REGISTRATION FOR THE DRAFT?

Mr. President, there is very little doubt in my mind that we face serious problems because of our less than adequate manpower levels in our armed services. Members of this body have long been aware of these and related problems, that is why over the past several years I, along with many of my colleagues, have fought the proposed cutbacks in military manpower, such as the Naval Reserve. We have fought the proposed cutbacks of military benefits, and, in general, have opposed the kinds of cutbacks that are primarily responsible for the problems we are now experiencing in recruitment and retention of young people in our armed services.

Last year during the consideration of the fiscal year 1979 HUD-independent agencies appropriation bill, I offered an amendment that would have increased funding for the Selective Service System. This increase would have enabled the System to provide adequate manpower in the time of a national emergency. Even though the Senate has offered this amendment as a means to address our mobilization problems, the amendment was, unfortunately, eliminated in conference.

Mr. President, I am still inclined to believe that the best way to address our manpower and mobilization needs is to improve the readiness capability of the Selective Service System to deliver inductees as soon as possible.

We have recently heard the Director of the Selective Service System state that "the preliminary findings" of a test of computers to register young people who had previously not signed up "indicate that such a system is quite feasible for accomplishing the input of registrant data quickly and efficiently in an emergency situation as well as during continuous registration." The Director has further stated that if the $9.8 million requested for fiscal year 1980 is approved by Congress, the System would be able to process draftees and into training camps within 30 days.

LET'S NOT PUSH THE PANIC BUTTON

Mr. President, the obvious truth is that the use of conscription is contrary to the entire past history of this country. It has no place in our system, except as a temporary expedient, that is, in time of war.

There is a basic and fundamental reason for this practice. In a free society the highest importance is placed on human freedom. And what greater freedom is there than the right of each individual to lead his own life, in the way he may choose, and free of dictate by the Central Government.

When a law is used to tell a person how he shall spend several years of his life, and where he shall live it, this constitutes a grave oppression against his liberty. This is why I believe our Nation has traditionally rejected a standing policy of compulsory military service. As we address this very serious issue in the days and weeks ahead, we should call to mind the words of the late Senator Robert A. Taft, Sr., "the draft is far more typical of totalitarian nations than of democratic nations. The theory behind it leads directly to totalitarianism. It is absolutely opposed to the principles of individual liberty which have always been considered a part of American democracy . . . the principle of a compulsory draft is basically wrong."

Mr. President, I do not want to return to mandatory registration, classification, and eventual draft, if we don't absolutely need it. I, for one, due to confusing and conflicting information on this issue, have found it very difficult to make a determination on the need to reinstate draft registration.

Mr. President, the report required in this bill may provide the kind of facts that prove the immediate need of reinstituting the draft registration as proposed by Senator NUNN and others. We must be prepared to accept those facts as well as those that may prove we have no need for such drastic measures.●

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By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1357. A bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California; to the Committee on Environment and Public Works.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California. This legislation is identical to H.R. 4084 introduced in the House by Congressman VIC FAZIO and 20 other members of the California delegation.

The Suisun Marsh comprises 55,000 acres in the Sacramento-San Joaquin Delta estuarine system. It is the largest remaining brackish water wetland in California, and a significant wintering ground for migratory waterfowl. Millions of birds and migrant ducks visit the Suisun Marsh each year.

In addition, the Suisun Marsh is prime breeding ground for striped bass. These resources have long made the marsh important for hunting, fishing, and other recreational activities.

However, because of diversions of fresh water from the Delta by the California water project and the Federal Central Valley project, salinity intrusion has become a problem, threatening to alter the environment of the marsh that support specific plants which attract and feed the migratory waterfowl. To remedy this situation, the California Department of Water Resources is constructing facilities to make better use of what water remains in the marsh after the project diversions. The facilities were recommended in the May 1978 report on the Suisun Marsh interim facilities prepared by the State of California, the Bureau of Reclamation, and the Fish and Wildlife Service.

This legislation provides that the Federal Government participate in the mitigation effort and pay 50 percent of the costs of the facilities, or $2.5 million. The bill calls for equal funding since both the State and Federal projects are responsible for the water quality problem in the Suisun Marsh and divert roughly the same amount of water from the Delta.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1357

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Suisun Marsh Preservation and Restoration Act of 1979".

SEC. 2. It is the purpose of this Act to—

(1) provide for partial mitigation of the adverse effects on the fish and wildlife resources of the Suisun Marsh in Solano County, California of the Central Valley project; and

(2) assist in the preservation and restoration of the fish and wildlife resources of the Marsh by authorizing the Secretary of the Interior to enter into a cooperative agreement with the State of California for the planning, design, construction, operation and maintenance of certain facilities for the Marsh which will not materially enhance the overall resources of the Marsh; and

(3) to provide for such facilities as part of the more extensive system of preservation and restoration facilities to be developed for the Solano County region by the State of California, the Secretary of the Interior, or both.

SEC. 3. The Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, shall enter into a cooperative agreement with the State of California (hereinafter in this Act referred to as the "State") to provide for mitigation of the adverse effects of the Central Valley project on the fish and wildlife resources of the Suisun Marsh, Solano County, California, and for the preservation and restoration of these resources. The cooperation agreement shall include the following provisions:

(1) The State shall design, construct, operate and maintain certain channels, levees, and control structures in the Marsh in a manner which substantially conforms to the provisions of the development plan contained in the Report on the Suisun Marsh Interim Facilities (dated May 1978), prepared by the State of California wtih the assistance of the Bureau of Reclamation and the Fish and Wildlife Service. The State may

enter into contracts with appropriate non-Federal public agencies within the State for the operation and maintenance of such facilities.

(2) The Secretary of the Interior shall pay to the State the Federal share of the costs of the activities described in paragraph (1), whether such costs are incurred before or after the date the cooperative agreement is entered into, upon a determination that such activities are in substantial conformity with the development plan referred to in such paragraph.

(3) A study shall be conducted by the State, the Secretary of the Interior, or both parties, for the purpose of identifying management techniques which could result in more efficient water use on the managed wetlands of the Marsh.

(4) Appropriate arrangements shall be made by the Secretary of the Interior and the State to provide for the monitoring of the salinity levels in the Marsh.

(5) The Federal share of the costs of the activities referred to in paragraphs (1) through (4) shall be 50 per centum.

SEC. 4. The authority to enter into cooperative agreements under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 5. There are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1980 for the Federal share of the costs of the construction and the initial operation and maintenance of the facilities described in section 3(1) of this Act. Sums appropriated under this section shall remain available until expended.●

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By Mr. HUDDLESTON:

S. 1358. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

● Mr. HUDDLESTON. Mr. President, the bill I am introducing today is intended to encourage and facilitate the increased use of coal by adding some reason and certainty to Government regulation.

One of the constraints on coal use mentioned most frequently in hearings which I chaired last month on the effect of Government regulations on the production and use of coal, and in recent hearings by the President's Commission on Coal, was the lack of any regulatory certainty.

Compliance with environmental laws and regulations often is a costly undertaking. Once expenditures are made, and a source is in compliance, the source owner should have assurance that his investment will not be jeopardized by adoption of more stringent requirements for a reasonable period of time unless there is a bona fide threat to public health. While it may, and probably will, be necessary to tighten emission limitations and standards from time to time, owners who in good faith comply should be given the opportunity and time to amortize their pollution control costs.

Changing groundrules and moving targets are extremely worrisome to those who must comply with environmental requirements. Each incremental control requirement becomes more difficult and costly. The uncertainty associated with potential rule changes renders corporate decisionmaking precarious and may cause delays in constructing or modifying new sources or in retrofitting controls on existing sources. While compliance at the time of construction of a new source may be accomplished with reasonable certainty at a given cost, compliance with more stringent control measures adopted subsequent to construction may be difficult, or physically impossible, and may be considerably more expensive than the original compliance measure.

The principle is recognized in section 306(d) of the Clean Water Act, which provides that any source constructed as to meet all applicable standards of performance shall not be subject to any more stringent standard of performance during a 10-year period, or until the equipment is depreciated or amortized, whichever comes first. The bill I am introducing today would add a provision to the Clean Air Act to provide a comparable period of assurance for all complying existing, modified, or new sources against the application of more stringent standards unless an imminent threat to public health can be attributed to the source.

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

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

S. 1358

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Clean Air Act is amended by inserting at the end thereof the following new section:

"COMPLIANCE PERIOD FOR CERTAIN STATIONARY SOURCES

"SEC. 328. Notwithstanding any other provision of this Act, any existing major stationary source which comes into compliance with all emission limitations in the applicable implementation plan, or any new or modified major stationary source the construction or modification of which meets all applicable emission limitations and standards of performance, shall not be subject to any more stringent emission limitation or standard of performance during a ten-year period beginning on the date of completion of such compliance, construction, or modification, or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169 (or both) of the Internal Revenue Code of 1954, whichever period ends first; except that this section shall not apply in the case of a source to which a substantial imminent threat to public health can be attributed (as determined by the Administrator).".●

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By Mr. THURMOND:

S. 1359. A bill to permit the surviving spouse and unmarried children of a person interred in a cemetery located on a military installation to be interred in such cemetery; to the Committee on Armed Services.

Mr. THURMOND. Mr. President, today, I am introducing legislation which would provide assistance to certain persons who wish to have the right to be buried beside a deceased family member who is buried within the boundary of a military installation.

In the past, I have been contacted by several constituents concerning this somewhat unusual situation. One such case concerned one of my constituent's request to be buried next to her husband in a cemetery located within the boundary of the Fort Jackson military installation near Columbia, S.C. The husband had died in 1940 and was buried in a church cemetery. Since that time, Fort Jackson annexed this property and made it a post cemetery.

Since this cemetery is now a military cemetery, the lady could not be buried next to her husband because she did not meet the requirements spelled out in the provisions of an act entitled "An act to establish eligibility for burial in national cemeteries, and for other purposes" (62 Stat. 234, 24 U.S.C. 281). A private relief bill had to be passed to allow this lady the right to be buried next to her husband.

I am sure there are other individuals in the same situation at Fort Jackson and other areas across the country. I do not believe a private relief bill should have to be passed in each such instance. For this reason, I am introducing this bill which would allow the family of a person buried in a cemetery within the boundaries of a military installation located within the United States to be buried in the same cemetery.

I urge my colleagues to support this worthwhile and meritorious legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1359

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) in any case in which a military department has acquired lands in the United States on which there is a cemetery at the time such lands were acquired by such military department, the Secretary of such military department may authorize the interment in such cemetery of the surviving spouse and unmarried children of any person who was interred in such cemetery at the time such lands were acquired by such military department.

(b) The Secretary of a military department may also authorize the interment of the surviving spouse and unmarried children of any person interred in a post cemetery located on any lands in the United States under the jurisdiction of such Secretary.

SEC. 2. As used in this Act—

(1) The term "cemetery" includes any lands in which there is one or more burial plots.

(2) The term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

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By Mr. DOMENICI :

S. 1360. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize and direct the Secretary of Energy to enter into formal arrangements with a State to provide for State concurrence in the planning, siting, development, construction and operation of specified radioactive waste storage and disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

● Mr. DOMENICI. Mr. President, I am

today introducing legislation to address the critical issue of State concurrence in the planning, siting, development, construction and operation of nuclear waste storage and disposal facilities. Legislation in this area is essential, both to protect the legitimate interests of the States and to promote an effective solution to the nuclear waste problem. I hope that my colleagues will give this matter their prompt and careful attention.

Mr. President, the need to assure an effective and workable system for State concurrence in the decisionmaking process for nuclear waste storage and disposal facilities has long been a concern to me. Last year I introduced S. 2761, which would have established beyond any doubt the right of a State to say "no" to the location within its boundaries of facilities intended for the long-term storage of readioactive nuclear waste materials.

At that time, I pointed out that under current law the final decision regarding siting of many of these nuclear waste disposal facilities is made by Federal officials who in truth may be more interested in solving a problem quickly and with minimum fuss, than in locating the best site and developing the most effective design for the facility. As I noted, the ability of the States to directly influence Federal actions in this area is particularly limited when the proposed facility is to be located on Federal land.

There have been a number of significant developments since I introduced S. 2761 last year. The March 1979 report to the President by the Interagency Review Group on Nuclear Waste Management, noting the growing concern over State acceptance of locating a federally proposed nuclear repository site within the State, has recommended a process of State consultation and concurrence beginning with the planning stage and continuing through the entire period of repository operation and decommissioning.

The Department of Energy has begun to implement this policy of consultation and concurrence by entering into negotiations with the State of New Mexico to establish formal arrangements for the exercise of State concurrence for the proposed waste isolation pilot plant, the first geologic repository for nuclear waste in this country. The State has begun efforts to negotiate these arrangements with the Federal Government. At the same time, the General Accounting Office has issued a report stating that:

> In the absence of statutory authority permitting such action, we believe that any agreement by the Secretary of Energy, or any of his subordinates, with a State to make DOE's choice of a nuclear waste repository subject to rejection or disapproval by the State, is legally unenforceable.

Mr. President, I believe the approach of Federal/State negotiation to establish the formal arrangements for the State's exercise of its right of concurrence is sound. But that approach will be meaningless exercise unless the Secretary of Energy has the authority to enter into binding commitments on behalf of the Federal Government. My bill would give the Secretary of Energy that authority. Negotiations would begin, at the request of the State, as soon as the Department of Energy began site exploration within the State for the purpose of developing a geologic repository for nuclear wastes. The Secretary of Energy would have the authority to enter into commitments, binding on the Federal Government, establishing formal arrangements under which the State will have the right to concur or not concur in all stages in planning, siting, development, construction and operation of the repository. Construction of the repository could not begin until these arrangements have been agreed upon by the State and the Secretary of Energy.

Mr. President, the past record of handling nuclear wastes in this country is not a good one. Too often there have been shortcuts, poor planning, unforeseen problems, and false starts. There is little margin for error as we plan for the geologic repositories needed to solve this critical problem. Those States which are now the candidates for future nuclear waste facilities must be assured that our past record will not be repeated in the future. My legislation would provide that assurance by establishing a workable framework for Federal/State cooperation in the various stages of development of the repository—a framework providing for direct State participation under terms acceptable to both the State and the Federal Government.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1360

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Chapter 19 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new section after section 241:

"SEC. 242. STATE CONCURRENCE FOR FACILITIES FOR THE GEOLOGIC STORAGE OR DISPOSAL OF RADIOACTIVE WASTES

"a. The Secretary of Energy shall notify the Governor, the State Legislature, and where applicable, the Tribal Council of any affected Indian tribe of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for the construction of a facility for the geologic storage or disposal, including test disposal, of high-level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel.

"b. Upon receiving a request from the Governor of any State notified in accordance with subsection a., the Secretary of Energy is authorized and directed to enter into negotiations with the State for the purpose of establishing formal arrangements under which the State will have the right to concur or not concur in all stages in the planning, siting, development, construction, and operation of the proposed facility. Any such arrangements entered into by the Secretary of Energy shall be binding on all agencies of the Federal government.

"c. The Secretary of Energy shall not commence or contract for any construction work for a facility for the geologic storage or disposal, including test disposal, of high-level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel, until the Secretary of Energy and the State in which the facility is proposed to be located have entered into formal arrangements under which the State will have the right to concur or not concur in all stages in the planning, siting, development, construction, and operation of the proposed facility.".

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By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1361. A bill to authorize the Secretary of the Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, on behalf of Senator HAYAKAWA and myself, I introduce for appropriate reference a bill to authorize the Secretary of Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir in California. The legislation is identical to H.R. 4097 introduced in the House by Congressman HAROLD JOHNSON.

While energy issues are now in the forefront and gasoline is the commodity in shortest supply, water could be our scarcest commodity in the future—at least in California. There are current overdrafts on ground water in the San Joaquin Valley, a shortage of water in the State water project to meet contract commitments, problems of maintaining water quality in the Sacramento-San Joaquin Delta, and water-related fish resource problems from Shasta through the Delta.

I firmly believe that we must place a greater emphasis on water conservation and wastewater reuse. But water conservation and recycling are unlikely to make up for the anticipated shortfall. We must look at other alternatives now—and one of the most promising opportunities for augmenting California's water supplies is enlarging Shasta Dam.

The enlargement of Shasta Dam not only could help meet California's future water needs, it also could provide a substantial increase in hydroelectric power. Increasing the height of the dam by 200 feet would triple the capacity of the reservoir, and yield an additional 1.4 million acre feet of water.

However, as an essential first step the Bureau of Reclamation must conduct feasibility studies. The bill I am introducing today authorizes $5 million for this purpose and requires the State of California to participate in the studies and their costs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1361

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is hereby authorized to engage in feasibility studies relating to enlarging Shasta Dam and Reservoir, Central Valley project, California, or to the construction of a larger dam on the Sacramento River, California, to replace the present structure.

The Secretary of the Interior is further authorized to engage in feasibility studies for the purposes of determining the potential costs, benefits, environmental impacts, and feasibility of using the Sacramento River for conveying water from the enlarged Shasta Dam and Reservoir or the larger dam to points of use downstream from the dam.

There is authorized to be appropriated for the purposes of this Act not more than $5,000,000: *Provided*, That, before funds are expended for the feasibility studies, the State of California shall agree to participate in the studies and to participate in the costs of the studies. The State's share of the costs may be partly or wholly in the form of services directly related to the conduct of the studies.●

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By Mr. THURMOND:

S. 1362. A bill to amend title 18, United States Code, with respect to exemption of certain fireworks from registration, and for other purposes; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, under current law, there exists a redundancy which requires persons and organizations to obtain, in many cases, both a State as well as a Federal permit to purchase fireworks for use in public displays. Federal law classifies and regulates fireworks as "explosives," and purchasers are therefore subject to Federal regulations for purchases and storage of fireworks.

Regulations presently exempt class "C" or "common" fireworks from the Federal permit requirement, but a church, veterans group, civic association or other purchasers cannot buy class "B" fireworks for use in a public display without a Federal permit. This is true even though the organization may have already obtained a State or local permit to acquire the fireworks or to conduct the display.

I am, therefore, proposing a bill which would amend the present law for the limited purpose of removing the current redundancy in permits. This bill would remove the requirement of obtaining a Federal permit where the purchaser has acquired a valid State or local permit for the fireworks. If no State or local permit is obtained, then the current Federal permit requirements would remain applicable. The bill I am proposing would not further affect provisions of the law regarding licensing or storage.

Mr. President, it would appear to me, as I am sure it must to a majority of my colleagues, that State and local governments are quite capable of regulating the sale and distribution of fireworks without the aid of the Federal Government's guiding hand. I, therefore, urge passage of this bill which would eliminate this needless Government supervision over an area in which the present Federal law creates both redundancy as well as an unnecessary Government expense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1362

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 846 of title 18, United States Code, is amended by adding after the end of section (a)(6) the following:

(7)(A) The importation and distribution of fireworks which are Class C explosives, generally known as "Common Fireworks" as described by regulations of the United States Department of Transportation.

(B) The distribution of fireworks in a finished state which are Class B explosives, generally known as "Special Fireworks" as described by regulations of the United States Department of Transportation, for use in a public firworks display, provided the person acquiring the fireworks possesses a State or local permit authorizing such acquisition or display. Fireworks which are Class B explosives (Special Fireworks) are not exempt, however, from any storage provisions which the Secretary may by regulations prescribe.

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By Mr. JACKSON (by request):

S. 1363. A bill to provide certain authorities for the Department of Energy; to the Committee on Energy and Natural Resources.

DEPARTMENT OF ENERGY HOUSEKEEPING ACT OF 1979

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to provide certain authorities for the Department of Energy.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill, the executive communication, and a section-by-section analysis which accompanied the proposal from the Secretary of Energy be printed in the RECORD.

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

S. 1363

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as "The Department of Energy Housekeeping Act of 1979".

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

SEC. 101. Chapter 13 of Title 44, United States Code, "Public Printing and Documents" is amended by adding at the end thereof the following new section:

"§ 1345. ENERGY INFORMATION ADMINISTRATION: PUBLICATIONS

The publications of the Energy Information Administration shall be published in editions recommended by the Administrator of the Energy Information Administration, but not to exceed ten thousand copies for the first edition. In addition to the usual number of the annual report of the Energy Information Administration, three thousand copies shall be printed: one thousand for the Senate and two thousand for the House of Representatives. When the edition of a publication of the Energy Information Administration is exhausted and the demand for it continues, there may be published, on the requisition of the Administrator of the Energy Information Administration, as many additional copies as he deems necessary to meet the demand.".

SEC. 102. (a) Section 58(a) of the Federal Energy Administration Act of 1974 is amended by inserting "to the Administrator" after the word "which", the first time it appears, in paragraph (2).

(b) Section 58 of the Federal Energy Administration Act of 1974 is amended as follows:

(1) by striking out "(b)" in subsection (b) and inserting in lieu thereof "(c)"; and

(2) by inserting a new subsection (b) after subsection (a) to read as follows: "(b) The Administrator, or the Director, is authorized to make binding assurances of non-disclosure in exchange for energy information in the possession of another Federal agency, if such agency determines that the discharge of authorities and responsibilities which have been delegated to, or vested by law in, such agency would be significantly impaired, not by disclosure to the Director or the Administrator, but by subsequent disclosure of such information as required pursuant to section 205 (f) of the Department of Energy Organization Act of 1977.".

(c) Section 205 of the Department of Energy Organization Act of 1977 is amended by striking out the period at the end of subsection (f) and inserting in lieu thereof a semicolon, and by adding at the end of subsection (f) the following:

"except that the Administrator shall not be required to disclose to such administration, commission or office any energy information or analysis which has been obtained in exchange for a commitment of non-disclosure pursuant to section 58(b) of the Federal Energy Administration Act of 1974.".

SEC. 103. (a) Section 11(c)(3) of the Energy Supply and Environmental Coordination Act of 1974 is amended as follows:

(1) by striking out "quarterly" wherever it appears and inserting in lieu thereof "annual";

(2) by striking out "quarter" wherever it appears and inserting in lieu thereof "year"; and

(3) by striking out "6 months after the date on" in the last sentence of paragraph (3) and inserting in lieu thereof "with the first year for".

(b) Section 505(b) of the Energy Policy and Conservation Act of 1957 is amended by striking out "quarter" and inserting in lieu thereof "year".

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENT EXTENSION

SEC. 201. Section 252(j) of the Energy Policy and Conservation Act of 1975 is amended by striking out "June 30, 1979" and inserting "January 19, 1986".

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Subsection (b) of section 397 of the Energy Policy and Conservation Act, as added by section 302 the National Energy Conservation Policy Act is amended to read as follows:

"(b) For the purpose of making energy conservation project grants pursuant to section 396, there is authorized to be appropriated not to exceed $180,000,000 for the fiscal year ending September 30. 1978, $95,000,000 for the fiscal year ending September 30, 1979, $300,000,000 for the fiscal year ending September 30, 1981, and $300,000,000 for the fiscal year ending September 30, 1982, such funds to remain available until expended. Of the amounts appropriated under this subsection for each of the following fiscal years not more than the following percentage may be used for purposes of technical assistance:

| "Fiscal Year Ending: | percentage |
|---|---|
| "September 30, 1978 | 30 |
| "September 30, 1979 | 30 |
| "September 30, 1981 | 12.5 |
| "September 30, 1982 | 0". |

(b) Subsection (c) of section 397 of the Energy Policy and Conservation Act, as added by Section 302 of the National Energy Conservation Policy Act is amended to read as follows:

"(c) For the expenses of the Secretary in administering the provisions of this part, there are hereby authorized to be appropriated such sums as may be necessary for each fiscal year in the six consecutive fiscal year periods ending September 30, 1983, such funds to remain available until expended.".

TITLE IV—AWARDS

SEC. 401. (a) Part C of Title VI of the Department of Energy Organization Act is amended by adding at the end thereof the following new section:

"AWARDS

"SEC. 661. The Secretary may, with the approval of the President, grant an award for any especially meritorius contribution to the development, use, or control of energy.".

(b) The table of contents for Part C of Title VI of the Department of Energy Organization Act is amended by inserting at the end thereof the following:

"Sec. 661. Awards.".

(c) The last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended, is repealed.

(d) The amendments made by this section shall take effect on the date of enactment.

TITLE V—NAVAL PETROLEUM RESERVES

SEC. 501. Section 7422(c) of Title 10, United States Code, is amended by deleting the last sentence of paragraph (1).

SEC. 502. Section 7432 of Title 10, United States Code, is amended to read as follows:

"7432. Authorization for Appropriations

"(a) There are authorized to be appropriated such sums as may be necessary, to remain available until expended, for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operations, and production of the naval petroleum reserves as authorized by this chapter;

"(2) production (including preparation for production) as authorized by this chapter, or as may hereafter be authorized; and

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of petroleum, including pipelines and shipping terminals.

"(b) Contracts under this chapter providing for the obligation of funds may be entered into for a period of five years, renewable for an additional five-year period; however, such contracts may obligate funds only to the extent that such funds are made available in annual appropriations.".

SEC. 503. Unappropriated balances of receipts in the "naval petroleum reserves special account" on the date of enactment of this section, and all other moneys accruing to the United States thereafter under chapter 641 of Title 10, United States Code, shall be deposited into miscellaneous receipts of the Treasury.

SEC. 504. The table of sections at the beginning of chapter 641 of Title 10, United States Code, is amended by striking out "7432. Naval petroleum reserve special account." and inserting in lieu thereof the following:

"7432. Authorization for appropriations.".

TITLE VI—GEOTHERMAL LOAN COMPANY PROGRAM AMENDMENTS

SEC. 601. Section 201 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) is amended by striking subsection (g) and substituting therefor the following new subsection:

"(g) With respect to any obligation which is issued after the enactment of this subsection by, or in behalf of, any State, political subdivision, or Indian tribe and which is either guaranteed under this title, or supported by taxes levied by said issuer which are guaranteed under this title, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in the gross income of such purchaser for the purpose of chapter 1 of the Internal Revenue Code of 1954, as amended: *Provided*, That the Administrator, in accordance with terms and conditions established by the Administrator, shall pay to said issuer out of the funds established by this title that portion of the interest on said obligation, as determined by the Administrator, in consultation with the Secretary of the Treasury, to be appropriate after taking into account current market yields (1) on obligations of said issuer, if any, and (2) on other obligations with similar terms and conditions which pay interest not included in gross income for purposes of chapter 1 of said Code.".

SEC. 602. Section 203 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) is amended by striking out ", or interest assistance contracts entered into,".

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

SEC. 701. Section 10(e) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 2509 (e)), as amended, is further amended by adding at the end of subsection (3)(A) the following:

"The borrower of each loan which is guaranteed under this Act shall be assessed a guarantee fee equal to one percent per annum of the outstanding indebtedness covered by the guarantee, or such lesser amount as the Administrator shall deem appropriate, giving due consideration to the objective of recovering applicable administrative costs and probable losses on guaranteed obligations. All loan guarantee fees shall be collected by the Administrator and paid into the fund.".

SEC. 702. Section 10(h) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 2509 (h)), as amended, is further amended by striking out ", or interest assistance contracts entered into,".

TITLE VIII—PRESIDENTIAL REPORT

SEC. 801. Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978 is repealed.

TITLE IX—CONSOLIDATION OF REPORTS

SEC. 901. The second sentence of section 657 of the Department of Energy Organization Act is amended by inserting immediately after the words "Such report" the following: ", which may be consolidated at the discretion of the President with the proposed National Energy Policy Plan and the accompanying report described in section 801 of this Act,".

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DEPARTMENT OF ENERGY,
*Washington, D.C., June 5, 1979.*

Hon. WALTER F. MONDALE,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: I am transmitting herewith a draft bill prepared by the Department of Energy (DOE). Also enclosed is a section-by-section analysis of the draft bill.

The bill is a collection of remedial, or "housekeeping", modifications of existing authorities. DOE has now been in existence for approximately twenty months, during which time a number of legislative changes necessary for the effective performance of DOE's functions have been identified. The draft bill is divided into nine titles to reflect the different subject matter addressed by each.

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

Section 101 amends Chapter 13 of Title 44, United States Code, to provide to the Energy Information Administration (EIA) the same privileges with respect to the printing of public documents as are enjoyed by other government agencies having major publications responsibilities. This proposal would remove existing impediments to the timely publication and dissemination of a significant volume of EIA reports, while insuring that EIA is fully responsible for the format and content of such documents.

Proposed section 102 amends section 58 of the Federal Energy Administration Act of 1974 (FEA Act) and section 205 of the Department of Energy Organization Act (DOE Act) to authorize the Administrator of EIA to make binding assurances of non-disclosure to other Federal agencies in exchange for energy information in the possession of such agencies. The Administrator has previously been denied energy information on the basis that subsequent disclosure of the information by the Administrator, pursuant to his duty to disclose such information to other offices within DOE under section 205(f) of the DOE Act, would significantly impair the ability of the Federal agency supplying the information to discharge the responsibilities vested by law in such agency (section 58(a) of the FEA Act). This proposal would permit the Administrator to make the necessary assurances in order to obtain the desired information.

Section 103 amends section 11(c)(3) of the Energy Supply and Environmental Coordination Act of 1974 (ESECA) and section 505(b) of the Energy Policy and Conservation Act (EPCA) to permit the Administrator of EIA to file annual rather than quarterly reports compiled from accounts kept in accordance with section 503 of EPCA. This proposal is intended to reduce the administrative burden imposed upon EIA by section 11(c)(3) of ESECA, and to reduce the reporting burden of those individuals subject to the requirement of section 503 of EPCA. If enacted, the proposal would result in an estimated cost savings to the Federal government of between $2.5 to $5 million annually.

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENTS EXTENSION

Section 201 would amend section 252(j) of EPCA by changing the expiration date of that section from June 30, 1979 to January 19, 1986. The main purposes of this proposal are:

(1) To extend until the later date the antitrust defense afforded by section 252(f) of EPCA to U.S. oil companies participating in the Agreement on an International Energy Program (IEP); and

(2) To match the duration of section 252 with that of the IEP, which can be terminated 10 years after January 19, 1976, the date upon which it became definitely effective, if the parties so choose.

This extension of section 252 will permit the continued essential participation of U.S. oil companies in the IEP.

There are presently 20 signatories to the IEP, consisting of most of the principal industrialized oil consuming nations. The agreement requires each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries in an amount which exceeds 7 percent of normal consumption during a defined base period.

Section 252 of the Energy Policy and Conservation Act (EPCA) sets out procedures applicable to the development or carrying out of voluntary agreements to implement the allocation and information provisions of the international energy program. Pursuant to this authority, effective March 21, 1976, U.S. oil companies entered into the Voluntary Agreement and Plan of Action to Implement the International Energy Program (41 F.R. 13998, April 1, 1976) (the Voluntary

Agreement). At present, 21 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the Voluntary Agreement. The procedures provided in Section 252 are the only means by which a defense to the antitrust laws can be made available with respect to U.S. oil company participation in the development or carrying out of voluntary agreements.

The antitrust defense made available by Section 252(f) is essential to the participation of U.S. oil companies in the Voluntary Agreement and, through it, in the IEP. The IEP, in turn, can effectively function only with participation by U.S. and foreign oil companies which are primary sources of information about conditions in the international oil market and would be the primary actors in redistributing oil if the IEP's emergency sharing provisions were activated. The Department of Energy, the Department of Justice and the Federal Trade Commission have closely monitored industry participation in the IEP. In their reports to Congress the Justice Department and the Federal Trade Commission have concluded that no anticompetitive activities have been carried out and no anticompetitive effects have been incurred by reason of industry activity under the Voluntary Agreement.

The utility of the IEP and the necessity of oil industry participation in the IEP have been graphically demonstrated in the past several months, when curtailment of exports from Iran has created dislocations in the international oil market. In this period, the IEA's Standing Group on Emergency Questions (SEQ) and Standing Group on the Oil Market (SOM) have held frequent consultations with the Industry Advisory Board (IAB) to the IEA and the Industry Working Party (IWP) to discuss the nature, extent and effects of the shortfall in world oil supplies. These consultations (which were monitored by U.S. Government observers from the Departments of Energy and Justice and from the Federal Trade Commission) have enabled the IEA and its member governments to take concerted action to reduce dislocations.

If the antitrust defense provided for in Section 252(f) were no longer available for U.S. oil company activities in connection with the IEP, those companies would cease their membership on the IAB and IWP and their subcommittees and as Reporting Companies in the IEA data system. Without U.S. oil company cooperation, the IEA information and emergency allocation systems would be ineffective and the IEP's purpose would be frustrated.

The bill does no more than extend the time Section 252 is effective. All of the other conditions and safeguards presently incorporated in that Section, and which have proven to be effective, including reports to Congress by the antitrust enforcement agencies, public notice of industry meetings, attendance at industry meetings by U.S. Government representatives and taking of verbatim transcripts or full and complete minutes, will remain unchanged.

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

Title III would amend section 302 of the National Energy Conservation Policy Act (NECPA), Public Law 95-619, by extending the time period during which appropriations are authorized for grants to schools and hospitals to conduct energy conservation programs. This amendment does not increase the total funds originally authorized for this program. It merely allows the Congress to appropriate all of the funds originally authorized for this grant program. Because of the delay in enactment of NECPA, establishment of the program according to the original schedule was not possible. DOE remains committed to full implementation of this program and believes that the $900 million authorized for energy conservation programs in schools and hospitals accurately reflects the level of funding required to carry out this program.

With one minor exception, this amendment simply extends the authorization to allow Congress to fund this program at the level and in the manner originally envisioned. The minor change occurs in the level of funding available for technical assistance to energy conservation programs for schools and hospitals. Section 302 NECPA amends EPCA by adding sections 391 to 400. Subsection (b) of new section 397, using percentages of annual authorizations, establishes a ceiling of $118.25 million for technical assistance over the life of the program. The new percentages provided in this amendment would raise that ceiling to $120 million. We believe that these new percentages more accurately reflect the funding necessary for technical assistance under this program.

Finally, this amendment extends the authorization for funds that the Secretary will use to administer this program. To ensure that funds are available for close-out costs, the authorizations for administrative expenses extend one year beyond the authorizations for the grant programs.

TITLE IV—AWARDS

The purpose of Title IV is (1) to clarify the present authority of the Secretary of Energy to make awards for especially meritorious contributions to the development, use, or control of atomic energy, and (2) to permit the Secretary, with the approval of the President, to make awards for especially meritorious contributions to the development, use, or control of non-nuclear energy.

The Secretary's authority to recognize achievements in the field of atomic (nuclear) energy derives from the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended, which states that an award may be granted "after consultation with the General Advisory Committee". The statutory provision establishing the General Advisory Committee has recently been repealed. Accordingly, the section 157(b)(3) requirement for consultation with this nonexistent committee must be deemed to have been eliminated, albeit impliedly. The first purpose of Title IV is to convert this implied repeal into an express repeal by deleting the reference to the General Advisory Committee.

The second purpose of Title IV is to allow the Secretary to recognize contributions to non-nuclear energy fields on an equal basis with contributions to the nuclear energy field. This alteration in the law would remove a bias in favor of nuclear energy which arose in the first instance as a consequence of the historical circumstance that the Atomic Energy Commission's jurisdiction did not embrace the non-nuclear energy field.

TITLE V—NAVAL PETROLEUM RESERVES

Title V of this Act would demand the Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258). The Act amended Chapter 641 of Title 10, United States Code, the law which governs the administration of the Naval Petroleum and Oil Shale Reserves.

As you may recall, Public Law No. 94-248 directs the Secretary of Energy to provide pipeline capacity capable of carrying not less than 350,000 barrels of oil per day (BOPD) out of Naval Petroleum Reserve No. 1 (Elk Hills, California) by April 5, 1979.

In order to comply with this mandate, numerous West Coast oil companies were contacted in an attempt to utilize their existing oil pipelines, as well as to discuss the possibility of such companies' constructing new pipeline facilities out of Elk Hills to potential sales points. These meetings resulted in arrangements for approximately 140,000 BOPD to be transported through existing pipelines owned by Chevron U.S.A., Inc. (a wholly owned subsidiary of Standard Oil Company of California), and Atlantic Richfield Company (ARCO). The amount of existing spare pipeline capacity in the vicinity of Elk Hills was subsequently revised to 160,000 BOPD. Plans for transporting the remaining required statutory amount envisioned the construction of a Government-owned pipeline.

On April 6, 1978, the decision was made to begin final design on a Government pipeline going from Elk Hills to the Redlands, California, area where it would connect with the proposed SOHIO (PACTEX) pipeline from Long Beach, California to Midland, Texas. Because of lack of progress by SOHIO in securing the necessary permits, it became apparent that SOHIO's pipeline would not be completed in time for the Government to meet the April 5, 1979 deadline. In view of these facts, the decision was made to suspend temporarily the work on the Government pipeline in order to allow for a reassessment of the Department of Energy's position and Congressional review of this matter. Notification of the decision to suspend work in the pipeline was provided to the Chairmen of the House and Senate Armed Services Committees on August 16, 1978, pursuant to Section 7431(b)(1) of Title 10, United States Code.

In January 1979, after additional production history had been obtained on the Elk Hills pools, the estimated maximum efficient rate of production was revised. While the amount of recoverable crude oil had not changed, our calculations indicated that the maximum efficient rate of production lay between 200,000 and 220,000 BOPD.

The Department of Energy has recently learned that an additional 50,000 BOPD spare pipeline capacity now exists in the vicinity of Elk Hills. Therefore, a total of approximately 210,000 BOPD pipeline capacity is available to transport Elk Hills crude.

The proposed amendment would leave the Secretary sufficient flexibility to determine whether it is necessary for the Government to construct its own pipeline if existing pipeline capacity proves to be inadequate. It would further allow the Secretary to determine the size of the Government pipeline if one is constructed. Finally, the proposed amendment would tie the pipeline capacity more closely to the maximum efficient rate of production from Elk Hills.

The Chairmen of the Senate and House Committees on Armed Services have received notification of the foregoing in a letter dated April 5, 1979.

For the reason noted above, we are proposing that 10 U.S.C., 7422(c)(1) be amended by:

1. Deleting the 350,000 BOPD requirement; and

2. Deleting the April 5, 1979, completion date requirement. The foregoing recommendations would be accomplished by deleting the last sentence of 10 U.S.C. 7422 (c)(1).

In addition, we are proposing that the Naval Petroleum Reserves Special Account established by Section 201(13) of Public Law 94-258 (Title 10, United States Code 7432) be abolished. The original purpose of the fund was to set aside revenues from the sale of petroleum from the Naval Petroleum Reserves for the purpose of funding exploration, development, and production at the Reserves; activities at the National Petroleum Reserve in Alaska; and activities relating to the Strategic Petroleum Reserve established by the Energy Policy and Conservation Act. In light of the fund requirements of these various programs, especially the Strategic Petroleum Reserve, it has become evident that revenues from the Naval Petroleum Re-

serves cannot be utilized as originally envisioned by Congress. It should be noted that, since its creation three years ago, the Special Account has been utilized on only one occasion, and that provided for the transfer of funds to the Strategic Petroleum Reserve.

Since the Special Account is no longer necessary to carry out is original purpose, its continued existence only complicates the Treasury's system of accounts. The proposed amendment to Title 10, United States Code 7432 would provide that all revenues from the Naval Petroleum Reserve be placed in the general fund and that there be authorized for appropriation from this fund such sums as may be necessary, without time limitation, for exploration, development, and production of the Naval Petroleum and Oil Shale Reserve and for construction and operation of transportation facilities from the Naval Petroleum Reserves. In addition, the Secretary of Energy continues to have the authority to enter into contracts for a period of five years, renewable at the option of the Secretary for an additional five-year period, provided that the necessary funds are made available in annual appropriations. Authorization for appropriations for the Strategic Petroleum Reserve is contained in separate legislation. Authorization for appropriations to the Secretary of the Interior for the National Petroleum Reserve in Alaska is provided for in Section 107(a) of Public Law 94-258.

TITLE VI—GEOTHERMAL LOAN GUARANTEE PROGRAM AMENDMENTS

Title VI consists of two amendments to the Geothermal Energy Research, Development and Demonstration Act of 1974. Section 601 is intended to conform the tax treatment of DOE-guaranteed geothermal loans with the treatment accorded DOE-guaranteed loans for municipal waste facilities. This alteration in the law, which has been suggested by the Treasury Department, will insure that interest paid on DOE-guaranteed geothermal loans is included in the gross income of the receiving party. In addition, Section 601 corrects an apparent error in the Act. Near the end of section 201(g), the statute requires the Administrator to pay an issuer out of a fund established by this title an amount determined "to be appropriated" after taking account of market yields, etc. The phrase should read: "to be appropriate".

Section 602 is intended to remove an unnecessary and undesirable restriction upon the Secretary's authority, beginning in 1984, to avert default of a guaranteed obligation by making interest payments on behalf of the borrower. As the legislation now reads, the Secretary may make such interest payments prior to September 4, 1984, if he finds, among other things, (1) that it is in the public interest to permit the borrower to continue to pursue the project, and (2) that the probable net benefit to the Federal government will be greater than that which would result in the event of a default. Since the government's contingent liability on guaranteed obligations will not expire until well after 1984, the Secretary should be permitted to safeguard the public's investment by making interest payments whenever the conditions referred to above are found to exist, whether prior to September 4, 1984, or after that date.

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

The Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 provides incentives for the commercial production of electric and hybrid vehicles. One of these incentives, the Federal loan guarantee program, is designed to insure that qualified concerns, including small business concerns, are not precluded from participation in this area of commerce due to the lack of adequate capital. In 1978, the Congress established an Electric and Hybrid Vehicle Development Fund in the Treasury for use by the Administrator in servicing the loan guarantee program. In thus moving to provide a firm fiscal foundation for the guarantee program, the Congress failed to include a provision for the collection of guarantee fees which might be employed to offset administrative expenses and other losses experienced by the fund. Such guarantee fees have traditionally been authorized with respect to such funds in order to preclude unnecessary recourse to general tax revenues. Inasmuch as the Electric and Hybrid Vehicle Demonstration Fund owes its establishment to the same fiscal goals which motivated the establishment of similar funds in the Treasury each of which provides for the collection of guarantee fees, it appears that the failure to provide for guarantee fees in this case was inadvertent. We propose to remedy this omission, and to restore parity with other loan-guarantee programs, by authorizing the collection of guarantee fees up to a maximum amount of one percent per annum of the outstanding indebtedness covered by the guarantee.

A second deficiency in the existing legislation concerns the inability of the Administrator, beginning in September 1983, to avert default of a guaranteed obligation by making interest payments on behalf of the borrower from monies contained in the fund. Guarantors of commercial loans generally insist on the right to make principal and interest payments on behalf of their insured borrowers. This right constitutes a significant authority for a guarantor by which he may postpone, and hopefully avoid altogether, the triggering of an accelerated payments clause in the loan agreement. Inasmuch as the government's contingent liability on guaranteed obligations will not expire until 1998, it would be imprudent to curtail the Administrator's ability to protect the government's financial interest in the period from 1983 to 1998. We propose, therefore, that the 7-year limitation upon the Administrator's authority to enter into interest assistance contracts be deleted.

TITLE VIII—PRESIDENTIAL REPORT

Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978 requires the President to submit an annual report to the Congress on the action taken by the Executive Branch to implement that portion of the Act (Section 403) entitled "Conservation in Federal Facilities, Contracts and Financial Assistance Programs."

In addition to this specific report regarding a single section of the Act, there exists a comprehensive reporting requirement regarding the Act as a whole. The comprehensive reporting requirement is contained in section 806 which instructs the Secretary of Energy to file an annual report on actions taken and to be taken under the Act. This comprehensive report must also include data on the effectiveness of the Act in achieving its purposes. Inasmuch as full compliance with the comprehensive reporting requirement of Section 806 will of necessity involve a substantive duplication of the specific report required by Section 403(c), repeal of the latter provision would result in significant administrative savings without reducing the scope of the material being supplied to the Congress.

TITLE IX—CONSOLIDATION OF REPORTS

Section 801 of the Department of Energy Organization Act requires the President to submit to the Congress every two years a proposed National Energy Policy Plan, together with an accompanying report. In discharging his obligations under this section, the President has assigned to the Department of Energy the major responsibility for developing preliminary versions of both documents.

The Department of Energy Organization Act also requires the Secretary of Energy to transmit an annual report to the President for submission to the Congress. The scope of this annual report, as set forth in section 657 of the Act, overlaps the scope of the section 801 documents in numerous respects, with the result that unnecessary expense is incurred, and unnecessary effort expended, during those alternate years when both the annual report and the proposed Plan must be submitted to the Congress. In order to avoid this waste of resources, without reducing the scope of the information being supplied to the Congress or to the public, we propose that the President be permitted, at his discretion, to consolidate the annual report of the Department's activities with the proposed National Energy Policy Plan and its associated report.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

JAMES R. SCHLESINGER,
*Secretary.*

SECTION-BY-SECTION ANALYSIS

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

Section 101 would amend Chapter 13 of Title 44, United States Code, to provide to the Energy Information Administration (EIA) the same privileges with respect to the printing of public documents as are enjoyed by other government agencies having major publication responsibilities. Although EIA publishes approximately 470 separate reports per year, it is currently subject to the Government Printing Office regulations of general applicability, which:

(1) limit the quantity of each report the EIA may have printed;

(2) place EIA in a low priority printing category, leading to publication delays;

(3) complicate the procedures necessary to have an EIA publication printed; and

(4) allow modification of EIA publications without prior EIA review and approval.

This proposal would eliminate these impediments to the timely publication and dissemination of EIA reports, while insuring that EIA is fully responsible for the format and content of such documents.

Proposed section 102 would amend section 58 of the Federal Energy Administration Act of 1974 (FEA Act) and section 205 of the Department of Energy Organization Act of 1977 (DOE Act) to authorize the Administrator of EIA to make binding assurances of non-disclosure to other Federal agencies in exchange for energy information in the possession of such agencies.

Currently, section 205(f) of the DOE Act requires the Administrator to provide promptly any relevant energy information in its possession to any office within DOE upon request. Under section 58(a) of the FEA Act, the Administrator is unable to obtain from other federal agencies any information the disclosure of which would, in the judgment of the possessing agency, impair the agency's ability to discharge its responsibilities. Several agencies which have declined to supply information to EIA on these grounds have indicated that their ability to discharge their responsibilities would not be impaired if the Administrator could offer binding assurances of non-disclosure to other DOE offices. Since such assurances cannot currently be made, the Administrator must either seek the desired information from the original or suitable alternate sources, at considerable expense, or forego acquisition of the information entirely.

Section 102 would permit the Administrator to obtain such information by authorizing assurances of non-disclosure and by creating a limited exception to the mandato

disclosure rule for that information acquired by means of such an assurance.

Section 103 would amend section 11(c)(3) of the Energy Supply and Environmental Coordination Act of 1974 (ESECA) and section 505(b) of the Energy Policy and Conservation Act (EPCA) to permit the Administrator of EIA to file annual reports compiled from accounts kept in accordance with section 503 of EPCA. Such reports are currently required to be filed quarterly by the Administrator of EIA pursuant to the transfer of functions contained in section 205(b) of the DOE Act.

The purpose of this proposal is to reduce the administrative burden imposed by section 11(c)(3) of ESECA upon EIA. It would also indirectly serve to reduce the burden upon those persons engaged in the production of crude oil and natural gas who are required to follow the accounting practices established by section 503 of EPCA. Annual rather than quarterly reporting is also consistent with section 205(h)(4) of the DOE Act relating to required annual reporting by energy-producing companies. The estimated budget impact of this proposal is an approximate cost savings of between $2.5 to $5 million annually.

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENTS EXTENSION

Section 201 would amend section 252(j) of the Energy Policy and Conservation Act (EPCA) by changing the expiration date of that section from June 30, 1979 to January 19, 1986. The main purposes of this proposal are: (1) to extend until the later date the antitrust defense afforded by Section 252(f) to U.S. oil companies participating in the Agreement on an International Energy Program (IEP); and (2) to match the duration of section 252 with that of the IEP, which can be terminated by the parties 10 years after January 19, 1976, the date upon which it became effective.

The IEP is a multilateral international agreement whereby the United States and 19 other major oil consuming nations have joined efforts to provide, among other things, for: (1) an emergency allocation system which would be activated in the event of a significant oil supply interruption; and (2) a continuing surveillance of the international oil market and a general information system to support that oil surveillance. The continued ability to utilize the technical expertise of the U.S. oil companies is necessary to accomplish these objectives.

This proposal would extend the antitrust defense contained in section 252 to permit the continued essential participation of the U.S. oil companies involved, and would make the duration of section 252 coextensive with that of the IEP.

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

Section 301. Authorization of Appropriations.

Section 302 of the National Energy Conservation Policy Act (NECPA) amends the Energy Policy and Conservation Act (EPCA) by adding sections 391 through 400 to provide authority for the creation of energy conservation programs for schools and hospitals. New section 397 authorizes a total of $900 million to be appropriated in fiscal years 1978 through 1980 to conduct these energy conservation programs. Congress has appropriated $300 million of this amount for fiscal years 1978 and 1979. In fiscal year 1980, the Department of Energy (DOE) is requesting no additional funding for this program. This means that total appropriations through fiscal year 1980 fall $600 million short of the original authorization. DOE is committed to this program and believes that the $900 million authorized under NECPA is necessary for full implementation of this program. Because of the delay in enactment of NECPA, additional time beyond that originally contemplated is required to allocate prudently all of these funds. Therefore, this amendment to subsection (b) of new section 397 extends the authorization for grants for energy conservation projects in schools and hospitals through fiscal years 1981 and 1982, providing $300 million in each fiscal year. This amendment will allow the Congress to appropriate all of the $900 million originally authorized for this program in fiscal years in which DOE will be able to use the funds.

Subsection (c) of new section 397 is amended to extend through fiscal year 1983 the authorization for funds to administer this program. This extension will insure that funds are available to administer and close out the program.

TITLE IV—AWARDS

Section 401(a) adds a new section 661 to the Department of Energy Organization Act (DOE Act). The new section authorizes the Secretary of Energy to confer monetary or other types of awards upon an individual or upon an institution in recognition of an especially meritorious contribution by that individual or institution to the development, use, or control of energy. Before such an award may be made, however, the Secretary must obtain the approval of the President. In the case of monetary awards, the Secretary's authority is contingent upon the availability of a suitable appropriation.

The language of the new section 661 is patterned upon, and is intended to be a replacement for, the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended. Two features of the section 157(b)(3) language are, however, omitted in the new section 661. The first of these is the requirement that the Secretary consult with the "General Advisory Committee" before granting an award. This committee no longer exists; it was established by section 26 of the Atomic Energy Act of 1954, which section was repealed by section 709(c)(1) of the DOE Act.

The second feature of the section 157(b)(3) language which is not incorporated in the new section 661 is the requirement that awards be confined to the recognition of contributions in the field of atomic energy. The effect of deleting the adjective "atomic" from the text of the new section 661 is to permit the Secretary to make awards for contributions to the development, use, or control of both nuclear and non-nuclear energy, without discrimination.

Section 401(b) amends the Table of Contents of the DOE Act to reflect the addition of the new section 661.

Section 401(c) repeals the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended. Since all of the authority previously vested in the Secretary by the last sentence of section 157(b)(3) (as transferred by section 301(a) of the DOE Act) is vested anew by section 661, together with additional authorities, the last sentence of section 157(b)(3) may be repealed without diminishing the Secretary's authority in any respect.

Section 401(c) establishes the effective date of its enactment.

TITLE V—NAVAL PETROLEUM RESERVES

Section 501 amends the Naval Petroleum Reserve Production Act of 1976 to delete the requirement that the Secretary of Energy provide adequate pipeline capacity to carry not less than 350,000 barrels of oil per day (b/d) out of Naval Petroleum Reserve No. 1 (Elks Hills, California) by April 5, 1979.

The proposed amendment would leave the Secretary sufficient flexibility to determine whether it is necessary for the Federal government to construct its own pipeline if insufficient pipeline capacity is available in private lines. It would further allow the Secretary to determine the size of a Government pipeline if one is constructed.

Section 502 amends Section 201(13) of Public Law 94-258 (Title 10, United States Code 7432) and abolishes the naval petroleum reserves special account. The proposed amendment authorizes the appropriation of such sums as may be necessary for the operation, development, exploration, and production of the naval petroleum reserves. Such sums appropriated are to remain available until expended.

Section 503 proposes to transfer all funds in the naval petroleum reserves special account into the miscellaneous receipts of the Treasury on the date of enactment of this section.

Section 504 amends the table of sections, at the beginning of chapter 641 of Title 10, United States Code, to delete reference to the "Naval petroleum reserve special account" and substitute therefor "Authorization for appropriations".

TITLE VI—GEOTHERMAL LOAN GUARANTEE PROGRAM AMENDMENTS

Section 601 would amend section 201(g) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) regarding interest payments of geothermal loan guarantees. Specifically, it would require all interest payments on government-guaranteed geothermal loans to be included in the gross income of the recipient for Federal income tax purposes. The purpose of this amendment is to bring the interest payment provisions of the geothermal program into general conformity with those governing other loan guarantee programs administered by the Department of Energy.

Section 602 would remove the 10-year limitation upon the Secretary's authority to enter into interest assistance contracts.

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

Section 701 would amend the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 to provide that a loan guarantee fee shall be collected from the borrower of each loan guaranteed by the Administrator. The amount of the fee shall be fixed by the Administrator but cannot exceed one percent per annum of the outstanding indebtedness covered by the guarantee. In fixing the amount of the fee, the Administrator must give due consideration to the objective of recovering the administrative costs associated with the particular guarantee involved, as well as to the objective of guarding the fund against depletion by those losses which may reasonably be anticipated. The fees which are collected must be deposited into the fund.

Section 702 would remove the 7-year limitation upon the Administrator's authority to enter into interest assistance contracts.

TITLE VIII—PRESIDENTIAL REPORT

Section 801 would repeal section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, which requires the President to submit annually to the Congress a detailed report on actions taken to implement section 403 of that Act. Repeal of section 403(c) would leave unchanged the responsibility of the Secretary of Energy to report annually to the Congress on actions taken under the Act as a whole, including those taken under section 403.

TITLE IX—CONSOLIDATION OF REPORTS

Section 901 would permit the consolidated submission to the Congress of the annual report of the Department of Energy and two documents dealing with the proposed National Energy Policy Plan. Inasmuch as the latter documents are supplied on a biennial basis, the consolidation could be effected only during alternate years, and then only at the discretion of the President. The purpose of this amendment is to permit administrative

savings without reducing the information being supplied to the Congress.●

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By Mr. TALMADGE (for himself, Mr. NUNN, Mr. SASSER, Mr. STEWART, and Mr. THURMOND):

S. 1364. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States; to the Committee on Governmental Affairs.

● Mr. TALMADGE. Mr. President, today, with Senator NUNN, Senator SASSER, Senator STEWART, and Senator THURMOND, I am introducing a bill that would grant the Agricultural Extension Service the right to acquire Federal excess personal property. This is a right the Extension Service has had in the past, but one taken from them in the 94th Congress.

As you know, during the 94th, legislation was introduced and ultimately passed "to establish an orderly, efficient, and fair system for distributing by donation Federal surplus personal property to public or nonprofit institutions for uses of a public character." This measure became Public Law 94–519 in October 1977.

Congress felt that the abuse-ridden Government property program deserved revamping and restructuring. For the most part, I believe that our efforts were successful. The General Services Administration now has the excess and State surplus property program under efficient and effective control.

However, those who joined with me in proposing this bill do not believe that it was the expressed actual intent of the 94th Congress to exclude the Agricultural Extension Service from acquiring excess property. We found no clear evidence that would support a specific intention by Congress to deny the Extension Service the right to acquire excess property.

Public Law 94–519, as it is currently interpreted, mandates that only a Federal agency, or its grantee, may procure excess property. The grantee must, however, pay into the U.S. Treasury a 25-percent fee based on the initial acquisition value of that property. The Extension Service was ultimately denied the right to excess property only after the General Services Administration found, by definition, that the Extension Service was neither a Federal agency, nor a grantee.

We agree that in the strictest sense the Agricultural Extension Service is not a Federal agency, nor should it be considered as a grantee. In fact, the Extension Service is the educational agency of the U.S. Department of Agriculture and serves as the national office for the U.S. Cooperative Extension Service system.

The national system includes a Cooperative Extension Service by that name, or "Agricultural Extension Service," at each of 52 land-grant universities, and staffs in nearly all U.S. counties. The name "cooperative extension" derives from financial and administrative arrangements involving three levels of government—Federal, State, and county.

Through this unique network of Federal-State-county relationships the Agricultural Extension Service conducts educational programs of significance in achieving local, State, and national goals. Within the nationwide system, research results of the land-grant universities, agricultural experiment stations, and USDA research agencies are directed toward solving problems of the American people.

As it is presently written, Public Law 94–519 does not recognize the unique relationship the Agricultural Extension Service has with the U.S. Department of Agriculture. Excess property as it was once used by the Cooperative Extension Service, was used in virtually the same manner as excess personal property acquired by the Forest Service in connection with its cooperative forest fire control program.

The net effect of the omission from the Federal excess property program has been to deny continued access by the Extension Service offices to federally owned property for use in approved programs of the USDA. Instead, such property is being donated to the State agencies for surplus property where it is subsequently given to State and local agencies and certain nonprofit organizations.

This is, of course, a meritorious use. However, commonsense says that the Federal Government should award itself, its agencies, departments, and their programs, the first shot at Federal property. This being at the "excess" level.

Although the Extension Service is eligible to compete for surplus property at the State level, by no means can it acquire property in the same quantity, or of the same quality, as it did before the enactment of Public Law 94–519.

If sufficient property cannot be awarded to the Agricultural Extension Service through the State surplus property program, and since the General Services Administration declared the Extension Service ineligible to receive excess property as a Federal agency, or grantee, the only avenue left for property acquisition is via the open market where the full price must be paid.

In this day and age of fiscal responsibility and accountability, we are seeking a "no-cost" remedy for an unfortunate congressional oversight.

I wish to point out that I have also included the agricultural experiment stations in this bill as desirable participants in the Federal excess property program.

The experiment stations, pursuant to the Hatch Act of 1887, conducts field research into agricultural crop and soil problems, as well as aiding in the development of new, hybrid crops.

The research findings of the experiment stations are disseminated to the public through the Extension Service. As such, the programs of the Extension Service, and the experiment stations, have become an intrinsic and valuable part of the life of rural America.

The desire to acquire Federal excess property by the Agricultural Extension Service, and the agricultural experiment stations, is an important concern. To help assure the ongoing successes of these two fine programs I ask for your support of the bill I have introduced today.

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By Mr. INOUYE:

S. 1365. A bill to direct the Secretary of the Department in which the U.S. Coast Guard is operating to cause the vessel *Independence* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, recently I introduced legislation, S. 1281, which is intended to be a first step in the revitalization of our U.S. passenger fleet. My subcommittee has scheduled hearings on that measure for June 28, at 2 p.m.

Today, I am introducing another proposal for the same purpose. It relates to the SS *Independence*.

While the issues involved in S. 1281, and the instant proposal differ, they have a common objective.

At this point, I ask unanimous consent that a letter from Mr. Conrad H. C. Everhard, chairman of the Board of American Hawaiian Cruising Line Inc., the corporation which has contracted to purchase the SS *Independence*, be printed in the RECORD. In it he explains why legislation is necessary, and requests that it be introduced.

My subcommittee therefore intends to consider this bill along with S. 1281, at our hearings on S. 1281 on June 28.

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

AMERICAN HAWAIIAN
CRUISING LINE, INC.,
*New York, N.Y., June 18, 1979.*

Hon. DANIEL K. INOUYE,
*Chairman, Merchant Marine and Tourism Subcommittee of the Senate Commerce, Science and Transportation Committee, Washington, D.C.*

DEAR MR. CHAIRMAN: Our American-flag merchant marine has been in a state of decline far too long. Few opportunities have arisen to improve the situation. However, I am pleased to write you in my capacity as Chairman of the Board of American Hawaiian Cruising Line, Inc., to ask respectfully for your assistance with legislation which will advance the objectives of our national maritime policy by revitalizing the once-great American-flag passenger service.

The passenger vessel, the S.S. *Independence*, was constructed in Quincy, Massachusetts, for American Export Lines, Inc., and flew the U.S. flag for many years. Following approval by the Congress, the ship was transferred to the Panamanian flag in 1974. For the past several years, the vessel has been laid-up in Hong Kong. But now this proud vessel stands on the verge of becoming once again an economically viable component of our U.S. shipping fleet.

Last year, my Company contracted to purchase the *Independence* from the Atlantic Far East Lines, Inc., a Liberian corporation, with the intention of extensively renovating the vessel and operating it strictly as a cruise ship among the Hawaiian Islands on voyages to various ports, beginning early next year. On-board services would include lodging, entertainment, and various meal plans. At each port of call, guided motorcoach shore

excursions, moped/bicycle rentals, and shuttle beach transportation would be offered.

Because the *Independence* was partially constructed with MARAD subsidy funds, the Administration was requested to approve the transfer of the vessel to U.S. registry and flag. On February 6, 1979, MARAD cleared the transfer of the *Independence*, subject to the further approval of the Coast Guard. Full disclosure was made to MARAD regarding the qualification of American Hawaiian as a U.S. citizen within the meaning of the shipping acts. We are enclosing herewith information regarding American Hawaiian's officers, directors and shareholders that was furnished MARAD.

The legislation in question would allow the *Independence* to be redocumented as a United States vessel with full privileges of engaging in the coastwise trade. This legislation appears to be required because the Department of Transportation has interpreted section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) as preventing this ship from entering the coastwise trade after its return to U.S. registry. American Hawaiian has initiated the procedures to obtain a certificate of registration from the Coast Guard. However, the Coast Guard has held that the *Independence* cannot engage in the coastwise trade under the first proviso in section 27 because it was sold foreign, and, therefore, legislation is required to authorize the inter-Hawaiian cruise venture my Company plans. An additional possible impediment to coastwise trade is that in the Coast Guard's view, the installation of a bow thruster in a shipyard in Taiwan might constitute "rebuilding" of the vessel under the second proviso of section 27.

The benefits that would accrue from enactment of this legislation to the State of Hawaii and to the nation in these difficult economic times are manifold:

1. Hundreds of jobs would be created in the American seafaring and related maritime industries and services.

2. Maintenance and repairs to the vessel, after its return to U.S. registry, will be made in U.S. shipyards, thus providing a much-needed boost to our nation's sagging shipyard industry.

3. The cruise trade will require the purchase of goods and services from virtually every other sector of our economy.

4. The ship will keep tourist dollars in the U.S. and stimulate the flow of tourists, particularly from Japan and Europe, thereby boosting our balance of payments. In view of the present state of our economy, we must begin now to encourage utilization of every possible resource in developing new initiatives in foreign trade and tourism.

5. The United States as a leading maritime power is now noticeably deficient in shipping capacity under its own flag, and is virtually completely dependent on the vessels of other nations, including the Russians and other Communist countries, for cruise and passenger ship service. The new inter-Hawaiian Island operation would be a major step to restoring the American presence in this very important area of trade.

6. The restoration of this important ship to active status will also strengthen our nation's military preparedness posture. By law, the *Independence* must be made available to the United States for purchase or charter as a naval auxiliary in time of emergency. These national defense objectives would be clearly enhanced if the ship was restored to active condition and operated in Hawaiian waters.

7. My Company presently has on option to purchase the former S.S. *Constitution*, which is laid-up in Hong Kong. We intend to enter this vessel also in the inter-Hawaiian cruise trade following the passage of the necessary legislation and the successful debut of the *Independence*, thus doubling the benefits discussed above.

The entry of these two great ships—the *Independence* and the *Constitution*—into the domestic Hawaiian Island service would be among the most innovative and constructive developments for the U.S. Merchant Marine in recent years. It is absolutely essential to understand and to take advantage of the fact that the return of these vessels to the American flag and their use in the American trades will be accomplished entirely with private capital. Public or government funds will not be involved in any way whatsoever. On the contrary, the *Independence* and *Constitution* will be a source of increased tax revenue for our federal and state treasuries.

Because you have championed the rejuvenation of the American-flag domestic cruise trade, we sincerely hope that you will be amenable to sponsoring the bill to permit the *Independence* to carry passengers among the Hawaiian Islands and that you will hold early hearings on the legislation in your Subcommittee.

We are taking the liberty of enclosing a draft of a bill which might be of assistance to you and the Subcommittee staff. If there is any further information we can provide, please contact me or George Carneal at our Washington attorneys, Hogan & Hartson.

With kind regards,

Sincerely,

CONRAD H. C. EVERHARD,
*Chairman of the Board.*

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AMERICAN HAWAIIAN CRUISING LINE INC., WALL STREET PLAZA, SUITE 1840, NEW York, N.Y. 10005

(Incorporated in the State of Delaware, December 5, 1978.)

OFFICERS AND CITIZENSHIP

Conrad H. C. Everhard, Chairman of the Board, U.S.
Robert Suan, Treasurer, U.S.
Daisy Woo, Secretary, U.S.

DIRECTORS

Conrad H. C. Everhard, U.S.
Robert Suan, U.S.
C. C. Yin, U.S.
Alice King, U.S.
Mary Liu, U.S.
Daisy Woo, U.S.

SHAREHOLDERS

Universal Development Corporation, chartered in 1960 under the laws of the State of California; 79 percent of UDC's stock is owned by citizens of the United States. 150 shares.

George Tong, a U.S. citizen. 10 shares.
Conrad H. C. Everhard, a U.S. citizen. 10 shares.
Alice King, a U.S. citizen. 10 shares.
Mary Liu, a U.S. citizen. 10 shares.
Robert Suan, a U.S. citizen. 8 shares.
Daisy Woo, a U.S. citizen. 2 shares.●

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By Mr. McGOVERN (for himself, Mr. MELCHER, Mr. YOUNG, Mr. PRYOR, Mr. BOREN, Mr. COCHRAN, Mr. STEWART, and Mr. DOLE):

S. 1367. A bill to amend the Agricultural Act of 1949 to extend the applicability of the prevented planting and disaster provisions of such act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. McGOVERN. Mr. President, on behalf of myself and Senators MELCHER, YOUNG, PRYOR, BOREN, COCHRAN, STEWART, and DOLE, I introduce a bill to amend the Agricultural Act of 1949, to extend the applicability of the preventive planning and disaster payments of that act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat.

I send the bill to the desk and ask that it be appropriately referred, and I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1367

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subparagraphs (B) and (C) of paragraph (4) of section 101 (h) of the Agricultural Act of 1949 (7 U.S.C. 1441 (h) (4) (B) and (C) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 2. Subparagraphs (A) and (B) of paragraph (5) of section 103 (f) of the Agricultural Act of 1949 (7 U.S.C. 1444 (f) (5) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 3. Subparagraphs (A) and (B) of paragraph (2) of section 105A (b) of the Agricultural Act of 1949 (7 U.S.C. 1444c (b) (2) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 4. Subparagraphs (A) and (B) of paragraph (2) of section 107A (b) of the Agricultural Act of 1949 (7 U.S.C. 1445 (b) (2) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

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By Mr. HATFIELD:

S. 1369. A bill to designate certain National Forest System lands in the State of Oregon for inclusion in the national wilderness preservation system; to the Committee on Energy and Natural Resources.

OREGON WILDERNESS ACT OF 1979

● Mr. HATFIELD. Mr. President, I am today introducing legislation which reflects the President's recommendations on perhaps one of the most significant natural resource questions facing my State. After a comprehensive wilderness study on all roadless areas, conducted by the Forest Service under RARE II, the President made his recommendations for those lands he wishes Congress to designate as wilderness.

In order that a variety of points of view may be considered on a matter of this importance, I add this proposal to the one introduced on March 28 of this year, which reflects the recommendations of Oregon's Governor.

While the President's recommendations included additions to the wilderness preservation system on a national basis, I have included only those pertaining to my State. Having this legislative proposal before Congress will help bring a focus to the field hearings which I have scheduled in Oregon early in July. In addition, I am hopeful that it can help bring to a speedy resolution the issue of wilderness designation, in order that those lands recommended for nonwilderness may be returned for their designated purposes under the local forest's land management planning process.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1369

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Oregon Wilderness Act of 1979."

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) many areas of undeveloped public lands possess and exhibit outstanding natural characteristics giving them high values as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people; and

(2) review and evaluation of roadless and undeveloped lands on the National Forest System lands in Oregon have identified those areas which, on the basis of their landform, ecosystem, associated wildlife, and location will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System.

(b) Therefore, the Congress declares that it is in the national interest that these identified areas be promptly designated as components of the National Wilderness Preservation System in order to promote, perpetuate and preserve the wilderness character of the land and its specific multiple values for protection of watersheds and wildlife habitat, scenic and historic preservation, scientific research and educational use, primitive recreation, solitude and physical and mental challenge, and inspiration for the benefit of all the American people of present and future generations.

DESIGNATION OF WILDERNESS AREAS

SEC. 3. In furtherance of the purpose of the Wilderness Act and in accord with the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the following National Forest System lands in Oregon listed herein as New Wilderness or as Wilderness Additions totalling about 415330 acres and as generally depicted on maps appropriately referenced, dated 1979, on file in the office of Chief, Forest Service, U.S. Department of Agriculture, are hereby designated as components of the National Wilderness Preservation System:

(a) New Wildernesses—

(1) Salmon Butte Wilderness, 8,300 acres, Mt. Hood National Forest.

(2) Bull-of-the-Woods Wilderness, 26,700 acres Mt. Hood and Willamette National Forests.

(3) Columbia Wilderness, 40,900 acres, Mt. Hood National Forest.

(4) Black Canyons Wilderness, 13,400 acres, Ochoco National Forest.

(5) Sky Lakes Wilderness, 113,000 acres, Rogue River and Winema National Forests.

(6) Maamza Flats Wilderness, 9,200 acres, Rogue River and Umpqua National Forests.

(7) Sphagnum Bog Wilderness, 6,800 acres, Rogue River National Forest.

(8) Red Blanket Wilderness, 5,100 acres, Rogue River National Forest.

(9) Oregon Coast Wilderness, 6,500 acres, Siuslaw National Forest.

(10) Umpqua Spit Wilderness, 2,370 acres, Siuslaw National Forest.

(11) Limpy Rock Wilderness, 6,700 acres, Umpqua National Forest.

(12) Park Winema Wilderness, 5,400 acres, Umpqua and Winema National Forests.

(13) Panhandle North Wilderness, 2,700 acres, Winema National Forest.

(14) Panhandle South Wilderness, 1,330 acres, Winema National Forest.

(15) Windigo-Thielson Wilderness, 55,000 acres, Winema, Deschutes, and Umpqua National Forests.

(b) Wilderness Additions—

(1) Mt. Washington Wilderness Additions, 6,300 acres, Deschutes and Willamette National Forests.

(2) Diamond Peak Wilderness Addition, 8,200 acres, Deschutes National Forest.

(3) Three Sisters Wilderness Addition, 27,300 acres, Deschutes National Forest.

(4) Gearhart Mountain Wilderness Addition, 3,730 acres, Fremont National Forest.

(5) Strawberry Mountain Wilderness Addition, 35,100 acres, Malheur National Forest.

(6) Eagle Cap Wilderness Addition, 31,300 acres, Wallowa-Whitman National Forest. This fulfills the requirement of Sec. 4 of the Act of October 21, 1972 (86 Stat. 1026), concerning the Lower Minam Wilderness Study Area.

FILING OF MAPS AND DESCRIPTIONS

SEC. 4. As soon as practicable after this act takes effect, the Secretary of Agriculture shall file a map and a legal description of each Wilderness with the Energy and Natural Resources Committee, United States Senate, and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

ADMINISTRATION OF WILDERNESS

SEC. 5. Each Wilderness designated by this act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall with regard to the areas designated by this act be deemed to be a reference to the effective date of this act.●

## ADDITIONAL COSPONSORS

S. 222

At the request of Mr. DURKIN, the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 222, the Alaska National Interest Lands Conservation Act of 1979.

S. 446

At the request of Mr. WILLIAMS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 464

At the request of Mr. INOUYE, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups, for whom new employee credit is available, to include displaced homemakers.

S. 471

At the request of Mr. INOUYE, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 471, a bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled, as a result of service-connected disability, to travel on military aircraft in the same manner and to the same extent as retired members of Armed Forces are permitted to travel on such aircraft.

S. 474

At the request of Mr. INOUYE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 474, a bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of the Veterans' Administration to extend, under certain circumstances, the period within which veterans must complete a program of eduaction under such chapter.

S. 753

At the request of Mr. INOUYE, the Senator from South Dakota (Mr. PRESSLER), the Senator from Connecticut (Mr. WEICKER), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 753, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly and to adjust the adjusted gross income limitation.

S. 1008

At the request of Mr. INOUYE, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1008, a bill to amend the Social Security Act to provide for the inclusion of services of licensed registered nurses under medicare and medicaid.

S. 1112

At the request of Mr. LEAHY, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1112, a bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 1125

At the request of Mr. HUDDLESTON, the Senator from Georgia (Mr. TALMADGE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Indiana (Mr. BAYH), the Senator from Georgia (Mr. NUNN), the Senator from North Carolina (Mr. MORGAN), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes.

S. 1163

At the request of Mr. DOLE, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1163, a bill to repeal the carryover basis provisions.

S. 1176

At the request of Mr. STEVENS, the Senator from Texas (Mr. TOWER), the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Wyoming (Mr. SIMPSON), the Senator from Nevada (Mr. LAXALT), the Senator from Oklahoma (Mr. BELLMON), the Senator from California (Mr. HAYAKAWA), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 1176, a bill to amend the act entitled "An Act for the Preservation of American Antiquities," and to amend the act entitled "Federal Land Policy and Management Act of 1976."

S. 1268

At the request of Mr. BAYH, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 1268, the Gasohol Marketing Freedom Act.

S. 1287

At the request of Mr. GOLDWATER, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1313

At the request of Mr. MOYNIHAN, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1313, a bill to amend the Federal Water Pollution Control Act, as amended.

## SENATE RESOLUTION 184—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE MATTER OF JOSEF MENGELE

Mr. HELMS submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 184

Whereas Josef Mengele, known as the "Angel of Death", while resident doctor of the Auschwitz concentration camp was responsible for the torture and death of more than 200,000 children; and

Whereas Josef Mengele conducted cruel and inhuman surgery and experiments upon children to develop ways to manipulate the genetic structure of human beings; and

Whereas Josef Mengele worked to develop new methods of sterilization to promote acts of genocide against Jews, Slavs, and other European peoples; and

Whereas in 1959, authorities of the Federal Republic of Germany issued a warrant for the arrest of Josef Mengele and have repeatedly requested his extradition to stand trial in the Federal Republic of Germany for murder; and

Whereas evidence indicates that "Josef Mengele" was granted Paraguayan citizenship on November 27, 1959; and

Whereas Paraguay signed the International Convention on the Prevention and Punishment of the Crime of Genocide on December 11, 1948: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that the President of the United States should immediately call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

## SENATE RESOLUTION 185—SUBMISSION OF A RESOLUTION TO COMMEND THE CITY OF LAMOURE, N. DAK.

Mr. YOUNG submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 185

Whereas the City of LaMoure, North Dakota, has been named an All American city of 1978–79; and

Whereas the All American City designation recognizes special achievement in community action through citizen participation; and

Whereas LaMoure was honored for its improved health care service and the creation of an economic development program to sustain the vitality of the city; Now, therefore, be it

*Resolved*, That the Senate recognizes the City of LaMoure and its residents for their outstanding efforts in making their city an "All American City."

● Mr. YOUNG. Mr. President, today I am submitting a resolution commending my home town of LaMoure, N. Dak., for their achievement in being designated an All American City for 1978–79, by the National Municipal League.

LaMoure was one of only 11 cities in the United States to win this recognition. This achievement is due to a city that is totally committed to improving their community in every way posssible. The honor accorded them was based largely upon the improved health care services they made possible in a small, rural community. This is something that is only achieved by a city that has outstanding leaders greatly interested in the improvement of their community.

Mr. President, LaMoure was also recognized for their economic development program. In the past 8 years, the residents of LaMoure have taken great strides in making this community a much better and more pleasant place to live. In this short time, this community has built a new high school, nursing home, low income elderly housing project, a civic center, the LaMoure Dam and Lake, and the Omega City Plaza, a shopping mall currently housing 13 businesses. This could not have been accomplished without the dedication and hard work of LaMoure's 1,100 residents and I am very proud of these outstanding accomplishments in my home town of LaMoure.●

## SENATE RESOLUTION 187—SUBMISSION OF A RESOLUTION CONCERNING THE SALE OF SAN CLEMENTE

Mr. HART submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 187

Whereas, it is the policy of the United States that no present or former Federal official should derive personal gain from the use of public funds in connection with construction, renovation, landscaping or improvements on the property of such official or the acquisition of equipment or articles for use on such property, and

Whereas, the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056) provides the statutory basis for reclamation of public funds used for construction, renovation, landscaping, improvements, equipment or articles on the property of such officials: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that the Director of the Secret Service and the Administrator of General Services shall take such actions as may be necessary to obtain reimbursement in an amount by which any construction, renovation, improvements, equipment or articles paid for by the Federal Government of the United States have increased the fair market value of the estate known as San Clemente located in the State of California at the time of and upon its sale by former President Richard M. Nixon.

● Mr. HART. Mr. President, today I am submitting a resolution to put the Senate on record in support of prohibiting personal gain by employees and officials of the Federal Government at public expense. The resolution specifically seeks reimbursement to the Treasury of any gain made in the sale of former President Nixon's residence at San Clemente which resulted from improvements made to that property from Federal funds.

Mr. President, the American public is shocked, outraged and saddened by the steady stream of Federal officials accused, and in some cases convicted, of using their official positions to personally profit at taxpayer expense. People rightfully see these actions as an abuse of their trust in their Government. As a result, that trust has been jeopardized and the public confidence and credibility of Government eroded.

The sale by former President Nixon of his residence at San Clemente presents a test of our dedication to good Government ethics. Substantial public expense was incurred to improve San Clemente, most of which was necessary at the time for purposes of security and official function. However, the sale of the residence precludes its further use in the public interest. The public's financial investment should be returned to the Treasury.

My resolution calls for the pertinent Federal agencies, in this case the Secret Service and the General Services Administration, to insure that any gain realized upon the sale of San Clemente, which resulted from those publicly-financed improvements, is repaid. Those agencies already have the necessary statutory authority. This resolution merely seeks the prompt and fair administration of that authority.

Mr. President, this resolution is not intended to single out or discriminate against Mr. Nixon. Its intent is to support a policy which should be applied to all Federal employees and officials, past, present and future. I urge my colleagues to join me in support of this policy now and in the future. I ask them to help keep the trust, confidence, and credibility of the American public in their Government officials.●

## AMENDMENTS SUBMITTED FOR PRINTING

### NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS ACT—S. 562

AMENDMENT NO. 235

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

Mr. McGOVERN submitted an amendment intended to be proposed by him to S. 562, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

Mr. McGOVERN. Mr. President, today I am pleased to submit an amendment I plan to offer to S. 562, the Nuclear Regulatory Commission authorization which is tentatively scheduled for floor action next week. I offer this amendment on behalf of myself and Senators RIEGLE, LAXALT, BUMPERS, GRAVEL, BAUCUS, HATFIELD, LEAHY, MATSUNAGA, CANNON, METZENBAUM, and EAGLETON.

This amendment comes to grips with the important issue of State rights regarding site selection for the disposal of nuclear waste. Specifically, this amendment would allow any State under consideration for a nuclear waste disposal site to request the convening of a task force comprised of appropriate Federal officials, the Governor of the affected State, and appropriate local representatives. The purpose of this task force would be to allow considerable input and

interaction with the Federal Government in the site selection process.

The State role of waste facility siting has been overlooked since the beginning of the Federal nuclear waste management program. In 1975, ERDA inherited the responsibility of recommending and carrying out the Nation's waste management policy. This responsibility is overwhelming because, without success, the potential for major development of nuclear energy comes to a halt, or even worse, it means that the long list of disposal failures will continue. It is apparent that this effort must be a united effort by both Federal and State Governments.

Initial Federal efforts at waste facility siting responded only to a State's need to be notified of its consideration as a possible site. But the final regulation directed at the last phase of the siting process simply states that "ERDA will make all decisions regarding the location of a repository."

We have made little progress since that time in terms of firm policy and legislative commitments to States that their rights are affirmed. However, the Interagency Review Group, established by the President in 1977, published its report in March 1979, establishing the basis for administration policy on long-term nuclear waste management programs. This report stated:

> The IRG does not believe that a policy preference for either exclusive Federal Supremacy or State veto is appropriate at this time. The IRG, does believe, however, and recommends that the consultation and concurrence approach should be adopted . . . Under this approach the State has a continuing ability to participate in activities at all points throughout the course of activity and if it deems it appropriate to prevent the continuance of federal activities.

This amendment is entirely consistent with the policy objectives stressed by the IRG report. The Department of Energy has already gone on record that they are pursuing this policy. However, given the previous breakdowns in Federal-State relations on this important issue, I believe we must legislatively recognize the rights of our State governments.

This amendment, would guarantee States a voice in the councils of Federal energy decisionmaking. It does nothing more and nothing less than allow the people most directly affected to exert minimal control over decisions made affecting their lives.

Mr. President, I am introducing the amendment today because I want to give Senators an opportunity to familiarize themselves with it before we consider the Nuclear Regulatory Commission authorization, which I understand is tentatively scheduled for floor action next week.

Mr. ROBERT C. BYRD. It may be this week.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD.

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

AMENDMENT NO. 235

On page 19, insert the following after line 16:

SEC. 208. Chapter 19 of the Atomic Energy Act of 1954 is amended by inserting the following new section after section 241:

"SEC. 242. Notice to States With Regard to Disposal of Nuclear Waste.—

"a. Except as may otherwise be provided, the Chairman shall notify (and publish such notice in the Federal Register) the Governor, the presiding officers of the various chambers, where applicable, of a State legislature, and where applicable, the Tribal Council of any affected Indian tribe, of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for construction of facilities intended for the storage or disposal of radioactive materials.

"b. Except as may otherwise be provided, the Chairman shall, after making the notification required by subsection a., and upon the request of the Governor of an affected State or an affected Tribal Council, establish a Federal and State Radioactive Materials Management Commission (hereinafter in this section referred to as the 'Commission') for the purpose of achieving, in an expeditious manner, substantial concurrence between the State, the affected Indian tribe, and the Department of Energy for each proposal made by the Department of Energy regarding site selection, evaluation, contracting, or construction of facilities intended for the management and storage of radioactive materials including high-level defense waste, spent fuel reactor assemblies, transuranic materials and other mid- and high-level radioactive materials.

"c. The Commission shall consist of—

"(1) the appropriate officials from the Nuclear Regulatory Commission designated by the Chairman,

"(2) a representative from the Department of Energy designated by the Secretary,

"(3) a representative from the United States Geological Survey,

"(4) the Governor of each affected State, or his designated representative,

"(5) a representative of any affected Tribal Council,

"(6) not to exceed six State or local officials, or interested citizens from the affected State designated by the Governor, in consultation with the leadership of the State legislature,

"(7) such other individuals to be selected at the discretion of the Chairman or the Governor of the affected State.

"d. The Commission shall meet to examine all proposed actions to be taken under subsection a., with the objective of achieving substantial concurrence on each and any socioeconomic, institutional, technical, environmental, health, and safety issues associated with such action.

"e. In the event that the Commission representatives of the affected State determine that concurrence cannot be achieved with regard to any proposed action, the Governor, in consultation with the other Commission members from the affected State, shall file a report stating his objections and identify acceptable alternatives.

"f. The State legislature of any affected State may by joint or concurrent resolution or by law, or in those States with a unicameral legislature by single resolution, or by other powers subject to each State's constitution concur or issue nonconcurrence with the decision of the Commission.

"g. No Federal agency or its representative shall proceed with any project for storage or disposal of radioactive materials unless the State has determined that its objections have been resolved.".

## DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 28

AMENDMENT NO. 236

Mr. WEICKER submitted an amendment intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

● Mr. WEICKER. Mr. President, I am today submitting a substitute amendment to Senate Joint Resolution 28 (the direct election resolution) to abolish the office of Presidential elector and require that all of each State's electoral votes would be awarded to the Presidential ticket carrying the popular vote in that State.

The amendment I propose has been referred to as the "automatic plan" and represents a reasoned alternative to other plans for reform of the electoral college system for the election of the President. Fundamentally, the automatic plan would work like the present procedure except that the possibility of an elector voting for someone other than his or her party's nominee would be eliminated.

Thus, my amendment seeks to cure a major defect of, rather than scrap, the electoral vote system. The possibility of the so-called "faithless elector" is very real, if infrequent; a brief survey of recent elections turns up a number of faithless or unpledged electors who have voted their whims and prejudices. The potential of such actions dictating the outcome of a presidential election cannot be discounted.

As the Senate Report (95-609) on Senate Joint Resolution 1, the predecessor of Senate Joint Resolution 28 in the 95th Congress, states:

> . . . In nearly all of the states, according to state laws, the party electoral slate that wins a statewide or popular vote plurality is awarded all of the state electoral votes. Four States—Alaska, Florida, Oklahoma, and Oregon—require electors to pledge themselves, or swear an oath, to vote for their party nominees. In approximately one-third of the states there are statutory provisions requiring electors to vote for the candidates of their party. The constitutionality of these pledges and the statutory requirements, however, are very doubtful. See *Ray* v. *Blair*, 343 U.S. 214 (1952).
>
> . . . A Senate report published in 1806 caustically noted that the free and independent electors had "degenerated into mere agents in a case which requires no agency and where the agent must be useless if he is faithful and dangerous if he is not." More than 145 years later, however, the elector still retains this constitutionally guaranteed independence. In January 1969, Congress confirmed this 18th century prerogative by accepting the vote of a popularly chosen Republican elector from North Carolina who had cast his vote in the Electoral College for George Wallace, the American Independent Party candidate. Again in 1973, a Republican elector from Virginia was allowed to cast his vote for one Dr. John Hospers of the Liberation Party. An elector from Washington, Mike Padden, cast his vote for his personal choice, Ronald Reagan in 1976.

Mr. President, the debate on reform or replacement of the electoral college system has produced often conflicting conclusions as to the relative advantages or disadvantages of alternative systems of presidential election.

It is my considered opinion that our current system requires candidates to achieve broadbased support for election, whereas, a direct election system might allow a candidate with overwhelming appeal in one region to take office. The electoral college, therefore, forces candidates to speak to issues and regions they might otherwise ignore.

I am aware of the contrary arguments of my colleagues on the other side of this issue and respect their conclusions. Proponents and opponents of the direct election amendment offer various quantitative analyses to buttress their positions. However, I submit that the various interpretations of the raw data, "independent biases," and methodologies of comparative analysis, all serve to confuse more than to clarify what is fundamentally a constitutional issue.

After all the debating points are scored, the Senate might well heed the words of then Senator John F. Kennedy, who in 1956 forcefully argued against radical departure from our traditional system of electing the President, concluding:

> Today we have an electoral vote system which gives both large States and small States certain advantages and disadvantages that offset each other.

I am not convinced that a compelling argument for replacing the electoral vote system has been made. Therefore, I propose eliminating not the system but a major flaw in that system.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

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

AMENDMENT NO. 236

Beginning with page 2, line 3, strike out all through page 4, line 6, and insert in lieu thereof the following:

"ARTICLE—

"SECTION 1. The President and the Vice President shall be elected as provided in this article. No person constitutionally ineligible for the office of President shall be eligible for that of Vice President.

"SEC. 2. On the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin, unless the Congress shall by law appoint a different day, there shall be held in each State and in the District of Columbia an election in which the people thereof shall cast their votes for President and for Vice President. In such election, each voter shall cast a single vote for two persons, one a candidate for President and the other a candidate for Vice President, who shall have consented to the joining of their names on the ballot. No candidate shall consent to the joinder of his name with that of more than one other person. The places and manner of holding the election shall be prescribed in each State by the legislature thereof but shall be subject to regulation by the Congress. The voters in each State shall have the qualifications requisite for persons voting for members of the most numerous branch of the State legislature. The voters in the District of Columbia shall have the qualifications prescribed by the Congress.

"SEC. 3. Each State shall have a number of electoral votes equal to the whole number of Senators and Representatives to which that State may be entitled in the Congress. The District of Columbia shall have a number of electoral votes equal to the whole number of Senators and Representatives to which the District would be entitled in the Congress if it were a State, but in no event more than the number of electoral votes of the least populous State.

"The electoral votes of each State and the District of Columbia shall be cast for the persons receiving the greatest number of votes for President and for Vice President in that State or District in the election provided for in section 2.

"Within forty-five days after the election, or at such other times as the Congress may direct, the official custodian of the election returns of each State and of the District of Columbia shall prepare, sign, certify, and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate, a list of all persons for whom votes were cast for President and a separate list of all persons for whom votes were cast for Vice President. Upon each such list there shall be entered the number of votes cast for each person whose name appears thereon, the total number of votes cast for all such persons, and the name of the person for whom the electoral votes of such State or District are cast.

"SEC. 4. On the 6th day of January following the election, unless the Congress shall by law appoint a different day not earlier than the 4th day of January and not later than the 10th day of January, the President of the Senate shall, in the presence of the Senate and the House of Representatives, open all the certificates, and the electoral votes shall then be counted. The person having the greatest number of votes for President shall be the President, and the person having the greatest number of votes for Vice President shall be the Vice President, if such number be at least 40 percent of the whole number of electoral votes. If no person has at least 40 percent of the whole number of electoral votes for President or for Vice President, then from the two persons receiving the highest number of electoral votes for such office the Senate and the House of Representatives sitting in joint session shall immediately choose such officer by ballot. A quorum for this purpose shall consist of three-fourths of the whole number of the Senators and Representatives. The vote of each Member of each House shall be publicly announced and recorded. The person receiving the greatest number of votes shall be chosen.

"SEC. 5. The Congress shall have power to enforce this article by appropriate legislation.".●

## NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. CHILES. Mr. President, I would like to announce that the Committee on Governmental Affairs will be holding 1 day of hearings on the nomination of Mr. Thomas F. McBride to be the Inspector General for the Department of Agriculture. The hearing will be held in room 3302, Dirksen Senate Office Building, at 10 a.m. on Tuesday, June 19, 1979.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, on July 12 the Committee on Governmental Affairs will hold hearings on S. 2, "The Sunset Act of 1979."

Witnesses on that day will be Elmer Staats, Comptroller General of the United States; Commissioner Philip A. Loomis, Jr., of the Securities and Exchange Commission; Mark Green and Frances Zwenig of Congress Watch; and Peter Bloch of the American Bar Association.

Other persons wishing to provide testimony for the record of the hearing on S. 2 should contact the Committee on Governmental Affairs, room 3308, Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce that the Committee on Energy and Natural Resources will continue its public hearings on title II of S. 1308, the proposed Energy Supply Act on July 9 and July 13, 1979. Title II is a proposed Priority Energy Project Act to expedite Federal actions on nationally significant energy projects and facilities. The hearings will begin at 8 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions concerning these hearings should be directed to Mr. Jim Pugash and Mr. Owen Malone of the committee staff at 224-0611 and 224-7141.●

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION AND FORESTRY

● Mr. MELCHER. Mr. President, at 9 a.m., Friday, June 22, the Subcommittee on Environment, Soil Conservation and Forestry of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on supplies of timber in the Nation, and the impact of those supplies on inflation. The hearing will be held in room 324 of the Russell Senate Office Building.

Invited witnesses will be the Chief of the Forest Service and the Chairman of the Council on Wage and Price Stability. Public witnesses may submit statements for the hearing record.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly and Business Rights will hold 2 additional days of hearings on S. 1246, the Energy Antimonopoly Act of 1979.

On June 25, the hearing will begin at 9:30 a.m. in room 1318 Dirksen Senate Office Building and on June 26, the hearing will begin at 10:30 a.m. in room 6226, Dirksen Senate Office Building.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, On Friday, June 22, the Committee on Energy and Natural Resources will hold a hearing on the President's nomination of John T. Rhett to be Federal Inspector for the Alaska Natural Gas Transportation System. The hearing will begin at 9 a.m. in room S206 of the Capitol.

The administration has submitted the following biographical information about Mr. Rhett:

BIOGRAPHICAL INFORMATION ON JOHN T. RHETT

John T. Rhett joined the Environmental Protection Agency in March 1973 as the Deputy Assistant Administrator for Water

Program Operations following his retirement as a Colonel in the U.S. Army Corps of Engineers. He is responsible for administering EPA's major operating programs in the water pollution control field: specifically, the multi-billion dollar grant program for Construction of Municipal Wastewater Treatment Facilities; the National Operator Training and Maintenance Program for Municipal Wastewater Treatment Facilities, the Federal National Response Program (in conjunction with the U.S. Coast Guard) for Oil and Hazardous Materials Spills into Waters of the United States; the National Ocean Dumping and Discharge Programs; and the Environmental Emergencies.

A commissioned officer with the Corps of Engineers since 1945, Colonel Rhett served at posts both here and abroad. His assignments included two years with SHAPE; Chief of the Engineering Division of the U.S. Army Construction Agency in Vietnam; District Engineer of the Louisville Engineering District; and Resident Member, Board of Engineers for Rivers and Harbors.

Receiving his B.S. degree from the U.S. Military Academy, Colonel Rhett also has a Master's degree in Engineering from the University of California and a Master's in International Relations from George Washington University. He is a member of Chi Epsilon Honorary Engineering Fraternity; (Fellow) American Society of Civil Engineers; (Diplomate) American Academy of Environmental Engineers; (Member) Society of American Military Engineers; (Member) Water Pollution Control Federation; and a Registered Professional Engineer in both Florida and the District of Columbia. He has received EPA's highest award, the Gold Medal for Exceptional Service (1976), as well as Outstanding Performance awards—1978 and 1979.

Born in 1925, Colonel Rhett and his wife Helen reside in Arlington, Virginia.●

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on a judicial nomination.

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

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 20, 1979, beginning at 1 p.m. to hold a hearing on S. 330, the Veterans' Adjudication and Judicial Review bill.

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

SUBCOMMITTEE ON REGULATIONS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Regulations of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider mandatory price and allocation controls legislation.

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

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 21, 1979, beginning at 2 p.m. in order to hold a markup session on crop insurance legislation in addition to food stamp legislation.

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

SUBCOMMITTEE ON WATER RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today, beginning at 5:30 p.m., to consider the Water Resources Development Act.

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

COMMUNICATIONS SUBCOMMITTEE

Mr. CHURCH. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, to hold a hearing on S. 611 and S. 622, the Communication Act amendments.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, to hold an oversight hearing on household goods moving industry.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. JAVITS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, beginning at 2 p.m., to discuss the SALT II Treaty.

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

## ADDITIONAL STATEMENTS

### EDITORIAL BY THE HONORABLE ROBERT C. BYRD

● Mr. CHURCH. Mr. President, on June 15, 1979, an editorial appeared in the Washington Post by the distinguished majority leader. The editorial is entitled "SALT: How We Should Think About It." The majority leader, in his usual manner, describes with evenhanded clarity, the need for calm and deliberate reflection on the important SALT II Treaty.

The type of leadership has served the Senate and the Senate Foreign Relations Committee well. I commend the article to my colleagues and hope that they will heed its advice. I ask that the editorial be printed in the RECORD.

The editorial follows:

SALT: HOW WE SHOULD THINK ABOUT IT

It may be impossible to evaluate and reach a decision on a strategic arms limitation agreement in a purely objective atmosphere, free from the slightest hint of emotionalism, and stripped of political considerations.

However, there are certain arguments that have been made that tend to evaporate under cursory examination and that are not worthy of the task before the U.S. Senate. It is my purpose here to state what I believe should be the foundational tone of the deliberations.

With the signing of the treaty imminent, I first hope the prevailing mood will be one of objective, independent judgment—not prejudgment—and that the climate for the discussions will be nonpartisan. I consider this decision on SALT II to be as momentous and potentially vital as any in my three decades in Congress.

Because I consider the stakes so high, I am concerned that the peripheral and extraneous issues may come to overshadow the meritorious arguments for or against the treaty and could distract senators from a studied process of decision-making. I do not deny that much of the discussion is healthy, or that it will contribute to a national understanding and awareness of SALT II. However, our ultimate purpose must be kept in focus at all times.

Recently, the president of the United States told a group of assembled reporters that our peace-loving nation would be seen as a "warmonger" if the U.S. Senate rejected the proposed SALT agreement. In my opinion, such an argument is not a creditable one, and it neither pricks the conscience nor challenges the intellect. It serves merely to cast a cloud over the preamble of our deliberations.

While no one should worry about this false imagery, neither should the present debate be pervaded by chauvinistic and hard-nosed assertions of "must" amendments, reservations or understandings. By doing so, we stand in danger of placing ourselves in concrete positions before our eyes have even fallen on the actual treaty text.

The fact is that the treaty has taken three administrations and seven years to negotiate. After it is signed and submitted to the U.S. Senate, the Foreign Relations Committee will begin hearings the second week in July. Thereafter, the Armed Services Committee will hold hearings and the Select Committee on Intelligence will also examine aspects of the treaty. The documents deserve the opportunity of careful scrutiny by these committees, free from premature discussions of possible changes while the signatures are still drying.

Perhaps some of the concerns that have been expressed may diminish as the final text is made available. In addition, other problems may be satisfactorily resolved during the committee hearings. Put simply, there is no need to rush to judgment when there is ample time to proceed in a serious and deliberate manner. It could well be that, after careful consideration, the Senate may deem it necessary to make changes in the treaty or in the resolution of ratification. I may or may not eventually favor such an action, but that kind of decision, which could carry far-reaching consequences, should be made only after the most thoughtful scrutiny and analysis.

There has also been the suggestion that the U.S. Senate, if it rejects the treaty, will have pulled the trigger on an arms race between the United States and the Soviet Union. In my opinion, the Senate is well aware of the dangers of a renewed arms buildup, but any decision must be made against the backdrop of reality.

It may be in the interest of the United States to approve the SALT II agreement; or, the compelling national interest may dictate that we reject the treaty. At this moment, I have taken no position on SALT II, nor do I expect to do so in the immediate future.

At present, I consider my education to

be still in the relatively early stages on this vastly complicated issue. This is true even though I have had briefings pro and con on the subject for weeks, both from administration officials and civilian experts on strategic arms. I know that a number of the other senators have also been meeting on and studying these issues.

When I do decide, my judgment will be centered on this basic evaluation: Will the United States be better off with this treaty than without it? In seeking the answer to that question, I am confronted with at least two other queries:

First, what will be the net effect of the treaty on the strategic balance and the United States' national security?

Second, can the agreement be adequately verified, not only to my satisfaction, but also to that of experts in this field?

Finally, I would hope that any decision on SALT II would be free from partisan politics. This is one of the most important reasons for the U.S. Senate moving ahead to complete, if possible, its consideration of the treaty this year. The matter of a SALT treaty is too vital to the national interests for it to become entangled in presidential politics, by any candidate of any party—including my own.

The president believes the administration has an agreement that is sound and merits the confidence of the U.S. Senate and the American people. It will be the Senate's responsibility to determine whether, in its judgment, that is the case.

In my own mind, I am convinced that the American people want the U.S. Senate to ratify a sound SALT agreement. They want to feel that the potential for nuclear destruction has been diminished, and that our world is a more secure and safer place.

At the same time, though, I have no doubt that the people of our nation would not want the U.S. Senate to give its endorsement to a treaty that was contrary to the best interests of the United States.

The people want a good treaty.●

## THE CAPITAL FORMATION PROBLEM

● Mr. WEICKER. Mr. President, last year I joined many of my colleagues in urging the reduction of the capital gains tax rate. It was my opinion that this change was needed to enable smaller companies to raise the equity capital they so desperately need. By reducing the capital gains tax, the risk-to-reward ratio is improved for a potential investor. Congress did cut the capital gains tax from 49 to 28 percent, thereby enabling an investor to retain 72 cents on the dollar for a successful investment, instead of only 51 cents.

I am pleased to report to my colleagues that the capital gains tax reduction has indeed resulted in increased investment in our Nation's smaller businesses. Last year, there were 46 initial public offerings which raised $250 million, an increase of 63 percent over 1977. The situation appears to be even better this year, as in the first quarter 15 companies went public and raised $68 million, which represents a staggering 1,000-percent increase in capital raised compared to the same period last year. In addition to supplying these companies with capital, the rejuvenation of the new issues market will help other businesses, as investors in the corporations which have gone public have a market in which to sell their stock and then reinvest in other new ventures.

Last Friday, the Wall Street Journal published an article entitled "Venture Capital Is Plentiful Once More, Partly Due to Change in Capital Gains Tax." It was observed in that article that—

New small companies, rather than established large ones have been responsible for such technological wonders as the light bulb, instant photography, the minicomputer and the plain-paper copier.

The resurgence of venture capital will help these companies grow and develop new technologies.

Likewise, an article entitled "Comeback for the Dream Merchants," which appears in the June 25 edition of Forbes, estimates that $1 billion in new industry will be invested "in the next Xerox." This is an amount 10 times that available 2 years ago. Much of this money will be invested in high-technology computer and electronics firms, thereby helping America to retain its leadership in the field of technology.

Mr. President, credit must also be given to the Securities and Exchange Commission, which has taken many steps to help small businesses raise capital. Perhaps most importantly, the SEC has eased its regulations on selling restricted securities that were first purchased without the filing of a full prospectus. This enables large investors to sell their stock in companies more quickly, thereby permitting them to reinvest in other promising ventures. Likewise, the Labor Department has assisted by clarifying its position on the fiduciary responsibilities of pension fund trustees, thereby allowing them to invest in new ventures.

A word of caution must however be expressed. As noted in the Forbes article, "many of the excesses that caused the venture market to collapse in the late sixties are already beginning to reappear." Although the Federal securities laws afford protections to investors and the SEC's Enforcement Division does an excellent job of maintaining the integrity of the marketplace, abuses will surface. I strongly urge potential investors to carefully study each intended investment.

Mr. President, I am encouraged by what I have read in these articles, and I think that my colleagues should also be enthused. However, we cannot rest on our laurels. Deserving small businesses still do not have easy access to the capital they need for growth. I am presently studying numerous legislative proposals designed to help small businesses raise capital. Shortly after the Fourth of July break I expect to introduce legislation creating a "small business participating debenture." As Arthur Andersen & Co. related when they suggested this idea on testimony presented at a Small Business Committee hearing that I chaired, the vast majority of small businesses want to remain privately owned. My legislation is designed to help these privately held companies raise the capital necessary for continued growth. I hope that my colleagues will give their careful attention to this, and other, proposals to alleviate the capital formation problem confronting our Nation's smaller businesses.

Mr. President, I ask that the two articles referred to be printed in the RECORD.

The articles follow:

RETURN OF THE RISK-TAKERS: VENTURE CAPITAL IS PLENTIFUL ONCE MORE, PARTLY DUE TO CHANGE IN CAPITAL-GAINS TAX

(By William M. Bulkeley and Lindley B. Richert)

Bernard J. O'Keefe is well-acquainted with risk. As a young scientist engaged in weapons research in the mid-1940s, he once climbed a 300-foot tower in the Nevada desert to disarm a nuclear device that had failed to detonate.

Today, at age 59, he is still taking chances. Mr. O'Keefe is chairman and chief executive of EG&G Inc., a scientific instrumentation and testing concern based in Wellesley, Mass. Recently he put $1 million of his company's money into a limited-partnership fund. He could lose it all in risky investments in new high-technology companies. But Mr. O'Keefe is betting that his money will finance firms that will return as much on capital as the 52 percent that EG&G returns before taxes. If he wins his bet, he believes, he will get "a better window on new-product developments" and be performing a social service by aiding entrepreneurs as well.

Decisions like Mr. O'Keefe's are increasingly common because venture capital is suddenly fashionable again. After languishing for years, the venture-capital market is booming. Among the reasons: recent spectacular successes by some companies financed by venture capital, increasing corporate acquisitions, and changes in the capital-gains tax and in some securities laws. Some new companies are even turning away funds, and observers are beginning to worry that there is more money chasing deals than there are good deals to be had.

"MORE ACTIVE AND VIGOROUS"

"The industry is more active and more vigorous than at any time since 1969," says Reid W. Dennis, a West Coast venture capitalist. He is also chairman of the National Venture Capital Association, a trade group.

He says managers of venture-capital funds raised $215 million last year and have already raised $69 million this year on the way to a goal of as much as $300 million. Those figures don't include money available from many big banks and such industrial concerns as General Electric Co. and Textron Inc., which have their own venture-capital arms. In all 1977, he says, only $20 million was raised.

The current boom reverses a five-year trend that began in the second half of 1973 when the depressed stock market and subsequent recession caused a drought in venture capital. Investors refused to buy new stock issues, making it heard to take private companies public. That made venture-capital investments undesirable because it meant it would be difficult for investors to realize profits by selling stock to a wider group.

The resurgence of venture capital is important because it is a key to the development and survival of new companies and because new companies are vital to the economy. Some of these firms develop new technologies, compete successfully with older, stodgier firms and even spawn new industires.

New small companies, rather than established large ones, have been responsible for such technological wonders as the light bulb, instant photography, the minicomputer and the plain-paper copier. "The lifeblood of this economy has been in backing new ideas and a lot of the best have come from individuals who couldn't sell them within their own or-

ganizations," says William Donaldson, dean of the Yale Graduate School of Organization and Management.

When these firms are starting, many don't have the money to get off the ground. Entrepreneurs without any assets other than their ideas can't hope to repay investors for five or even 10 years. "In a start-up situation, you're investing a payroll. And when you invest in payroll, you're investing in losses," says E. F. Heizer, chairman of Chicago-based Heizer Corp., one of the nation's biggest and most successful venture-capital firms.

"PORTFOLIO APPROACH"

In the past, venture capital has generally come from private investors who were willing to back an inventor or innovator. But in the past 30 years, such financing has come increasingly from firms set up specifically to help a number of entrepreneurs in return for equity in the fledgling businesses. That's good from the viewpoint of investors in the venture-capital firms; the investors don't have to keep as close an eye on their investments. "This new portfolio approach permits us to better leverage our time as well as our money," says Mr. O'Keefe, who put EG&G's $1 million in a new fund that was organized by two former executives of Citicorp's venture unit and is known as Welsh, Carson, Anderson & Co.

Despite the nature of their investments, venture-capital firms have increasingly found ways to limit their overall risk. More and more big investments are handled by several firms, one or two of which will monitor the new company's progress. In the past, it was common to have one venture-capital firm supply all the money for a small venture.

"Generally now we're part of a syndication rather than a sole investor," says Larry J. Lawrence, president of Citicorp Venture Capital. "We're seeing a lot more chances to participate from the private funds" than five years ago, he adds.

Venture-capital firms also are increasingly involved with less risky small companies that already have established products but need an injection of capital for rapid expansion.

REASONS FOR RESURGENCE

Observers trace the resurgence of venture capital to a number of factors, the most important of which is the track record established by many venture firms over the past five years.

Several young companies backed by venture capital have recently emerged as spectacular successes. For instance, there is Amdahl Corp., a West Coast computer maker that successfully challenged International Busines Machines Corp. in the large-computer field. Heizer, the venture-capital firm that backed Amdahl from the time its founder was still working for IBM, now holds four million shares, or 23% of the company's stock, valued at $160 million.

Although Heizer has been unusually successful, other firms can also cite impressive results. It is that kind of success that may hold the seeds of trouble, venture capitalists concede. "There haven't been any real disasters. In recent years, the business was highly selective because so little money was available," says the trade-group president, Mr. Dennis, who is himself a managing partner of Institutional Venture Associates of Menlo Park, Calif. With more money looking for good deals, there is more danger that some venture capitalists will get burned making investments that a year ago might have been dismissed as too risky. But that, he notes, is the way venture capital is supposed to work. "The business really became more selective than was good for the country," he says.

The growing penchant for corporate acquisitions has strengthened the venture-capital business because it gives investors a chance to sell their interest in a company. "You can't look at the (stock) market as a prime way out of an investment any more," says Jeffrey W. Wilson, an investment officer with First Venture Capital Corp., an arm of First National Bank of Boston. "You ask, 'Would this fit in as a product line for a major company?' "

In the past few years, the government has taken a hand as well. The most important action, according to many venture-capital firms, was the passage last fall of a reduction to 28 percent from 49 percent in the maximum capital-gains tax for investments held over a year.

The Securities and Exchange Commission also helped when it eased its regulations on selling restricted securities that were first purchased without the filing of a full prospectus. Under the change, Business Development Services Inc., GE's venture-capital unit, calculates that it now can sell all its stock in one investment while under the old rule it couldn't have sold out for 14 years.

Even the Labor Department has increased the availability of capital for venture firms. It recently issued a proposal clarifying its position on the fiduciary responsibilities of pension-fund trustees. The proposed regulation makes it clear that "investments other than stocks and bonds would be reasonable," says Stewart Greenfield, a managing partner of Oak Investment Partners, a new fund that just raised $25 million, including $3 million from pension funds.

For the entrepreneur, the swelling venture-capital market can be good news indeed. Take Magnuson Systems Corp., a firm founded three years ago to make IBM-type big computers. Last year, Fairchild Camera & Instrument Corp. invested $4 million to expand development and marketing at the audacious little Santa Clara, Calif., company. Early this year, Magnuson began to raise money from venture capitalists for building manufacturing and sales operations. Joseph L. Hitt, president and chief executive, says Magnuson planned to raise $5 million. But it was offered more than $10 million, Mr. Hitt says, and it decided to take $10 million, fulfilling its capital needs for the foreseeable future. "We had an awful lot of interest," he notes.

"There's a lot of money out there, and there's a willingness to invest it," he concludes.

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COMEBACK FOR THE DREAM MERCHANTS

(By Nick Galluccio)

Dust off that dream. After a near-dormant decade, the venture capital business is booming again. This year alone an estimated $1 billion in new money will be put into financing "the next Xerox," more than ten times the amount available only two years ago. A lot of the money is chasing after high-technology computer and electronics companies, many of which are nestled among the electronic giants operating out of northern California's Silicon Valley. But money is also pouring into such diverse fields as medical research and heavy manufacturing. Other beneficiaries of all this largesse include established dealmakers such as New York's Patrick Welsh and Russell Carson, the San Francisco firm of Hambrecht & Quist as well as scores of new dream merchants who are sprouting up around the country to assist in channeling the new money.

They are backing some real long shots these days. Here's Magnuson Systems Corp., a capital-starved upstart that hopes to take on IBM. Magnuson was started in 1977 by three California entrepreneurs. Although the firm has only recently built its first medium-size mainframe computers, it was able to raise $10 million in the last three months by giving an investor group a scant 26% of its equity. Is $10 million, equal to $7 a share, too much to pay for little more than a dream? Says Bill Hambrecht, senior partner in Hambrecht & Quist, "The risks are horrendous," and if the company actually gets off the ground "they will be even greater" when it tries to take on IBM. Yet Hambrecht's firm has put $1.5 million into Magnuson.

Why? Sutter Hill Ventures' William Draper, who invested $300,000 in Magnuson, says: "The worst feeing is when you turn down something that becomes a real great winner and then you ask yourself, 'Why was I so picky?' Nobody will probably make very much on that company, but they all felt they needed to be in it."

Magnuson's recent experience contrasts sharply with that of Amdahl Corp., another computer maker which, only six years ago, had to go outside the U.S. to get much of the money it needed to finance a high-stakes gamble against IBM's top-end computers. Amdahl was able to tap Chicago's Heizer Corp. for $6 million, but "no one else in the States wanted to touch us," says Clifford Madden, Amdahl's vice president-finance.

The change in the climate can be traced directly to Congress, which last November cut the capital gains tax from 49% to 28%. While it isn't yet clear whether that cut has made much of a difference to the stock market, it certainly helped open the floodgates for venture capital. Wealthy individuals and families like New York attorney Frederick Adler, Raychem founder Paul Cook, the Hillmans of Pittsburgh and the Rockefellers. Big corporations like Ford Motor, Continental Group, EG&G, Fairchild Camera and American Express, to name a few. Insurance companies and banks like Aetna Life & Casualty and Connecticut General, Bank of America, Citibank and Security Pacific National. Even Harvard University, through its endowment fund. They're all getting into the act. Predictably, venture capitalists are themselves becoming entrepreneurs. Citibank lost six of its nine venture group members in the last year, all of whom have started their own funds; BofA's number-two man, Kirk Bowman, recently defected to San Francisco's VestVen. "A period like this tends to make investors say 'Yes' more often than 'No'," says Sutter Hill's Draper.

The dreamers, of course, have always been there. The American air seems to breed them. But the potential backers had gone elsewhere. By reducing the capital gains tax, Congress improved the odds for the backer. Instead of getting to keep 51 cents on the dollar of their winnings, the backers now get to keep 72 cents. The result is that the odds have improved by almost 50%. Without a chance at big winnings, venture capital is a loser's game, as there are inevitably more losses than gains. Los Angeles' Brentwood Associates, for example, estimates that over the next five years the aftertax gain on its present $8 million fund will be $3 million more than it would have been under the old law.

Other factors are behind the boom besides more favorable tax treatment. The Labor Department has told pension fund managers they can invest in new ventures without violating their fiduciary responsibilities. In the last six months over $50 million of pension money has flowed into venture funds, compared with under $5 million for the previous three years, according to *Venture Capital Journal*.

The venture capitalists are happiest when there is a flourishing new-issue market. That way they have someone to sell their winners to, so they can turn around and back additional ventures. Without the new-issue market, the venture capitalists tend to become

stockholders, even with relatively successful ventures. The new-issue market may be meager in comparison with the bull market of 1969 when 698 initial public offerings were made, but it is showing signs of revival. Last year there were 46 public offerings in which $250 million was raised, up 63% from 1977. Compare this with only 9 offerings at $16 million in 1974. This year is even better: in the first quarter alone, 15 new companies bankrolled at $68 million—1,000% more money than at the same time in 1978.

Finally, investors are obviously impressed by the heady performance of these few successful venture capital deals, such as Amdahl, Federal Express and Intel, which did get started during the past decade or so. Many venture funds have shown 30% to 40% annual compound rates of return for that period. Take the case of venture capitalist Arthur Rock. His $300,000 investment in Intel, made back in 1969, is worth over $20 million in today's market. Citibank and First Capital Corp. of Chicago each put $1.6 million into Federal Express in 1973 and each has returned about $11 million. Investors have made millions on smaller deals as well. A $1 million investment in Tandem Computers made in 1974 by the San Francisco venture firm now known as Kleiner Perkins Caufield & Byers is worth $32 million.

The bulk of the money is flowing into the hands of venture capitalists who, like Draper, set up limited partnerships for their investors and decide where to put the money. Each fund is diversified among a number of investments to minimize the risk. Magnuson, for example, was financed by a group of investors including the Rockefellers, Bessemer Securities, Time Inc., Brentwood Associates and Fairchild Camera.

With so much money chasing him, the entrepreneur today can call the shots and demand a bigger piece of the equity in the new company. Case in point: Chicago-based GST Laboratories, Inc., a company started three years ago that is developing an instrument to detect breast cancer. Desperately needing financing, inventor David Phillips and three founders, Richard Reilly, James Kelly and James Ryan, recently sought out San Francisco's Montgomery Securities. Montgomery offered to raise $3 million in return for 51% of GST's equity. The offer was turned down by the entrepreneurs, who have since found a sweeter offer. The Chicago investment banking firm of John H. Altorfer & Co. has promised to raise $2.5 million (in tax-shelter money), demanding in return a mere 20% of GST's equity.

Says Gib Myers, a partner in Menlo Park's Mayfield Fund: "It used to be that you would spend a month and a half doing homework on a prospective deal. No more. Today decisions are made in a week because investors can't wait to get in." In less than a week, for example, Kleiner Perkins Caufield & Byers closed their deal with Keith Swanson, who left Measurex last year to start Econics, a maker of computerized control systems for boilers. The firm bankrolled Swanson to the tune of $1.5 million for 55% of Econics' equity. The management team got 45% without putting up a dime.

With so much money available for these deals, many of the excesses that caused the venture market to collapse in the late Sixties are already beginning to reappear—high valuations, hasty decisions, entry into furiously competitive markets with second-rate products and novices putting deals together. "There are going to be some absolute horror stories down the road," says Timothy Hay, president of Security Pacific National Bank's venture capital group.

Another factor that is pushing money into venture capital is the dearth of good alternatives. At a time of double-digit inflation, even high-yielding fixed-income investments show negative yields. The stock market as a whole is not going anywhere. Gold is for the constipated. And real estate is getting almost ridiculously overpriced (FORBES, June 11). What's left? Venture capital.

Noel Atkinson, 62, is a California real estate consultant who has for 20 years been putting together limited real estate partnerships as tax shelters for doctors, lawyers and other wealthy individuals. Says Atkinson: "Real estate prices are getting bid so high that people are buying break-even properties. To hell with it, I'm going to get into venture capital; I just have to call my investors and they will write me out a check."

For his first foray into the venture market Atkinson is raising $1 million to bankroll an electronic graphic-plotting machine developed by a man who has been unable to get backers for five years.

Many newcomers to the field are mesmerized by the Amdahls, Federal Expresses and Tandem Computers. They forget that these fat successes were spawned when money was scarce and very choosy. With money less choosy, the failure rate is inevitably higher. Moreover, if the recession proves a bad one, many of these fledgling ventures are going to die for lack of fresh capital; today's eager backer can easily become tomorrow's hard-hearted no-sayer.

Says Morton Collins of Princeton's DSV Associates, a 12-year veteran of the business: "I don't think this is a particularly attractive time to invest. I would rather be countercyclical. Two years from now many of these deals will look disappointing to their investors—I look forward to refinancing them at bargain prices." He may be right. Yet nobody seems to care. It's kind of like going to the races. You don't really expect to win, but look at the fun you can have if even one of your nags turns out to be a longshot winner.●

## THE ENERGY ANTIMONOPOLY ACT OF 1979

● Mr. BAYH. Mr. President, tomorrow the Senate Antitrust Subcommittee, on which I serve, will begin a set of hearings that I believe are as important as any that will be held by a Senate committee this year: Hearings on S. 1246, the Energy Antimonopoly Act, which I joined in cosponsoring with 12 of my colleagues late last month. Several days of hearings will be held on this bill this month, and I hope the Judiciary Committee will act quickly to report this critically important legislation to the Senate for early floor action.

The Energy Antimonopoly Act will prohibit the country's largest 16 oil companies from acquiring any company with assets greater than $100 million. Its purpose is very simple—to prevent the major, multinational oil companies from investing their money in department stores, circuses, or insurance companies and to restrain them from buying up all competing sources of energy. This is strong medicine, Mr. President, but it is necessary if we are to reduce their already pervasive political influence, break our dependence on OPEC and insist that the majors use their considerable resources to produce more oil and gas, which this country desperately needs, instead of using their capital to make nonproductive purchases of enterprises which are totally unrelated to the oil industry.

Mr. President, on the first of this month, the administration set in motion the initial steps for lifting ceilings on domestic crude oil prices. I am still hopeful that Congress will reverse this decision, which I do not believe is necessary to provide adequate incentives for additional oil and gas production.

The fact is that the major oil companies are cash rich and profit heavy and are the only one of our domestic institutions which has benefited from several rounds of OPEC price increases, which have sent the rest of our economy into a tailspin.

Last year, the industry earned $12.7 billion in profits. This year, first quarter profits have been even larger, with an industrywide increase which is 56.9 percent higher than last year, and about 20 percent better than that of the average manufacturing company.

Last September, Business Week compared the cash holdings of 35 major industries, showing that the fuel industry, with $16 billion, had easily twice the assets of any other industry, including the steel, automotive, chemical, aerospace, and utility industries. The eight largest oil companies—Exxon, Mobil, Texaco, Socal, Gulf, Standard Oil of Indiana, Atlantic Richfield, and Shell—accounted for 72 percent of the $16 billion. The combined cash flow of the 16 largest oil companies over $25 billion per year is sufficient to acquire a 50-percent controlling interest in 48 of the top 100 Fortune 500 corporations. I cannot believe that this is not sufficient to keep those rigs drilling.

Should the administration be successful in moving ahead with decontrol of oil prices, the oil companies, according to the administration's own figures—which many believe to be conservative—will add another $22 billion to their cash reserves over the next 6 years, even assuming the Congress passed the President's proposed windfall profits tax. Should no tax pass, oil company coffers will be enlarged by over $50 billion.

Should this come to pass, Mr. President, the sums available to these companies for corporate acquisitions will be staggering. The Congress must act to prevent them from using the public's money to invest in assets that do nothing to add to our energy independence. Without passage of S. 1246, I am not sanguine that much of this money will be used to produce more energy for a justifiably frustrated, angry and bewildered public. A look at the past behavior of America's oil companies in this regard is not comforting.

### NON-ENERGY-RELATED INVESTMENTS

Last year, in response to a request by my distinguished colleague from Massachusetts, Senator KENNEDY, the Federal Trade Commission prepared a list of post-1972 acquisitions by the 20 largest American oil companies. I shall submit this list for the RECORD at the conclusion of my remarks. I pick out a few entries for my colleagues, to illustrate what is likely to happen with the bloated profits that will flow from crude oil decontrol if we do not pass this bill:

A 1974 acquisition by Mobil of Marcor, a holding company for Container Corporation, one of the Nation's largest packaging firms, and Montgomery Ward, the Nation's seventh largest retailer, for $1.8 million; and

Mobil's pending bid for the Irvine Company, a land developer and agricultural company, made in 1976, for $336 million;

A 1977 acquisition by ARCO of Anaconda, a major copper producer, for $784 billion; of the Observor, a British newspaper, in 1976; and of Continental Cables and Conduits of Canada in 1977, an aluminum electrical conduit manufacturer;

A 1977 acquisition by Tenneco of L.D. Properties, Inc., an almond orchard, as well as of Philadelphia Life Insurance Co., for $170 million; of Monroe Auto Equipment, a firm that manufactures and distributes shock absorbers, for $190 million; and of ETS R. Bellanger in France in 1976, and Harmo Industries in Britain in 1975, both auto exhaust system manufacturers;

The 1976 acquisition by Sun Oil of Stop-N-Go Foods, Inc., Walter Norris Corp. (industrial machinery and equipment), and Audio Magnetics Corp. (electronic components), as well as more recent purchases of Applied Financial Systems (data processing for banks and trusts), Kat Products, Inc. (wholesale fasteners, industrial supplies, automotive equipment), and Unibrazze Corp. (welding alloys and supplies).

Recently proposed or completed mergers indicate more of the same in the future. Just a few weeks ago, Exxon offered $1.16 billion for Reliance Electric Co., an electric motor manufacturer; Standard Oil of Indiana proposed to acquire Cyprus Mines, a processor and marketer of nonferrous and industrial metals, worth about $450 million; and Sun Oil acquired one-third of the shares of Becton-Dickinson, a manufacturer of medical equipment, for $293 million.

Mr. President, investments in almond orchards, life insurance companies, electronic and medical equipment firms, British newspapers, copper mines, and automotive parts companies do not produce more petroleum products for American citizens sitting in gas lines. We must send the oil companies a clear message that they should be concentrating their resources on exploration of oil and gas, and not using the vast riches they are amassing, at the expense of the American consumer, to purchase existing companies that in no way contribute toward solving our energy problems.

Last year, Exxon had well over twice as many undeveloped acres of oil and gas reserves as developed ones, and Standard of Indiana has less than 10 percent of its 34 million net acres of oil exploration and development rights under production. I would prefer to see Exxon use its cash reserves to develop these assets than to produce electric motors.

I would likewise prefer to see Standard of Indiana develop its hydrocarbon reserves instead of dumping half a million dollars into Cyprus Mines. And I find it ironic and profoundly disturbing, Mr. President, that Gulf Oil, which tried to acquire the Ringling Brothers Circus a few years ago, just recently decided not to develop an extremely promising process for converting municipal, agricultural, and pulp and paper wastes into alcohol for use as a petroleum extender, while last year it acquired a Union Carbide polystyrene plant in Ohio and bought up Silver King Mines.

INVESTMENTS IN COMPETING ENERGY SOURCES

Equally as troubling to me, Mr. President, as the continued investment of oil dollars in nonenergy industries, is the continued acquisition by the major oil companies of their competitors in the oil, coal, and uranium businesses. Since Gulf's purchase of Pittsburgh and Midway Coal in 1963, the majors have continued to buy up vast coal and uranium reserves, with no apparent boost to energy production.

Oil companies own, in whole or part, three of the top four coal producers and now control almost half of all coal reserves leased or owned by private companies.

Three of the top four producers of uranium are controlled by oil companies, and over 60 percent of milling capacity is in the hands of the oil giants.

The lion's share of Federal research and development funds for synthetic fuels have also gone to the majors, resulting in their control over almost all patents awarded for coal-based synthetic fuel processes.

Yet, Mr. President, these acquisitions have not resulted in any apparent surge in energy production. Acquisition of coal reserves by the majors has been followed by either a static rate of production, or actual declines. At its present production rate, it would take Exxon 1,900 years to develop its vast coal reserves. And despite all those patents, there is still not one synthetic fuels plant in operation in the United States.

It seems to me, Mr. President, that the oil companies are hedging their bets by these investments. By buying up future sources of energy, the majors are assuring themselves that once we exhaust our supplies of oil and gas, there will always be an Exxon, a Gulf, or a Mobil. Every time that OPEC raises its prices, the value of Exxon's coal and uranium increases. Further acquisition of competing energy sources does not augur well for our future. It produces no new jobs. It produces no new assets. It adds nothing to the economy and, if anything, it appears to detract from energy production rather than stimulating it. Selling a coal mine to an oil company is like letting the foxes guard the hens.

GROWING POLITICAL INFLUENCE OF THE MAJORS

Finally, Mr. President, I call my colleagues' attention to what I perceive to be perhaps the most serious repercussion of continued conglomerate mergers by the energy giants—their ever-growing political influence and clear willingness to skirt the national interest when it is in their financial interest to do so.

Few of us will forget the refusal of the majors to supply fuel for the U.S. Navy during the Arab-Israeli war in 1973. Many of us feel that the majors do nothing to resist OPEC price increases, which greatly enhance the value of their domestic holdings. Many of us believe that the majors have repeatedly manipulated supplies to drive independent refiners and retailers out of business, and raise prices to consumers.

Few of us have not been awed and angered by the resources the majors continually bring to bear on the Congress, and the executive branch of the Government, when their interests are at stake.

Through their sheer size and control of vital natural resources, the major oil companies of this Nation already control our destiny far more than we like to admit. Permitting them to use their vast accumulated wealth to further their stranglehold over all sources of energy, and further acquire other corporate holdings, is ceding still more power and influence to a handful of corporate executives out to make a profit at any cost to the Nation.

Mr. President, it is the business of corporate executives to maximize their companies' profits and I have no quarrel with that. It is what keeps our economy and society ticking. But we here in Congress have a different responsibility—we are here to safeguard the public's interest and not vested private interests. We must prevent the oil octopus from reaching out any further and expanding their social, economic, and political power.

In his energy speech to the Nation early in April, the President said he would demand that the oil companies use their new income from oil decontrol to develop energy for America, and not to buy department stores and hotels. I believe the Congress should deliver on this pledge by quickly passing S. 1246. I look forward to working with my committee chairman, Senator KENNEDY, and the chairman of the Antitrust Subcommittee, Senator METZENBAUM, to report this bill out of committee for early consideration by the Senate.

The list follows:

| Acquiring company | Amount acquired 1 whole; 2 sub.; 3 div. | Year of acquisition | Assets | Year of assets | SIC No. | 1 stock; 2 cash; 3 both (C. & S.) | Industry acquired |
|---|---|---|---|---|---|---|---|
| Exxon Corp.: Compania Minera Disputads de Las Conde, S.A. (Chile).[1] | 1 | [2] 1977 | | | 7621 | 2 | State-owned copper mines. |
| Texaco Inc.: | | | | | | | |
| Polycarbona Chemie (West Germany)[1] | 1 | 1972 | | | 28 | 2 | Makes phthalic anhydride, maleic anhydride and plasticizers. |
| Jefferson Chemicals (England)[1] | 1 | [2] 1974 | | | 28 | 2 | Specialty production of chemicals used for veterinary medicines. |
| Jefferson Chemicals (Canada)[1] | 1 | [2] 1974 | | | 51 | 2 | Markets chemicals. |
| Tricentrol Ltd./Oil Gas (Trinidad)[1] | 3 | [2] 1975 | | | 13 | | Oil and gas retail merchandising enterprise. |

Footnotes at end of table.

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|---|---|---|---|---|---|---|---|
| Mobil Oil Corp.: | | | | | | | |
| Lesire Properties | 2 | [2] 1973 | | | | | |
| Marcor Inc | 1 | 1974 | 2,847.5 | 1974 | 5311 | | Merchandising and packaging other substances. |
| Irvine Co | 1 | [2] 1976 | 520.0 | 1976 | 6552 | 1 | Land developer and agriculture. |
| Pastucol (Italy) | 1 | 1972 | | | 26 | | Manufacturers of plastic grocery bags and polyethylene film products. |
| Mount Olive & Stauton Coal Co | 1 | 1977 | | | 1213 | 2 | Mines coal. |
| Gulf Oil Corp.: | | | | | | | |
| Schiavons Inc | 1 | 1973 | | | | 1 | |
| Kewanee Brands | 1 | 1977 | 389.0 | 1976 | 2819 | | Manufacturers of industrial chemicals and pigments (dyes). |
| Chevron Oil AG (Switzerland) [1] | 2 | [2] 1977 | | | | | |
| Propane Co. Ltd. (Canada) [1] | 1 | [2] 1976 | | | 51 | | |
| Trinity Gas Co. Ltd. (Canada) [1] | 1 | [2] 1976 | | | 51 | | |
| Petroleum Marketing Corp | 2 | [2] 1977 | | | | | Petroleum. |
| Standard Oil (Indiana): | | | | | | | |
| P.T. Pacific Nikkel Indonesia | 1 | [2] 1977 | | | | | A consortium develops high-grade nickel laterite deposits. |
| Analaz Devices, Inc | 1 | 1977 | 28.6 | 1976 | 3662 | 2 | Manufacturers of operational amplifiers, digital anologs, etc. |
| Cetus Corp | 1 | 1977 | | | | | |
| Shell Oil Co.: Witco Chemical Corp./Polybutylene Business. | 3 | 1977 | | | | 2 | Manufacture and wholesale wide ranges of chemical and petroproducts. |
| Atlantic Richfield: | | | | | | | |
| Parsons Cos | 1 | 1973 | 1.1 | 1973 | 5172 | 1 | Distributes gas & distillery fuels. |
| Sinclair-Koppers | 1 | 1974 | | | 2821 | 1 | Manufacturers of plastic materials, cyclid crude dyes (organic pigment). |
| Benson-Goss Fuels, Inc | 1 | [2] 1976 | .8 | 1976 | 5983 | 2 | Fuels. |
| Polyropylene | 3 | | | | 5161 | 2 | Chemicals and allied products. |
| Anaconda Co | 1 | 1977 | 2,050.9 | 1976 | 1021 | 3 | Nonferrous metal mining and processing, manufacturers of metals. |
| George Y. Brubaker, Inc | 1 | [2] 1977 | .9 | 1977 | 5983 | 1 | Sale of fuel oil and heating equipment. |
| I/C Engineering Corp | 1 | 1977 | | | 3662 | | Uses time division multiplex techniques in the process control industry. |
| Solar Technology International, Inc | 1 | 1977 | | | 3674 | | Develops and processes photovoltaic cells. |
| William C. Pullen, Inc | 1 | [2] 1977 | .7 | 1976 | 5993 | 1 | Sells fuel oil and heating equipment. |
| Nielsons, Inc | 1 | 1977 | 20.1 | 1977 | 1611 | | Heavy and highway construction. |
| Enbrook Oil & Gas Co. Inc | 1 | 1977 | | | | | Fuel. |
| The Observor (U.K.) (England) [1] | 1 | 1976 | | | 27 | 2 | British newspaper. |
| Continental Cables & Conduits (Canada) [1] | 1 | [2] 1977 | | | 36 | | Makes liquid tight and flexible aluminum electrical conduits. |
| Continental Oil: | | | | | | | |
| Ancon Chemical Corp | 1 | 1972 | | | 2818 | | Chemical corporation. |
| Oasis Petroleum | 1 | 1973 | | | 1311 | | Petroleum. |
| Tenneco Inc.: | | | | | | | |
| L. D. Properties Inc | 2 | 1977 | | | 0173 | 2 | Almond orchards. |
| Philadelphia Life Ins. Co | 1 | [2] 1977 | 644.8 | 1976 | | 1 | Insurance concern. |
| Monroe Auto Equipment Co | 1 | 1977 | 190.3 | 1976 | 3714 | 1 | Designs and manufactures and distributes hydraulic shock absorbers. |
| Le-Terre Co | 1 | 1974 | | | 6552 | 2 | Closely held company engaged in oil and gas exploration and development. |
| Palmetto Corp | 1 | 1972 | 193 | 1971 | 6513 | | Operators of apartment buildings. |
| Holiday Inns Inc./Foam | 3 | 1976 | | | | 2 | |
| Lorneterm Lgn Ltd. (Canada) | 2 | 1977 | | | | | Operates liquid natural gas terminal. |
| Starta-Werken A.B. (Sweden) [1] | 1 | 1975 | | | 37 | 2 | |
| Wilhelm Weller GMBH (West Germany) [1] | 1 | [2] 1972 | | | 35 | | Supplies medium size vibratory compaction equipment in Germany. |
| ETS R. Bellanger S.A. (France) [1] | 1 | [2] 1976 | | | 37 | 2 | Manufacturers of automotive exhaust systems. |
| Harmo Industries, Ltd. (United Kingdom) | 1 | [2] 1975 | | | 37 | 1 | Replacement parts (auto muffler, tail pipes, filters and accessories). |
| Phillips Petroleum: | | | | | | | |
| Cardinal Petroleum | 1 | 1974 | 13.9 | 1973 | 1311 | 2 | Petroleum. |
| Phillips Imperial Chemicals Ltd. (Division Australia). [1] | 3 | [2] 1973 | | | 28 | | Synthetic rubber and carbon black business. |
| Occidental Petroleum: | | | | | | | |
| Adtek, Inc | 2 | 1975 | | | | | |
| Barlo of New England, Inc | 1 | 1973 | | | 5033 | | Coated fabrics business (urethane footwear). |
| Squamish Chemicals Ltd. (Canada) [1] | 1 | [2] 1975 | | | | | |
| Zoecon Corp | 1 | 1977 | 20.7 | 1976 | 7391 | | Research development for animals and plant pests. |
| Sun Company, Inc.: | | | | | | | |
| Bray Oil Co | 1 | [2] 1972 | | | 2992 | | Fuel. |
| Calvert Exploration | 1 | 1974 | 11.5 | 1974 | 1311 | 1 | Petroleum exploration. |
| H.P. International | 1 | 1975 | | | 5086 | 1 | Professional equipment and supplies. |
| Process Systems | 1 | [2] 1973 | 1.7 | 1972 | 3573 | 1 | Manufacturers digital control valves. |
| Beamco Co | 1 | 1974 | 2.2 | 1973 | 3533 | 1 | Oil field machinery and equipment. |
| Residex Corp | 1 | 1974 | 18.7 | 1973 | 1623 | | Community development construction and industrial services. |
| Applied Financial Systems, Inc | 1 | 1977 | | | | 2 | Provides data processing for bank and trusts. |
| Kat Products, Inc | 1 | 1977 | | | 5085 | 2 | Wholesale fasteners industrial supplies, automotive equipment. |
| Unibrazze Corp | 1 | [2] 1977 | 13.6 | 1977 | 3362 | 1 | Manufacturers and distributors of welding brazing alloys and welding supplies. |
| Stop-N-Go Foods, Inc | 1 | 1976 | 10.3 | 1976 | 5411 | 1 | Holding company—convenience food operations and self-service gas station. |
| Walter Norris Corp | 1 | 1976 | 3.8 | 1975 | 5084 | 1 | Industrial machinery and equipment. |
| Audio Magnetics Corp | 1 | 1976 | | | 3679 | 2 | Electronic components. |
| Union Oil of California: Molycorp, Inc | 1 | 1977 | 163.6 | 1976 | 1061 | | Mining—rare earth mining, ferroalloy processing chemicals. |
| Ashland Oil Inc.: | | | | | | | |
| Anchor Construction | 1 | 1974 | 2.3 | 1974 | 1611 | 1 | Construction business. |
| Empire State Oil | 2 | 1972 | 38.9 | 1971 | 1311 | 2 | Petroleum. |
| Franklin Stone Co | 1 | 1972 | .5 | 1972 | 3295 | | Mineral products. |
| Harrison Inc | 1 | 1972 | 2.8 | 1972 | 1611 | | Highway construction grading and paving. |
| Lehigh Valley Chemical Co | 1 | 1975 | 2.6 | 1974 | 2899 | | Sale of industrial chemicals and solvents and electrical chemicals. |
| Levingston Shipbuilding Co | 1 | 1975 | 27.2 | 1975 | 3731 | 1 | Builders of offshore drilling rigs. |
| Macs Super Gloss | 1 | 1972 | 1.5 | 1972 | 2842 | 1 | Cleaning, polishing preparations. |
| McClinton Bros. Co | 1 | [2] 1974 | 4.3 | 1974 | 1422 | 1 | Engaged in manufacturers sale and of asphatic and limestone products. |
| North Western Arkansas Asphalt Co | 1 | 1974 | .1 | 1974 | | 1 | Asphalt company. |
| Reno Construction | 1 | 1972 | 8.2 | 1972 | 1611 | 1 | Heavy highway and street construction and produces construction sand and gravel. |
| Seaboard Construction | 1 | 1973 | | | 1611 | 1 | Construction and paving of streets, sidewalks, and sewer construction. |
| Star Construction | 1 | 1972 | .4 | 1972 | 1621 | 1 | Construction business. |
| AB & H Processing, Inc | 1 | 1976 | (3) | 1976 | | 1 | |
| Addington Bros. Mining Inc | 1 | 1976 | 16.7 | 1975 | 1211 | 1 | Mining coal. |

| Acquiring company | Amount acquired 1 whole; 2 sub.; 3 div. | Year of acquisition | Assets | Year of assets | SIC No. | 1 stock; 2 cash; 3 both (C. & S.) | Industry acquired |
|---|---|---|---|---|---|---|---|
| Coastal Chemical Co | 1 | [2] 1976 | 2.6 | 1975 | 2899 | | Markets various household and industrial chemical products. |
| Commonwealth Equipment Inc | 1 | 1976 | 3.2 | 1976 | | 1 | |
| General Oils Inc | 1 | [2] 1976 | 8.1 | 1976 | 5983 | | Retailing fuel oil and wholesale of warm air heating and air conditioning equipment. |
| Highland Tractor Service Supplies | 1 | 1976 | 1.3 | 1976 | | 1 | |
| Hodges & Co | 1 | [2] 1976 | 1.7 | 1976 | 1629 | 1 | General contractor of heavy construction and manufacturers of crushed limestone and asphalt mix. |
| Kentucky Highland River Coal | 1 | 1976 | 1.3 | 1976 | | 1 | Mining, transports, processes and markets coal in eastern Kentucky. |
| Twin Bridges Transport (Canada) [1] | 1 | 1973 | .1 | 1973 | | 3 | Company hires truckers and operates vehicles. |
| Twin Bridges Gravel (Canada) [1] | 1 | 1973 | 2.0 | 1973 | 29 | 3 | Does gravel crushing and supplying gravel to airports. |
| Blue Crown Petroleums [1] | 2 | 1973 | | | 13 | | Petroleum. |
| Frank O'Sullivan Petrol (Canada) [1] | 1 | 1973 | | | | 1 | Do. |
| Dibblee Construction (Canada) [1] | 1 | 1973 | | | | | Construction business. |
| Deschenes Structures (Canada) [1] | 1 | 1973 | | | | | |
| Clover Braland Co., Ltd. (Canada) [1] | 1 | 1973 | .5 | 1973 | 65 | 3 | Company acqu ires and holds land containing gravel. |
| Carlyle Holdings, Ltd. (Canada) [1] | 1 | 1973 | | | | 1 | |
| Otilub S.A. Industrial (Brazil) [1] | 1 | 1974 | | | 28 | | |
| Marathon Oil: Pan Ocean Oil Corp | 1 | 1976 | 13.74 | 1975 | 1311 | 1 | Exploration and development of crude petro natural gas and minerals. |
| Getty Oil: Petrotomics Co | 2 | 1975 | | | | | |

[1] Foreign acquired company.
[2] Pending (not completed).
[3] Less than $100,000 in assets.
Note: Leadered columns denote no information. ●

## ADDRESS BEFORE THE IOWA BROADCASTERS ASSOCIATION

● Mr. PRESSLER. Mr. President, as a member of the Senate Commerce Subcommittee on Communications, it has been my honor to participate in the debate concerning many difficult issues affecting our communications industries. In revising the Communications Act of 1934, the decisions we take will guide the development of broadcast and telecommunications media serving the communications needs of our public.

And yet, even as we consider the current structures of these industries, the advance of new technologies could well render our discussions obsolete. For broadcasting and telecommunications are among our most dynamic industries today, experiencing record growth and innovation. Developing technologies hold great benefits in services to rural areas and to the whole nation and promise to transform the structure of our communications media.

For these reasons, the deliberations on the Communications Act take on grave importance.

We may soon be transmitting newspapers as well as broadcast signals directly from satellites to receiving stations on the top of each citizen's home. Finer techniques in telecommunications will replace cable wires with fiber optics and laser beams, promising a whole spate of new services in news reporting, interpersonal exchange, entertainment, and medical services.

With the development of satellite transmission in broadcasting and other new technologies, the challenging question becomes who will control these vital media.

While anticipating these developments, we must also consider the broadcaster who serves the public today. As never before, small and independent businessmen are speaking out against the government requirements that burden them. In the broadest industry, we must remove unnecessary and inefficient regulation. I support deregulation of the industry in those areas where there is adequate competition.

I discussed many of these issues recently before the Iowa Broadcasters Association. Their concerns are of great importance to every Member of this body, Mr. President.

Therefore, I submit for the RECORD my comments to the Iowa Broadcasters Association.

The address follows:

ADDRESS BY SENATOR LARRY PRESSLER

Thank you, Paul Olson, for that kind introduction. And thank you for the honor of addressing such a distinguished and large gathering of Iowa broadcasters and their wives. Bill Turner of Sioux City is a great friend of mine—and he has introduced me to many of you during the cocktail hour. I hope to meet more of you personally later.

And congratulations to your new officers. You all are to be commended on a fine year.

Upon coming to the United States Senate, I was assigned to the Commerce Committee, of which one of the subcommittees is the Communications Subcommittee. And as a freshman member of the United States Senate, it was an honor to be assigned to the Communications Subcommittee because we are rewriting the Telecommunications Act of 1934, a very important piece of legislation. The more I look into it and the more I learn, the more I'm convinced that it's one of the most important pieces of legislation before the Congress, although certainly it's not a very salable piece of legislation in terms of political marketing. But in the four months I've served on that committee and participated in the hearings, I've been fascinated by some of the issues that you face and must face as broadcasters and as disseminators of entertainment and news. It's a very difficult and challenging business that you are in.

I might say before going very briefly into some of the issues that are facing the Communications Subcommittee that this has been a delightful trip for me. Thank you again for having me here. I had a great tour of your city this evening from Mike, the son of your outgoing President, Phil Kelly, who showed me around town for about forty-five minutes. I got to see Lock and Dam No. 11. I voted for Lock and Dam No. 26, for which environmentalists condemned me and I still don't understand why. That down in Alton, Illinois for those of you who follow some of the issues. And I understand Dubuque was chosen as a site for the movie, "F.I.S.T.," in part because it has much cable TV—and sections of town without TV antennae—which was required to portray a town before the age of television. I don't know if that is entirely true, but I was fascinated with the tour Mike Kelly gave me. It's been a very educational visit for me.

But let me discuss very briefly such grim terms as retransmission consent and spectrum fees, etc. That's what we're wrestling with on the Communications Committee, so I'll just march through five or six issues that I have listed here, and I won't pain you too long. Incidentally, I'm famous for giving a short graduation speech in South Dakota—I gave an eight-minute graduation speech, and I had 31 invitations this year. There must be a message in that for my fellow politicians!

In any event, there are three bills before Congress: the Van Deerlin bill in the House, which you've heard about; a bill introduced by Senator Hollings, the Chairman of the Senate Communications Subcommittee; the Goldwater-Schmitt-Pressler bill, which I have cosponsored. You've probably heard a great deal about the Van Deerlin bill, which, incidentally, I think is the least desirable of the three.

As I have said, the Chairman of the Subcommittee on Communications is Senator Hollings of South Carolina; the ranking minority member is Senator Goldwater, who is very interested in these matters and very knowledgeable and respected. There are also Senator Schmitt, Senator Warner, and I on the minority side. And there are four or five on the majority side.

Senators are spread very thin—I served in the House of Representatives before and we had one major committee there, but in the Senate I have four major committees and nine subcommittees. So when you go to a Senate hearing, there's usually one or two Senators there asking questions of everybody, and it's a situation with which I don't feel fully comfortable yet. Nevertheless, I do try to attend the hearings, and they've been just absolutely fascinating.

Some of the conceptual problems are among the most challenging I have ever heard. At the beginning of this year, I didn't know anything about any of these terms. In fact, when Senator Goldwater first came and asked me to sponsor his bill, he asked if I was for spectrum fees or against spectrum

fees, and I said, "What are they?" That's where I started in January, so I certainly don't present myself as an expert.

Also, I have had some education in the paperwork you, as broadcasters, must fill out. Once I was driving my old "D" John Deere in a parade in South Dakota. At the end of the parade, the local radio station manager came up to me with a form he was filling out—it was an ascertainment thing or something—and he humorously said, "Congressman Pressler, I want to interview you about what's been going on in our town the last two years. You're usually here about one day every year, and perhaps you can tell us some of the issues that are important to our town!"

Well, that shows the ridiculousness of some of the federal forms and some of the regulations we have imposed, not only on radio stations but on some of our other small business as well.

Generally I tend to be on the side of deregulation wherever possible, although riding Mississippi Valley Airlines today from Chicago to Dubuque and some of the airlines we're getting in South Dakota as a result of deregulation certainly make me wonder. Mississippi Valley is a fine airline; I don't mean anything derogatory. The point is that in some of our small communities in South Dakota, deregulation is not such a good word.

I think any deregulation we can have in an industry that has competition is very important. For this reason, I'm a cosponsor of the Goldwater bill, which has deregulation of the fairness doctrine, deregulation of many of the licensing procedures, and deregulation of the ascertainments in radio. We feel strongly that there's enough competition in radio, and we feel that the limitations on ownership have been good. But across the country, it's our strong feeling that we're burdening a lot of people with a lot of paperwork, and our bill provides for a deregulation in that area.

I also might say that our bill does not have spectrum fees in it—the Van Deerlin bill does, and the Hollings bill does—but it's our feeling that if we're going to raise more money, it should be through the regular tax structure rather than a special tax on the airwaves. Maybe that will change—I don't know. But that is not true of the Van Deerlin bill and it's not true of the Hollings bill. As a matter of fact, that's why there are two Senate bills. All of the House members have agreed on the Van Deerlin bill which has spectrum fees in it. The Hollings bill does, but the bill of which I'm a cosponsor bases fees only on the cost of regulation.

As far as retransmission consent is concerned, I must say that I am undecided about this issue. In rural areas such as South Dakota and Iowa, it would be great to be able to take off all the signals from all the national ballgames and all the national copyrights without paying for them. And with satellite and some of the other new technologies we have, the possibilities are even greater. On the other hand, we also need local weather reporting, tornado warnings, blizzard warnings, and local news. With the advance of new technologies, our debates may be obsolete.

We may have to reach some kind of compromise eventually between the copyright tribunal and the concept that there be total and automatic retransmission consent required in terms of cable television. I would predict that the Congress will not change the present rules but will let the FCC decide this. In fact, I am going to predict later in this speech that Congress will not report out a final bill. But, certainly, South Dakota could not get very much major league baseball if it weren't for cable TV. Indeed, we wouldn't be able to watch the Twins unless they got into major games or the World Series.

I think cable TV is here to stay. With fiber optics and the other new technologies coming, and the satellite transmission developing, I don't think we can stop or inhibit cable TV. I'm afraid that retransmission consent would mean that there would be no further development in cable, and we cannot accept that alternative. Thus, the bill of which I am a cosponsor does not have retransmission consent in it.

There is the issue of longer license term. In our bill we provide that radio license terms be deregulated and television terms lengthened. Unless there's a problem found in a community or a substantial group that is complaining, we could go much longer without going through the license renewal procedure.

In terms of the cross-ownership provisions, there's a great deal of variance in the bill. And let me say that I do support the concept of prohibiting cross-ownership in many instances. I'm against so-called "media monopolies." I don't think we have a problem in Iowa or South Dakota, but we do have one in some of our bigger cities and I think it's a healthy thing to have some diversity. You can carry that too far, I suppose.

Local coverage and public responsibility—I've spoken strongly on my position. We have a great problem in Iowa and South Dakota to protect the rural areas and small town interests. With the weather warning needed out here, with tornado warnings, blizzard warnings, and stockman's warnings for livestock, our local broadcasters and our local radio stations play a special role. And that is something that's sometimes hard to explain to the Ted Turners and others, although they can certainly provide this too with a certain amount of extra effort.

There are a number of other areas. One area that concerns me, as I have noted, is the need for diversity of media ownership. I've spoken out very strongly about the growing concentration of media monopolies in our country and in our society. The press has always treated me wonderfully—I don't have any axes to grind—but we've had Small Business Committee hearings on ways to preserve the independent publisher and the independent broadcaster.

In broadcasting, there is some protection because of the limitation. But more and more in newspaper publishing, we're seeing a situation where by 1984, 85 per cent of all the daily papers in the United States will be owned by five major groups. That's not necessary, and it's not right. It's not healthy for the dissemination of news and entertainment. And it's a very difficult problem because of the First Amendment.

I say that as a defendent of the First Amendment. I cosponsored and helped draft when I was in the House a shield law that dealt with due process and search and seizures to protect reporters' papers.

I'm not at all saying that the national media is bad. But I foresee a time, with the development of the satellite and some of the communications media, that 20 or 30 people in our country will be making directional decisions in terms of national news and national entertainment. That probably won't affect most of you—no one will tell people how to write news stories in news rooms or radio stations. I'm talking about the kind of national news and some of the national entertainment. That's a very touchy subject. There are going to be additional hearings in the Judiciary Committee and in the Commerce Committee on which I serve, because it's a siutation that's becoming very complex.

For example, Time, Inc.—we think of it as *Time* Magazine—is now also listed as a forest products company. It owns everything from pulp mills to forests to polling organizations to television stations to newspapers to book publishing. That is a dangerous situation. We need diversity of views. Everyone in this room would write a news story differently, and they should. We need a lot of different people reporting the news and a lot of different people overseeing them.

Some of the newspaper chains also seek to have the maximum number of television and radio stations in big markets. Some own the big polling organizations. Some own book publishing groups. It just isn't necessary or good for the publishing and broadcasting industry to have that kind of concentration in power. I believe the Congress is going to be very hesitant to move in this area—the Justice Department is. I am sponsoring S. 600, which would prevent certain types of mergers—not only in large media organizations, but in other conglomerates as well.

I would hope that broadcasters and publishers would take initiative in adopting resolutions and making it known that they're concerned about this. Because it could, ultimately, harm the industry in terms of credibility of national news and national entertainment. There is concern and there is a feeling in this area. And I sense in South Dakota maybe more so, maybe we have more of a populist feeling.

As a final point, let me say that our Communications Subcommittee went up to the Bell Laboratories in New Jersey for a briefing on the technologies of the next ten years. The day I spent at Bell Labs made me think that maybe a lot of the issues we are debating are obsolete. The whole concept of broadcasting and communications will be changing over the next decades.

We may one day be receiving our newspapers over a telecopier. The time is not far away when broadcast signals will be transmitted directly from satellites to a "dish" receiver on the top of each person's home. The challenging question in this area will concern who will control those satellites. In telecommunications, coaxial cable is being replaced by fiber optics and laser beams, promising great benefits to rural areas in special news, entertainment, weather reporting, and even medical services.

It is possible that our rewrite of the Communications Act of 1934 could be obsolete by the time it is completed.

And there's a lot of controversy. Some feel that we're having all these hearings and maybe we won't have a rewrite because we can't seem to agree on anything.

On the Senate side, Senator Goldwater is very respected in this area and could probably block anything that he wanted to. Senator Hollings is very respected. Van Deerlin seems to have the thing together on the House side, although he said recently he might peel off the retransmission consent part of the bill. Maybe in the end we'll keep the present law. But I do hope we move towards major deregulation in those markets where we have competition, and certainly radio is one, if we're really sincere.

Also, there is an interesting difference between the House and Senate Committees. The House Committee is made up largely of urban, big city Congressmen. The Senate Committee is made up of Senators from rural and small town states. I don't know how this happened but, as a result, the House Committee favors the retransmission consent because most broadcasters in big cities don't see the need for cable quite so much, while Hollings of South Carolina, Pressler of South Dakota, Goldwater of Arizona, Cannon of Nevada, etc. are all very interested in seeing cable develop in small towns and rural areas. That's an intresting difference between the House and Senate Committees, and prob-

ably one of the reasons we won't have any bill at all.

So those are my positions on these basic issues. I had intended to take about ten minminutes of questions. I've been given a clock; I've got time for about five minutes of questions, or better yet, advice and comments. This is kind of sudden to be asking for questions, but I see Bill Turner and he's getting ready to take me to the airport to catch the Ozark.

I always ask my constituents for their questions and advice, and I get plenty of advice. I should—that's what I'm getting paid for. But I'll be glad to take questions on anything on the Communications Subcommittee, or SALT. I'm on the Budget Committee, the Environment and Public Works Committee, the Small Business Committee, the Republican Senatorial Campaign Committee. I'll take a question on anything.

Q. Would you discuss for us the likelihood of a Communications rewrite going through this session?

A. I can't speak with a great deal of authority, but I would say that I'm doubtful that one will go through. We're having a lot of hearings and I think we'll probably have some amendments, but we're having a vary hard time getting agreement. And it could be that the House will pass a bill.

I know Senator Goldwater adamantly opposses the spectrum fees, and our bill does not include that. There was an effort to reach agreement on one bill in the Senate between Hollings and Goldwater. Let me say that the Senate is the sort of a place where someone who is very respected in an area can block a bill. Senator Goldwater, as you know, has been a ham radio person and is an expert in this field. I think that if he felt strongly enough, he could block the bill.

If I were to make a prediction, I'd predict we'd keep going with what we've got, with some amendments, when it's all said and done. But I'm certainly no great authority and I could be wrong. Hollings expressed hope at the national meeting for a markup in July, but having a markup doesn't mean you've got a bill. So I would predict that we won't have a lot of basic changes, although there are many areas that should be changed.

But I think we're going to reach a deadlock on things like spectrum fees; retransmission consent; the deregulation of the fairness doctrine and ascertainment. The longer license term or elimination of license term is another area of great difference. When it's all said and done, I think we're going to be filibustered or deadlocked. But maybe I'm wrong.

Q. If you think the Congress is going to deadlock, would you guess that the FCC will move toward deregulation, or would they wait for Congress?

A. Well, I certainly hope that they do, although a lot of things the FCC is doing now are in anticipation that Congress is going to either affirm it or deny these activites. They think we're up to bat, and we should be. In Washington, Congress always likes to pass everything over to the bureaucracy if they can. Once in a while the bureaucracy will pass something back to Congress. All members of the Senate and House would like to go out and blame OSHA and blame the Department of Agriculture. Of course, we fund them every year—we don't explain that. But members of Congress love to blame the bureaucracy about everything. Of course we've got control over them theoretically.

Right now, it's fascinating to me as a newcomer, because the FCC is doing some things it hasn't done in years. I think part of the reason the Commission is moving is because they feel we're going to have a markup, we're going to come out with a bill, and we're going to affirm or deny what they do. But I support many of the moves towards deregulation—less paperwork, less licenses, and less requirements are part of my general theme when I run for office. So I hope that this will at least provide the FCC with some guidance as to what Congess is thinking.

But the House bill, I think, it worse than the present bill, if I may say so. Maybe you know more about it than I do. I think the Van Deerlin bill is worse than the present Act in many ways, but maybe I'm wrong.

Q: You expressed concern about the conglomerates owning more and more newspapers. Do you see more of a danger in that—media specialists—as opposed to other conglomerates that know nothing about media buying media to spread their word?

A: Well, you've raised exactly a point that concerns me. Our whole economy is turning to conglomerates. It's just a matter of time before an oil company or food chain store buys a media conglomerate.

Indeed, the hearings we've held indicate that the great nationwide media conglomerates make an after-tax equity earning of 22.2 per cent, which is twice what the oil companies make and three times what most industry makes. They're a very good investment.

These great conglomerates are discrediting hardworking broadcasters, hardworking reporters, and independent newspaper publishers. I'm of the opinion that this is a very serious problem. But the problem is that they're using the First Amendment and they're exempt from the anti-trust laws, the fair trade practices, etc.

I don't know what the solution is. I suggested anti-trust legislation, and Gannett's Chairman and President has come into South Dakota and said I'm trying to destroy the First Amendment. I think he cares a great deal about journalism but he's a businessman in a very conglomerate sense. I do hope that broadcasters, publishers, and reporters will speak out about this situation. If a Member of Congress does it, it sounds like he's trying to control the press.

I also complain about the conglomerates in oil, in food chain stores, and in other industries. Our whole economy is changing from the free enterprise system, where a young person could own a farm or business, to where we now look forward to working for someone else for our careers.●

## RHODESIA

● Mr. McGOVERN. Mr. President, two articles have appeared in the May 24 New York Times that put the current Rhodesian situation into perspective. Stanley Macebuh, a well-known Nigerian journalist, describes the African view of the Rhodesia vote in the U.S. Senate on May 15. Anthony Lewis assesses the consequences in Africa of a precipitous move to lift sanctions against Salisbury and comments on the dangers that lie ahead for the United States. I ask that these two articles be printed in the RECORD and that the Members of this body seriously weigh the arguments that these thoughtful observers present.

The articles follow:

[From the New York Times, May 24, 1979]

INTO THE QUAGMIRE?

(By Anthony Lewis)

BOSTON, May 23.—In the next three weeks President Carter has to make one of his most difficult foreign-policy decisions whether to end sanctions against Rhodesia. Why is it so hard? Why should he not simply follow the Senate's advice and welcome the new Salisbury Government about to be formed under a first black Prime Minister, Bishop Abel Muzorewa?

The concern is over practical consequences. American policy on Rhodesia has to change now, has to take account of Bishop Muzorewas' showing in the internal election. But too abrupt a change might do real damage to American interests.

The basic danger lies in identifying the United States with the white minority in southern Africa. The new Rhodesian Constitution leaves most effective power in the hands of the white 3 percent of the population—control of the army, for example, and the civil service and the courts. For that reason Bishop Muzorewa is widely regarded in Africa as a front for white Rhodesia and more significantly, South Africa. The United States could expect a deeply hostile reaction if it embraced the Bishop.

But why should we care about angry words from Africa? Wouldn't they come mainly from radical governments that attack the United States anyway? Senator S. I. Hayakawa, a prime mover in the campaign to end sanctions, said the other day that the criticism was just "rhetoric," and he "wouldn't pay that much attention."

Of course African governments, like others, utter a good many empty words. But, if they see the United States as joining the white redoubt in southern Africa, their reaction might matter.

The chairman of the House African Affairs subcommittee, Representative Stephen J. Solarz, recently wrote African leaders asking their views on American policy in Rhodesia. President Tolbert of Liberia cabled back that to end sanctions and recognize the Muzorewa Government would erode "the good will that the United States now enjoys among many African states." He foresaw specific damaging results, among them this:

"The action would adversely affect whatever support the United States may hope to garner among African states in respect of its initiatives in the Middle East."

Liberia is one of the least radical of African governments, historically closest to the United States, and it is worried about the consequences. The reaction would be equally strong from the most important country in black Africa, Nigeria. Its leaders have acted before now against Western firms that did business with Rhodesia.

Nigeria's oil is important to the West. So are its financial deposits, especially in Britain. A threat to withdraw those balances worried the British Government at an earlier stage of the Rhodesian tangle. And concern about economic consequences is one reason the new Conservative Government, though ideologically inclined to end sanctions, is moving so slowly.

There is another danger, potentially even more serious, that I believe is on the mind of the new British Foreign Secretary, Lord Carrington, as well as of American officials. That is the risk of being drawn into responsibility for the survival of the Muzorewa Government: the risk of finding ourselves in a southern African quagmire.

If the United States were now to move all the way toward the Muzorewa Government, it would lose the influence it has had with the front-line black states nearby. It could not play a mediating role in an attempt to end what is a major guerrilla war: one that has cost 20,000 lives so far, the equivalent of 500,000 in the U.S.

The Soviets might well step up their arms shipments to the Patriotic Front guerrillas. Zambia, now helpless before Rhodesian attacks, might seek Soviet aid for the first time. If the war then turns against the Salisbury Government, the Carter Administration would be under heavy pressure from the right to do something—not to "let a free Government go under." Would we send military aid? Advisers?

In short, there is a danger of finding ourselves coupled with South Africa in a escalating, internationalized war. That would be

a formula for isolating the United States in the world. It would be a disastrous historical mistake.

There is also an internal American reason for caution in embracing Salisbury. To an extent not yet generally understood, leading American blacks identify with the blacks of southern Africa—and suspect that white America is prepared to sell them out. The black Mayor of Atlanta, Maynard Jackson, has lately raised money for the Patriotic Front blacks know that Bishop Muzorewa's friends here include men who have been for white minority rule all along, such as Senator Jesse Helms.

All these factors suggest that the United States should change its policy with deliberate speed—and not get out in front of Britain. What influence we have, including the possibility of lifting anctions, should be used for the next few months to encourage peace talks and move the Salisbury Government toward real black political responsibility. And President Carter has an obligation to do what he has not done so far: explain the American interests that may be at stake in Rhodesia.

RHODESIA'S U.S. SENATE

(By Stanley Macebuh)

To many Africans it was always clear that the Senate never did have much stomach for the radical shifts that the Administration sought to bring to American policy on southern Africa. Both Rhodesia's outgoing Prime Minister, Ian D. Smith, and the South African Government knew this and have consistently exploited this knowledge to the full.

The recent Senate resolution asking President Carter to lift the economic sanctions imposed on Rhodesia in 1966 and 1968 was predictable. What was surprising was the lopsided pattern of the 75-to-19 vote and the casualness with which many Senators glossed over the basic issues. All but the 19 Senators appear to have bought the argument that the recent elections in Rhodesia had been "free and fair" and that Mr. Smith and Bishop Abel T. Muzorewa can't be such devils if they could command the support of 65 percent of their country's electorate. But elections were neither free nor fair and merely ratified a number of principles that Americans in particular ought to have little difficulty rejecting as totally racist.

Rhodesia has a population of almost seven million people, 85 percent of them black, 15 percent of them white. But the Constitution that the newly elected Government is supposed to enforce grants almost 30 percent of the seats in Parliament to whites, thus enshrining the manifestly racist doctrine that white Rhodesians have an interest in the state altogether out of proportion to their numerical strength. The Constitution insists that the new Cabinet will consist of 20 ministers, 14 of them black and six of them white. But it leaves the personnel structure of the white-dominated armed forces, the police, judiciary and civil service virtually unchanged, thus insuring that white Rhodesians, despite their being a minority, will retain their control of all the major institutions of the state.

White Rhodesians were given an opportunity to ratify or reject the Constitution in a referendum and Mr. Smith saw to it that they gave it their overwhelming support. Black Rhodesians were never allowed to vote on it, presumably because they were too dumb to understand its complexities. But that did not stop their being marched to the polls to elect a Government that would implement the very Constitution that they were too unintelligent to comprheend.

Much has been made of the fact that over 60 percent of the registered voters went to the polls, thus demonstrating their overwhelming support for the deal which Mr. Smith struck with Bishop Muzorewa. But no independent observers of the elections took much trouble to determine the validity of the voting lists or to examine the subtler forms of coercion the Government used to influence the outcome.

Of the approximately 1.8 million people who voted, at least 350,000 were migrant workers from neighboring countries who did not need to be reminded how hazardous it was to stay home on election day. One hundred thousand were members of Rhodesia's auxiliary defense forces who both voted and saw to it that those under their charge went to the polls. The turnout in the "protected villages" where nearly 500,000 black Rhodesians had camped was reported to have been very high, obviously because the blacks had very little option. Add to these figures the more than 100,000 white Rhodesians who most certainly could not afford to stay home on election day and it becomes clear that there was nothing remarkable in the much-vaunted turnout. Fifty percent of those who voted did so not in spite of the threats from the Patriotic Front but because of subtle coercion from Government functionaries. Even if we took the cynical view that the Government outsmarted the Patriotic Front in the game of coercion, that would still make nonsense of the claim that so many blacks voted because they approved of the future being offered.

Both on the grounds of constitutional principle and electoral ethics the elections were utterly farcical. They were held to validate the doctrine of racial superiority. They denied the merits of majority rule. And they conferred on the organizers a contrived legitimacy that they did not deserve.

All this should have been obvious to the Senators who voted to lift sanctions. That they did not act in accordance with what they knew, and ordinarily believe in, suggests that their real concerns had very little to do either with democratic ideals or with free and fair elections. They were far more agitated by the prospect that black Marxist "terrorists" were threatening to overwhelm and destroy a white pro-Western regime and they appear to have concluded that backing Mr. Smith was the best possible way to keep southern Africa safe from communism if not for democracy.

The irony is that they did not really need Ian Smith's elections to justify this position and that future events will almost certainly prove them wrong. For the Rhodesians, particularly those who have been kept away from the current arrangements, will get justice one way or the other. And if Western nations, particularly the United States, refuse to help them in their just cause, they and many moderate African nations will seek help from elsewhere. That includes Cuba and the Soviet Union.

## INTERIOR'S PHONY AUDIT

● Mr. YOUNG. Mr. President, the U.S. Department of the Interior has become an empire unto itself, with little regard or even consideration of the position taken by the Congress of the United States on many important matters.

It has become a haven not for sensible environmentalists but for environmental extremists and they have effectively accomplished their goal of stopping many badly needed projects of all kinds, especially water projects which are the lifeblood of Western States. Their decisions are also contributing in large number to our failure to develop new and badly needed sources of energy.

In the June 14 issue of the Minot Daily News published at Minot, N. Dak., there was an editorial which very ably and pointedly points up the inaccurate reports and propaganda they are constantly spewing forth. I submit for the RECORD the editorial entitled "Interior's Phony Audit."

The editorial follows:

[From the Minot Daily News, June 14, 1979]

INTERIOR'S PHONY AUDIT

An Interior Department audit asserts that money is not coming in fast enough to justify the $2.5-billion outlay the federal government has made to date in the Pick-Sloan water development program. But a newsletter published by the Upper Missouri Water Users Association, representing the states of North Dakota, South Dakota, Montana and Wyoming, calls the audit "fiction" which leaves the informed reader "stunned at the apparent lack of knowledge" of those preparing it.

Only the return from power revenues was counted in making the economic analysis, and while that already amounts to $1.35 billion, it is just the beginning of the yield from Pick-Sloan investments. More than $800 million in power "profit" has been returned to the federal treasury, and this fiscal year alone will bring in another $73.4 million.

The obviously distorted audit—probably manipulated by Interior's environmentalists to discredit water development—carefully overlooked the $1.4 billion in flood damages that the project has prevented. And it made no effort to put the lives saved by stopping major floods on the economic scale.

It chose to list no economic plusses for the millions of tons of shipping that move on the now-controlled waters of the once-uncontrolled Missouri River. It saw no asset in the $5 5 in crops grown under irrigation in the river basin. And that figure would be many times higher under the full 4.5 million acres of irrigation envisioned in Pick-Sloan.

To date only 525,000 acres have been provided with a full or supplemental water supply. But even that limited acreage generates an estimated $2.2 million annually in federal, state and local taxes.

What's the value of the many new recreational facilities? Or the municipal water? Or new wildlife habitat?

It is a sad day when a department of our federal government stoops to such shocking distortions in a so-called audit.●

## PIECEMEAL IMMIGRATION POLICY

● Mr. HUDDLESTON. Mr. President, the American Legion is an organization which has always supported and defended the basic values of America. It has consistently been concerned with protecting the best interests of the United States and speaks for large numbers of Americans who have given outstanding service to our country. Needless to say, the Legion's position on important issues is one that should be given a great deal of serious consideration.

The American Legion has demonstrated a longstanding concern about the increasing flow of illegal aliens into the United States and has spoken forcefully on the issue. In a recent letter to me, they reiterated this concern and also questioned the present efforts to pass a major refugee admissions bill without looking at the whole immigration picture. It is stated in the letter that:

Refugees, despite their special reasons for entering the U.S., present the same problems as any other immigrants after their arrival and any decision to consider the proposals of S. 643 without simultaneously seeking so-

lutions to the nation's deteriorating immigration picture would be unwise.

I request that the complete letter be printed in the RECORD.

The letter follows:

THE AMERICAN LEGION,
*Washington, D.C., June 14, 1979.*

Hon. WALTER D. HUDDLESTON,
*U.S. Senate, Dirksen Senate Office Building, Washington, D.C.*

DEAR SENATOR HUDDLESTON: The American Legion, recognizing the inadequacies of our nation's refugee program, can certainly appreciate the efforts of those who support pending legislation (S. 643) to formalize the existing system. However, we believe it to be a mistake to consider such legislation without evaluating its impact on our overall immigration policy.

The admission of refugees to the U.S. has consistently been one of our greatest humanitarian gestures but our enthusiasm to welcome the world's persecuted must be tempered by a recognition of the difficulties associated with assimilating these people into American society. Refugees, despite their special reasons for entering the U.S., present the same problems as any other immigrants after their arrival and any decision to consider the proposals of S. 643 without simultaneously seeking solutions to the nation's deteriorating immigration picture would be unwise. Futher, an across-the-board evaluation would be incomplete without examining illegal immigration.

We can no longer afford to advertise the U.S. as "the land of plenty" and extend an open invitation to everyone in the world who believe they would improve their lives by being here. Thousands of temporary visa immigrants are going underground to remain in this country while millions of others are blatantly disregarding immigration laws by entering the U.S. illegally. Admittedly, these people are motivated by economic conditions in their native countries and, as such, they enter the U.S. for different reasons than refugees but illegal immigrants and refugees alike continue to exert tremendous pressure on our already-extended resources. It, therefore, is unrealistic to consider revamping our refugee admission procedures in isolation.

There are those who would argue that the immediate adoption of effective legislation to control illegal immigration would be premature since we don't have enough definitive information on the matter. This is simply not true since data accumulated over the past several years have conclusively demonstrated the need for remedial legislation. Expressions of public concern over illegal immigration and private sector proposals to address the issue are contained in hearing records of both the Senate and House.

Again, we urge you and your colleagues to seriously evaluate our nation's total immigration program when considering the pending refugee bill.

Sincerely,

MYLIO S. KRAJA,
*Director, National Legislative Commission.*●

## S. 344—BILLBOARD LAW NOW A MESS

● Mr. STAFFORD. Mr. President, the Houston Chronicle recently ran an editorial entitled: "Billboard Law Now a Mess." This editorial shows how ineffectively the current billboard control program has been, frustrating most everyone except the owners of the billboards. The editorial expresses support for my bill, S. 344, which would grant greater flexibility to the States to operate billboard removal programs.

In addition, Mr. President, the publication Preservation News recently included an article entitled: "How Come There Are Still So Many Billboards?" Notes Preservation News about the present Federal law:

Despite its lofty intentions, the bill has been an almost total failure.

I ask that both the editorial and the article be printed in the RECORD.

The material follows:

[From the Houston Chronicle, May 5, 1979]

BILLBOARD LAW NOW A MESS

The federal Highway Beautification Act of 1965, dealing with removal of billboards and screening of junkyards along certain highways, has become costly to taxpayers and largely ineffective as a means of visually improving roadsides.

Fewer than 100,000 non-complying signs have been removed along highways since the act became effective. Critics say changes made in the law mean another 100 years might be required to finally get all the signs down—at a cost of perhaps $1 billion to the taxpayers. Even allowing for a little prejudice, the statistics are cause for concern.

Determining which signs were to come down and how sign owners were to be compensated seemed to be fairly clear when the law was passed, but federal interpretation and subsequent amendments have changed that. Changes approved last year so altered the rules regarding compensation and noncompliance that lumped together they were tagged, apparently with some justification, the Billboard Promotion Act of 1978.

To further complicate matters, Congress has been hesitant to appropriate funds for the program even though changes have put more and more of a financial load on the federal government. The result has been a virtual halt to the program as originally visualized.

A move is under way in Congress to end the confusion by shifting the burden of highway beautification to the states, with federal aid available, under certain conditions, to help pay for billboard removal. By and large, the states would determine what sort of beautification program they want and the federal role would be minimized.

The present law is confusing, misleading and potentially costly. A review is certainly in order. Giving the states the primary role in determining how strong a program they want would seem to be a logical move.

[From Preservation News, June 1979]

HOW COME THERE ARE STILL SO MANY BILLBOARDS?

(By Edward T. McMahon)

Have you ever driven down a cluttered, billboard-strewn highway and wondered what happened to the Highway Beautification Act?

During the 1950s and early 1960s few issues evoked more discussion or debate among both preservationists and environmentalists than aesthetics and sign control.

Prodded by concern for the visual quality of the environment and with the backing of President and Mrs. Lyndon Johnson, Congress passed the Federal Highway Beautification Act of 1965. Sometimes called the "Lady Bird Bill," it was intended to screen junkyards and remove billboards along the 43,000 miles of federally financed interstate highways.

Although backers considered the bill weak from the start it did make billboard control mandatory: States that did not comply with the act could lose up to 10 percent of their federal highway funds.

However, despite its lofty intentions, the bill has been an almost total failure. Designed as a highway beautification law, it has been subverted to such an extent that former backers now call it a billboard protection law. Things have gotten so bad that Sen. Robert Stafford (R-Vt.), a strong supporter of preservation and environmental aesthetics, has introduced legislation to repeal the act. Senator Stafford explains that "the purposes this Act was intended to achieve have been to a large degree perverted. The Act has become more a protection for billboards than the cause for their removal."

What went wrong and what if anything can be done about it are two questions being asked by preservationists throughout the country. Those familiar with the act answer the first question by pointing to "crippling amendments, loopholes in the act and ineffective enforcement."

One of the act's biggest loopholes is that it permits billboards in any area zoned commercial or industrial. In practice this has meant that many local communities and county governments have designated narrow strips along the entire length of rural highways as commercial or industrial zones, thus permitting billboards in areas otherwise totally rural in character. Wyoming, for example, zoned all lands outside of municipalities within 600 feet of the highway right-of-way as commercial.

Charles Floyd, a professor at the University of Georgia and a staunch advocate of billboard controls, says that "perhaps the ultimate perversion of the beautification law has been its use as justification for the legalized vandalism of tree-cutting in front of billboards." Several states, including Georgia, South Carolina, Michigan and California, are now allowing sign companies to destroy trees on the public right-of-way in front of billboards. The monies for this action are ironically provided by the Highway Beautification Act.

The list of loopholes and crippling amendments is a long one. Anyone interested in a detailed discussion of the act's inadequacies should consult the April 1979 issue of Planning, the journal of the American Planning Association.

Chances that the act can be redeemed are slim, but the Federal Highway Administration has announced that a series of nationwide hearings will be held in June and July to assess the public's feelings about the act. Preservationists, particularly those interested in conserving the historic, cultural and rural landscape should recognize that effective billboard control is essential to the success of their efforts.●

## WHO NEEEDS THE MX?—II

● Mr. CRANSTON. Mr. President, the decision of the administration to proceed with the MX missile has raised many serious questions, particularly now that we are about to begin the advice and consent process on SALT II. Last week I made a comprehensive statement concerning some of these questions and stated that the administration has a heavy burden of justifying the need and feasibility of the MX missile system.

Although there is no question that the development of the MX is permitted under SALT II, the mobile basing mode for the MX has yet to be determined and must be consistent with verification requirements of the SALT process. There are obviously complex technical and engineering problems involved in designing a survivable and verifiable mobile basing mode for the MX. In addition, the MX missile system appears to be designed not only to survive the threat of a Soviet first-strike capacity but to provide the United States with a devastating first-strike or counterforce capacity of its own.

It is questionable whether the SALT process was served by the decision of the

United States to deploy—rather than ban—MIRV's. Indeed, it is the subsequent Soviet development and deployment of MIRV's which creates the perceived and serious threat to our ICBM's. If we proceed with the development and then the deployment of the MX as a mobile missile system, we must anticipate that the Soviets will develop and deploy their own land-based mobile missile system.

Assuming adequate verification of such mobile missile systems—a very large and questionable assumption for me to make as to our ability to verify a Soviet system—there are those who maintain that the strategic forces will be more balanced and strategic deterrence will be better maintained if both the Americans and Soviets have essentially invulnerable mobile ICBM's.

But others maintain that strategic balance and deterrence are better maintained by not proceeding with a mobile MX, thereby inviting—if not requiring—Soviet response, as in the case of MIRV's. One of the leading proponents of this position, Mr. President, is columnist Tom Wicker of the New York Times.

Last week I placed in the RECORD a thoughtful article by Mr. Wicker entitled "Who Needs the MX?—I." Now Mr. Wicker has written a second piece on the MX. Because of the importance of this issue, I request that this second article be printed in the RECORD.

The article by Tom Wicker, "Who Needs the MX?—II" from the New York Times, Friday, June 15, 1979, follows:

WHO NEEDS THE MX?—II

(By Tom Wicker)

American predictions of Soviet strategic weapons intentions and capacity have been consistently wrong. The "missile gap" of the 1950's that would lead to Soviet nuclear superiority in the 60's; the ABM defense system Moscow was building a decade ago; the "first-strike capacity" the Nixon Administration feared the Soviets sought from their SS-9 missile—all proved in the long run better at boosting Pentagon appropriations than blasting American security.

That need not be the case with today's perceived threat, of course, but this is useful history to keep in mind as the Carter Administration goes forward with its dubious plan to develop and deploy the MX mobile missile system at a cost of at least $30 billion. Equally vital to remember is that throughout the strategic arms race, when one side has leaped momentarily ahead (usually the United States), the other inevitably has moved to catch up.

Thus, when the United States deployed MIRV's—missiles with numerous warheads that could be independently targeted—the Soviets developed their own MIRV. By the mid-1980's, it is now believed, Soviet MIRV's with greatly improved accuracy will threaten the American land-based missile system. The MX, a 95-ton monster carrying 10 MIRV's, each with the explosive power of 20 Hiroshima-size bombs, is the Carter Administration's expensive answer, it can be shifted along a 20-mile protected trench on a railroad track and presumably hidden from Soviet attackers.

The most obvious question about this idea is whether the Soviets won't then build their own mobile missile system, presenting both sides with the necessity to target more warheads on more possible hiding places, at greater cost for less security. Perhaps as important is the problem of verification, which is essential to both arms control and deterrence. For either concept to work, each side has to be confident of the strength and deployment of the other.

Shuttling missiles around obviously makes verification chancier, even if both sides play fair. Hence, the possibility of fatal miscalculation may be increased. And if Americans fear Soviet cheating now—as, in the SALT debate, numerous senators say they do—they would have even more to fear if the Soviets develop a mobile missile of their own. American security would be better served by negotiating a ban on mobile missiles of intercontinental range—as it would have been better served by a ban on MIRV's.

So far, however, the Soviet reaction to Mr. Carter's MX decision has been relatively mild (imagine the response of say, John Tower of Texas had the Soviets gone first with a mobile missile). That may indicate that Moscow believes, as do some American observers, that Mr. Carter really is trying to "buy" support for SALT II from the Joint Chiefs of Staff and conservative senators. They may think that once the treaty is ratified, the President will reverse himself and cancel the MX at a cost of the $1 billion already in the fiscal 1979 and 1980 budgets.

If that is Mr. Carter's game, it might prove harder to play than he thinks—particularly if SALT votes and the Joint Chiefs' support really were predicated on the development of the MX. If on the other hand the President actually is planning to build the mobile missile system as the $30-billion price of a short-term SALT treaty, he mocks the whole idea of strategic arms limitation—which in any world outside that of the generals and the think tanks means lowering the costs and the risks of the nuclear arms race.

Besides, it's not clear that the MX can buy a SALT treaty. The new missile would not answer all the questions senators have raised, nor would it necessarily eliminate proposed amendments or the Presidential maneuverings of Senator Howard Baker, the minority leader. But such an expensive and risky arms investment might well cause a number of otherwise sympathetic senators to vote against SALT, considering the MX far too high a price and one that might vitiate the treaty anyway.

In justification of MX development, an unnamed "official" was quoted in The New York Times as believing that without it, American land-based missiles would have to be phased out. This, the official said, would leave the Soviet Union as the only nation with land-based strategic forces and would therefore be "unacceptable."

Is it? The MX can't be fully deployed for a decade, even if no technical, political or environmental problems delay it; and in that period there could be a further shift—perhaps at less cost, less risk and less environmental damage—toward reliance on sea- and air-based missiles and manned bombers.

If there is no military need to maintain land-based ICBM's, keeping them just because the Soviets have them would be keeping up with the Joneses at ridiculously high cost. On the other hand, phasing out these nuclear-tipped dinosaurs in favor of cruise missiles and submarine-based missiles and submarine-based missiles might indeed be "unacceptable" to generals who think hardware is security and defense contractors who need $30 billion.●

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## DEVELOPMENT OF ENERGY RESOURCES WITHOUT HARMING THE ENVIRONMENT

● Mr. STEVENS. Mr. President, as the energy crisis worsens and the need for the development of domestic sources of energy becomes more and more apparent, there has been much talk of the ability of this country to reconcile the various needs to develop its domestic energy resources with the need to protect the environment. I am one who believes that it is possible to reconcile the two in a meaningful manner and to promote the development of domestic resources without harming the environment. One of the best examples of this proposition is the ongoing development of Alaska's resources, particularly its energy potential. In Alaska, we are daily confronting the difficult question of how to develop energy resources without harming the environment. That question is being addressed in a responsible manner in Alaska as a recent article in the Alaska Construction and Oil magazine indicates. This article entitled, "Environmental Concern Brings New Knowledge of Alaska Back Country," details just some of the specific provisions made by industry to insure that development of Alaska's natural resources does not destroy the environment. I commend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

ENVIRONMENTAL CONCERN BRINGS NEW KNOWLEDGE OF ALASKA BACK COUNTRY

Industry has come a long way since the world awoke to the fact that Earth's resources are not unlimited. Private industry has responded to stricter governmental regulations by developing new methods and products that keep environmental impact to a minimum. No longer are profit and convenience the major factors in operating decisions. Environmental considerations often determine the where, when and how of drilling an oil well, constructing a bridge, mining an ore body or harvesting a timber stand.

As a direct result of the petroleum industry's activities in Alaska, much has been learned about the state's vast physical features, vegetation and wildlife. Whatever concerns there may be about the adverse effects of drilling a well on arctic tundra, constructing a pipeline that bisects the state or establishing oil production facilities within a wildlife refuge, one must admit that these actions have generated positive effects—some of which probably would not have occurred.

For Alaska's petroleum industry, environmental assessment has become an integral part of doing business since most of its activities take place on closely regulated state or federal land.

"As industrial engineering methods become more sophisticated, it is increasingly difficult to separate out what is done to protect the environment and what is just good engineering practice," notes Ben Hilliker, a former deputy commissioner for the Alaska Department of Fish and Game, who is now a member of the environmental department at Alyeska Pipeline Service Co.

The engineers and environmentalists employed by Husky Oil NPR, the U.S. Geological Survey's contractor who oversees the exploratory drilling program on the National Petroleum Reserve-Alaska, work in close cooperation throughout the whole program from preliminary planning through cleanup. "It usually works out that the most economical and the best-engineered plan is also the best for the environment," John Schlindler, Husky's environmental program director, observes.

On the Kenai Peninsula, Alaska's oldest producing oil field, Swanson River, has become more compatible with its location within the Kenai Moose Range as modern technology develops ways to lessen environmental impact.

From the North Slope to the Kenai Peninsula, the petroleum industry has learned how to construct a haul road that can bear the

weight of heavy loads, and then be picked up or melted and revegetated so successfully that in a few years it will be indistinguishable.

Schlindler proudly tells about the 37-mile ice road over which 175,000 tons of gravel was hauled last season. Now the only trace that a road ever existed is one place where tops of some willows are broken.

Trucks logged a total of 260,000 miles hauling gravel mined from a large river bar on the Kikiakrorak River. Removal of gravel was restricted to above water level so the bar would still serve as a falcon feeding area. Two known peregrine falcon nests and one identified archaeological site were carefully avoided. Mining was done when the birds were not in the area to avoid disturbance of nesting habits. The gravel was needed to construct a permanent airstrip at Inigok where a deep exploratory well was being drilled. The work was estimated to take 11 months. But, the drilling hit poisonous hydrogen-sulfide gas and elemental sulfur in liquid form and had to be shut down for 2½ months early this year.

The haul road was constructed in the usual manner of pushing up snow to four-feet thicknesses. As added protection, a topping layer of ice varying from six to 18 in. was placed. At streams, up to an additional 15-ft. of snow met the built-up road. Water trucks using over 35 million gallons of water completed road repairs in a two-hour period each day between the two 10-hour hauling shifts.

Water supply is carefully chosen on the reserve. Daily domestic uses require approximately 75 barrels of water at each well site. Drilling accounts for 600 barrels per day for mixing drilling mud and cement and for washing down the rig floor and equipment. Where possible, water is obtained from nearby lakes that do not freeze to the bottom. Water is not taken from potential over-wintering fisheries lakes with very little depth between the ice's and the lake's bottoms. No water is drawn from rivers, streams or springs during the ice-covered period when flows are low.

Fresh water lakes usually freeze to an average annual maximum thickness of between 65 and 75 in. Therefore, a lake must be eight-ft. or deeper to support a fish population of any magnitude. Before Husky considers it a water source, a lake must be at least eight ft. deep with a deep water basin in excess of 50 acres. Most lakes selected are much larger. In areas where there are no sizeable deep lakes or where the haul distances are over eight miles, snow melters are used to provide water. Water for ice roads and related construction activities is extracted from shallow ponds and lakes less than six ft. deep early in the season before they freeze to the bottom. These shallow lakes do not support over-wintering fish populations so fishery resources remain unaffected.

With 37,000 square miles in the reserve, there is room to avoid critical areas, such as peregrine falcon nesting areas along the Colville River bluffs and the Western Arctic caribou herd's Utukok River calving grounds, Schindler says.

Each year, Husky prepares a preliminary plan of operations which is open to public comment. After the U.S.G.S. chooses the drilling sites from seismic data, Husky's soils engineers and surveyors move in to locate gravel and water supplies. Usually they try to find more sources than they need. This permits selecting the ones with the least environmental impact. Next Husky's biologists, environmentalists and archaeologists examine the well and gravel sites and water sources to catalog rare or endangered plant and animal species, critical habitat locations, archaeological values and fishery resources. A review lists each for priority of use, and some may be rejected because of special archaeological significance or biological impact.

While this natural resource inventory is being complied and evaluated, a construction plan is developed with the design constraints provided by the engineers and the operational constraints provided by the environmentalists. Decisions are made whether to construct ice or gravel roads or use all-terrain vehicles; whether to construct thick pads or thin pads, and whether to dig deep reserve pits, shallow ones or none at all.

Husky Oil has been conducting the reserve's exploratory program since the fall of 1975. Much has been learned about how to minimize arctic tundra impact, Schindler says. "We have found that by traveling in swampy areas which freeze up earlier, we can cross the land earlier and extend our season."

A thin-pad design has been used most often in recent years to eliminate borrow sites and ice-road construction. Material excavated from the reserve pit is used to construct the drilling pad. During drilling, all drill cuttings and unreclaimed drilling muds are deposited in the reserve pit. Containment dikes are constructed around the reserve pits as an added safety factor. When the well is completed, the pad material is returned to the pit, burying the mud. The dikes are spread out, and the whole area is contoured naturally. Schindler estimates that about one-fifth of the sites will be undetectable in 20 years. Where gravel sources are limited, the plentiful dune sand is used in construction pads and roads, with only a thin gravel topping required to stabilize the surface. However, when sand is used, it takes much longer to get natural vegetation back, Schindler says. He adds, though, that experience suggests these roads, unlike gravel ones, eventually will erode from wind action and will tend to fade into the landscape.

Huskys revegetation program is based on Alyeska's pipeline reseeding research and information obtained during fertilization experiments on naturally occurring vegetation near Barrow. Alyeska collected 15,000 random soil samples along the pipeline route in developing its revegetation program. Scientists tested over 450 varieties and strains of seeds generically similar to Alaska grasses. Four different seed formulations for the different regions and three custom-blended fertilizer formulas were developed. The imported grasses are expected to survive a maximum of five to seven years and are only intended to control erosion until the more winter-hardy native grasses return.

Frank Fisher, Alyeska's environmental protection manager, believes such controls have become excessive. "There is no doubt in my mind that many of what I now consider to be excessive controls have resulted from too little damage in the past to environmental damage by industry, government and Joe Blow, the citizen. . . . The pendulum has swung to the extent that we now want proof positive that the environment will be protected—frequently to the extent that we underestimate Mother Nature's vast powers to adjust to change."

Alyeska recently received the first Industry Conservation Award ever presented by the Alaska Wildlife Federation and Sportsman's Council. In making the award, state Fish and Game Commissioner Ron Skoog said recognition was due Alyeska for "exceeding the stipulations set out for construction of the trans-Alaska oil pipeline, for setting an industry performance standard for others to follow and for numerous benefits to Alaska fish and wildlife resources as a result of the many research projects supported and funded by Alyeska."

"It was appalling in September 1972 when we sat down and tried to find out what the resources were," Hilliker remembers. "South of the Yukon there was data available, but north of the Yukon there was an exceptionally meager amount of existing data. In many cases we had to go out there and see for ourselves what was there.

"We bisected the pipeline literally mile by mile to determine what resources were in each area," he explains. "We pulled together every bit of data that was available. A lot of knowledge and expertise was generated by the project. As a result there exists today a tremendous amount of information about the state's resources, its fisheries, its wildlife. "We spent a lot of time trying to meet the stringent requirements of some who believed that the pipeline should not do any damage at all. And of course, that is impossible. But we minimized disturbance. For instance, on all water systems, we scheduled excavation for the time prior to when the adult salmon were in the stream and after the young fish went out. That was also the time when stream flows were the lowest—when it was easiest to dig the ditches, bury the line and get out with the least amount of siltation."

"I think that the next big project will have the benefit of individuals that have gone through a major construction effort," Hilliker adds. "The next project will have a little easier time because those individuals will recognize where they were unreasonable."

Fisher points out that one of the greatest fears associated with the trans-Alaska pipeline was that caribou might be trapped by the elevated pipe. In areas where the pipeline was elevated, 451 designated big-game animal crossings were designed into the pipeline. In these places, the pipeline is 10 ft. high from the bottom of the pipe to the top of the gravel work pad for a distance of 60 ft. In 23 other places, the elevated pipe is taken underground especially to allow animal crossing. These special, short buried crossings were located where the line bisected major migration routes—at Sourdough in the Nelchina Range, near Paxson Lake and on the North Slope.

Alyeska and the state of Alaska's Fish and Game office in Glennallen have been monitoring the special crossings to determine their effectiveness. Although not enough data has been collected for a complete computer analysis, certain patterns are emerging, according to Hilliker. Almost 5,000 observations indicate the animals are not selective as to the height of the pipeline where they cross, he said. The majority of the crossings are where the pipeline is from 5 ft. to 8 ft. in elevation—the majority of the pipeline's height. "We are beginning to see that the animals don't select high or low sections but cross where they encounter the line no matter what the height," he says adding that in many instances the caribou walk along the pad for some distance, eating the high, protein-enriched, highly concentrated grass Alyeska planted. Especially on the North Slope, the caribou seem to prefer to walk on the pad rather than the swampy, insect-infested low-land areas, he says.

The Kenai moose population has been sharing its habitat with the petroleum industry since 1958 when oil and gas leasing was opened in about half of the wildlife refuge. At that time, the refuge was under protection of the U.S. Department of Interior's Fish and Wildlife Service for 17 years. Some low-land areas were reclassified to allow leasing shortly after Atlantic Richfield, then called Richfield Oil, struck oil in 1957 according to assistant refuge manager, Bob Richey.

"The two extremes can meet in the middle, and we can have both. But we must zone use to keep a balance of use," Richey says. "It is going to cost us. We have to be willing to pay the cost."

He says it costs oil companies much more to drill a well on the refuge than it would outside the boundary—for one thing, a $50,000 bond is required to assure that the area will be cleaned up after operations are

completed. And when an area is no longer of use, it must be restored to natural contour.

He cites the example of one oil company who constructed a two-mile road and a three-acre pad. After drilling beyond 16,000 ft. and not hiting oil or gas, the company wanted to abandon the site. Richey required that the company return all the gravel to the pit and replace the top soil, at considerable extra cost to the company. "You can't even find where it was now," he says with some pride. He adds that gravel is recycled many times on the refuge—some of the gravel involved in construction today is 20 years old.

"Oil and the refuge are compatible on the Kenai because of the rules and regulations that govern the relationship," Richey believes.

Another reason for the compatibility is that the refuge is large enough that not much habitat is lost in the development, he points out. In the 1.74-million acre range, the petroleum industry has disturbed 34 square miles of habitat over the years, including 1,500 miles of seismic trails made in the late '50s and early '60s. In those days, the oil companies had to bulldoze a straight line through the trees to obtain accurate seismic readings, he says. Today, the state-of-the-art for recording has improved so that trails can now meander to follow the natural lay of the land, lessening their unsightly appearance, he notes. However, an active seismic program has not been supported in the refuge during the past four years.

A total of 90 holes have been drilled with 40 becoming producing wells and 11 injection wells. Production from the Swanson River field, 49 percent owned by the field operator Chevron U.S.A., 49 percent by Atlantic Richfield and one percent each by Union Oil and Marathon Oil, is transported through the Kenai Pipe Line Co.'s pipeline to two refineries at Nikiski north of Kenai, or to the Nikiski marine terminal where it is loaded on tankers.

In addition to Swanson River, there is a developing field called Beaver Creek which Marathon Oil operates. It has two producing wells and three capped gas wells. Crude is trucked out of the refuge since no pipeline has been constructed into the area.

The Kenai Gas Field, which supplies all of Anchorage's natural gas was once inside the refuge but was excluded in 1964 when the coast boundary was moved back to allow for industry and population growth on the coast.

The refuge has an extremely vast ecosystem which supports 40 to 50 percent of the Cook Inlet commercial fishery, Richey notes.

The refuge is typical of most of Alaska with a mountain system, glacier areas and low lands. It contains 2,850 lakes, including one of the largest fresh water lakes in Alaska, the Tustemena. Development of oil and gas is allowed in the low lands only and not in the treeline or higher elevations.

As a result of the 1964 Wilderness Act, the Andy Simons natural area, an 840,000-acres roadless area within the refuge, was submitted as a possible wilderness unit. It was signed by President Gerald Ford and went to Congress where it is holding, pending settlement of the land questions under the Alaska Native Claims Settlement Act. It has been managed as a natural area since 1957.

"While the technology is here to develop energy sources with minimum impact, the point is that key areas have been set aside for the public as part of the national heritage and that purpose has priority," Richey says. "Until we can show a particular need for that area's development, we should protect the natural environment. You've only got so much habitat left in the world and in Alaska. You can crowd wildlife to a certain degree, but they will tolerate only so much. That is why the federal government has identified the choicest habitat to save. When protecting habitat, you must protect the drainages that feed the low lands, or else you have defeated your purposes. You must protect the habitat or lose the animals."

"There is no parallel between the moose population increase and oil and gas," he says with some irritability. He explains that more accurate methods for counting have developed and an extensive fire in 1947 burned off all the mature growth encouraging young hardwood growth which is prime moose browse. He is also quick to point out that just because it works on the Kenai is no proof that a similar coexistence would work in another area of the state. "On the Arctic Wildlife Range, oil and gas exploration on the caribou calving grounds could be disastrous," he emphasizes. "Each area's ecosystem is completely different. It is compatible here on the Kenai because of parameters the oil companies have had to operate under. The spinoffs have been pretty favorable."

One favorable spinoff is access, he notes. Industry-constructed roads have provided access to two major canoe trails in the refuge. The Swanson River canoe route links 40 lakes with 46 miles of the Swanson River, and the Swan Lake route links 30 lakes with forks of the Moose River.

From the North Slope to the Kenai Peninsula, the petroleum industry has been a leader in environmental responsibility, showing that energy resources can be developed while protecting Earth's other natural resources. Husky Oil's exploratory program, Alyeska Pipeline's construction project, and the Kenai Moose Range's tolerance of the Swanson River oil field are three examples of where industry and the environment appear compatible. While zero impact is impossible, a common sense approach can help to fuel the modern world's energy demand and save Alaska's critical habitat areas.●

## NO-TILL FARMING: SAVING ENERGY AND THE SOIL

● Mr. HUDDLESTON. Mr. President, there is little doubt that one of the most significant soil conservation practices developed in recent years is no-till farming. One of the principal promoters of this practice has been Mr. Harry Young Jr. of Christian County, Ky. On Friday, May 25, the Wall Street Journal ran an article on Mr. Young, and on the savings in energy and soil that are gained through no-till farming. I ask that the article be printed in the RECORD.

The article follows:

SOME FARMERS STOP TILLING THEIR GROUND TO SAVE FUEL, LABOR, WATER AND TOPSOIL

(By Meg Cox)

CHRISTIAN COUNTY, KY.—The first time Harry Young Jr.'s neighbors drove by and saw him planting his corn, they almost ran off the road.

Instead of driving his tractor across a clean, brown plowed field, he was planting right on top of the trashy stubble of the previous year's corp.

Despite widespread predictions to the contrary, Mr. Young's corn came up. The neighbors called it "wild corn." But when he picked it, the yield was as good as anyone's.

That was 17 years ago. The sight that dumbfounded Harry Young's neighbors then wouldn't shock many now. With tractor fuel costly, skilled labor scarce and farmers trying to handle more and more land, thousands are cutting back on their traditional heavy tilling of the soil. And many, concerned especially with conserving topsoil and water, are even abondoning the time-honored symbol of their calling: the plow.

This year the pressure to reduce tillage is greater than ever. A wet spring has left many Midwestern farmers behind in their work during the critical planting season. And, besides having to pay more for diesel fuel, farmers aren't sure they can buy all they need at any price.

MINIMUM TILLAGE

Grain farmers traditionally have criss-crossed their fields many times each year, not only with the standard moldboard plow, which burries the stubble and turns up bare earth, but with such implements as disc harrows, drags and cultivators, which level the ground and kill weeds. Most have been gradually reducing these operations for years. "Nobody tills their ground as much as they used to," says a manager at an Indiana grain elevator.

Those who go so far as to eliminate plowing, though still loosening the soil somewhat with other machines, practice what is known in agriculture as minimum tillage. It has been growing rapidly. The land handled this way has almost tripled since 1972 to an estimated 72 million acres this year—26% of U.S. farmland.

But there is a kind of tillage even more minimal than this. It is "no till" farming, in which, like Mr. Young, the farmer plants without preparing his ground at all. Last year eight million acres of corn, soybeans and other crops were grown with no-till farming.

Although Mr. Young is one of the chief boosters of the practice—he is coauthor of a how-to book on it and lectures frequently—he didn't invent no-till farming. A few farmers tried it as early as the 1940's, seeking to show that plowing was not only unnecessary but harmful. They were uniformly treated as blasphemous crackpots.

BETTER HERBICIDES

It wasn't until the early 1960s that a sizable number of farmers began cutting back on tillage. What persuaded them was the combination of truly effective herbicides, which could take over much of the plow's weed-killing action, and hard evidence that plowing contributes to erosion. They began to hitch their tractors to such machines as the chisel plow, whose long, narrow arms claw deep into the soil to let in air and rainwater but leave a protective covering of plant residue.

The major farm-equipment makers, led by Allis-Chalmers Inc., began making no-till planters about the mid-1960s. Basically, they cut a narrow furrow through the rubble of the old crop, drop in seeds and fertilizer and then close the trench, disturbing in all a band of soil less than four inches deep and two inches wide. A regular planter doesn't disturb much soil either, and can be converted for use on ground that hasn't been loosened with a plow or disc. The farmer also can apply herbicides on the same trip across the field.

Such planting uses about one gallon of diesel fuel an acre, university studies show. Minimum tillage, which might involve an extra trip or two across the ground with a disc or cultivator, uses two or three times that much. But giving the soil the full treatment can take five to seven gallons of fuel per acre.

DOUBLE CROPPING

The time this saves is important to almost all farmers, but especially to those who double crop, or squeeze two crops off the land each year. Thus, while Mr. Young in Kentucky is harvesting winter wheat next month, his son, John, may be just a few rows away planting soybeans right on the wheat stubble. The time it would take to plow and disc the ground before planting might make the difference in whether the soybeans could mature before the first fall freeze.

For Stephen Smith, who farms in central Ohio, the reduced labor of no-till makes it possible to manage 1,100 acres singlehanded. And the method has had another advantage for the 31-year-old Mr. Smith. When he started farming in 1975 he couldn't afford flat land that sold for as much as $2,000 an acre, so he paid $400 to $500 an acre for some land so hilly it hadn't been farmed for 40 years. Although plowing the steep ground would cause severe erosion, crops can be grown on it safely with no-till farming.

Advocates of the practice also say that, because the soil isn't exposed, it doesn't dry out as much, an important advantage during rain-short summer months.

PLOW "ALIVE AND WELL"

One might ask, if no-till is so great, why does a drive through the country reveal mile after mile of tidy plowed fields? Part of the answer seems to be that farmers, not unlike homeowners with big lawns, find satisfaction in the neatness of their fields. Until the new crop is tall enough to cover the rubble of the old, they complain, no-till fields are downright ugly.

R. I. Throckmorton, International Harvestor Co.'s tillage expert, sounds positively patriotic in a speech he often gives extolling the "consistently dependable" moldboard board plow, which he declares to be "alive and well," despite detractors who are "well-meaning but misinformed."

Also, while no-till planting may sound like the lazy man's way, it is much trickier than even minimum tillage. "More things have to be done right" with no-till, says John Reese, who has used the method for some of his 700 acres near Alexandria, Ohio, for 10 years. Because the practice doesn't kill weeds and insects by burying them, "you've got to be more aware of what kind you've got and what (pesticide )it will take to kill them."

An Ohio farmer adds, "If you don't no-till according to the doctor's prescription, the patient will die."

In any case, no-till farming isn't always possible. For instance, a farmer who plans to raise grain in a field previously sown to alfalfa must plow to kill the alfalfa and dislodge its tough roots.

In addition, yield is the bottom line for most farmers, and without a guaranteed yield bonus many won't change engrained habits. Although Mr. Young says he averages nine more bushels of corn an acre with no-till practices, many farmers say their yields fall slightly when they stop tilling. Agronomists say that's partly because plant residue left on top keeps the soil cool and slows germination, as well as because of weed and insect problems.

No-till farmers often use more herbicides to cope with weeds. It might seem this would worsen pollution, but soil scientists say that, because untilled ground stays put, so do the chemicals.

This means the chemicals are less likely to end up in the country's lakes and streams, which Congress has said, in the Clean Water Act, must be cleaned up by 1984. Frank Lessiter, editor of a newsletter called "No Till Farmer," thinks the law will spur this form of farming. He argues that most farmers would rather whip the pollution problem themselves if they have to, before the government has cause to tell them how.

ENERGY COSTS

Fuel prices and supplies also increasingly outweigh differences in crop yields. Farmers currently must pay three or four times the price that diesel fuel cost 15 years ago. Says Max Naylor, a Jefferson, Iowa, grain farmer, "The price of energy is so high, you just have to find a way of going across the ground no more times than necessary."

And while officials from President Carter on down promise agriculture all the fuel it needs, the farmers themselves aren't so confident. Fuel dealers in the Plains states are getting just over three-quarters of the diesel fuel they used last May. Farmland Industries Inc., a large cooperative based in Kansas City, says it may be able to provide its farmer members with only 60 percent of their requests next month.

Finally, Mr. Naylor notes, "Farmers are more and more cognizant that they're losing land." Nearly two billion tons wash away every year, an average of five tons an acre, according to the Soil Conservation Service. This is down one ton an acre from the rate 12 year ago but still well above the four tons an acre per year that the agency considers tolerable.

That plowing is at least partly responsible for the soil loss seems credible after a trip to Christian County, Ky. The spring runoff from Mr. Young's sloping fields is nearly clear, while that from a nearby plowed field is opaque, the color of reddish soil.

In Iowa, where nearly 10 tons of soil vanish from each acre every year, a startling solution has been proposed. Carroll Perkins, a farmer who sits in the state legislature, has introduced a bill to bar farmers from plowing soybean ground in the fall. Soybeans leave the soil especially loose, and plowing such land in the fall exposes it to wind and water erosion all winter. Although the bill is given little chance of passing, Rep. Perkins feels it has helped "raise the consciousness" of his fellow farmers.●

## THE VIENNA SUMMIT

● Mr. DOLE. Mr. President, the symbolic signing of the SALT II accords is an important milestone in our continuing dialogue with the Soviet Union. Future relations between the two superpowers will be measured from this new benchmark, just as they have in the past been measured against the genesis of detente with SALT I. I agree with those who believe the strategic arms limitation talks are an essential element in our broader and continuing attempts to bridge the gap between our two differing systems, with often opposing interests. It is my belief, however, that while the SALT process itself is vital to our future, it remains to be seen if this SALT II Treaty is the standard against which our relations with Russia ought to be based in the coming decade.

PEACE BETWEEN EQUALS

The United States refrained for 25 years from creating a world empire based on our nuclear superiority. We were a nation that desired peace, tempered only by our love of freedom and self-determination which saw us drawn into Asian conflicts in Korea and Vietnam. By devoting vast resources to military and strategic arms and by greatly outspending the United States, Russia reached a situation of nuclear parity. Now the U.S.S.R. is striving for strategic superiority. We now seek restraint in this arms race and a peace between equals.

We must examine this treaty carefully in the coming months of Senate hearings and debates to make sure America does not fall into the same trap that befell England before World War II, such that Prime Minister Chamberlain was forced to confess after the Munich summit, "Our past experience has shown us only too clearly that weakness in armed strength means weakness in diplomacy." There are many in the Senate who have already decided to support this treaty. I have heard the argument that this treaty is better than no treaty at all. I want to make sure this treaty does not just represent diplomatic weakness because we have failed to maintain sufficient military strength. If this treaty cannot stand on its own merits then it should not be approved by the Senate—it is not better for the United States to have a bad treaty than none at all.

RESERVATIONS ABOUT SALT II

After much study and discussion with strategic experts, including General Haig, NATO Commander, Dr. Kissinger, former Secretary of State, Dr. Fritz Kraemer, former Pentagon Strategic Affairs Adviser, Dr. Fred Ikle, former head of the Arms Control and Disarmament Agency, and Lord Chalfont, Defense Adviser to Prime Minister Thatcher, several colleagues and I joined in writing an open letter expressing our concerns over the drift the SALT negotiations had taken since Brezhnev rejected President Carter's March 1977 proposals. From the indications I have received from Vienna so far, I believe our reservations about this treaty are still justified. Over the next several months, when the Senate holds hearings and begins debate, it is the hope of the Senator from Kansas that these issues we have raised will be properly addressed and evaluated in the context of the actual treaty language we now have at hand. I ask that the text of our open letter be printed in the RECORD.

The material follows:

U.S. SENATE,
*Washington, D.C., April 5, 1979.*

An open letter to our colleagues:

In recent months, we have been meeting frequently to discuss strategic affairs with eminent authorities from here and abroad. We have learned a great deal during this process of intensive study and analysis and will continue to do so in the coming months. At this time, however, we believe it might be helpful to share some of the conclusions of our study with you.

We all share the hope that equitable and verifiable nuclear arms limitations agreements can be negotiated with the Soviet Union now and into the future. If done properly, we have concluded that such arms limitations agreements can complement—though never supplant—our other efforts to assure national security, through balanced reductions of nuclear forces.

The United States Senate, however, will not be asked to give its advice and consent to arms control as a principle. Rather it will have to judge the merits of specific treaty language. Just as the President has nearly fulfilled his responsibilities of negotiating a draft treaty, so the Senate must soon fulfill its constitutional obligations of giving its advice and consent.

We are confident that the Administration and the American people appreciate the full partnership established by the Constitution between Congress and the Executive Branch in the making of momentous foreign policy commitments. The Senate role in treaties is of course not merely to "take it or leave it" but to advise in a constructive spirit and to introduce improvements where necessary.

During our study sessions, we gained considerable insight into both the many assets and liabilities of provisions thought to be included in the treaty. Until the document formally comes before the United States Senate, all of us will reserve judgment and remain open-minded.

Nonetheless, our sessions have led us to conclude that for a SALT II treaty to be acceptable, certain concerns must be satisfied in the treaty provisions.

1. VERIFICATION

The Administration has stated that the agreement will be "adequately" and "satisfactorily" verifiable. These terms are highly subjective. What may be considered "adequate" by those who negotiated the treaty may be considered dangerously inadequate by those charged with its implementation during the year to come. While our technical methods of vertification are excellent in some respects, they fall short in others. While silos may be reliably counted, for example, numbers of warheads and stockpiled missiles cannot. While the range of ballistic missiles may be reliably estimated, that of cruise missiles cannot. Some of the limits envisioned for SALT II would require cooperative verification measures. If we cannot obtain them, the limits will have to be dropped from the agreements.

2. TREATY AMBIGUITIES

It is important that the interpretations each side assign to each important provision of SALT II be the same. If SALT is to further Soviet-American relations, treaty language that is interpreted in contradictory ways must be eliminated.

3. ICBM SURVIVABILITY

Although the control and reduction of nuclear troops is our goal, we cannot accept the increasing vulnerability of those weapons retained for our ultimate defense. The agreement must specifically protect promising options for survivable ICBM basing like the multiple protective shelter system. It must not prohibit the flight testing and deployment of such systems.

4. BACKFIRE

The agreement must come to grips with the Backfire bomber problem. If the Senate concludes, as a result of its inquiry, that the Backfire has the capability to make strategic strikes against the United States, it must be limited in the treaty. It would not be enough to depend on pledges of good intentions from the Soviet Union or meaningless and unverifiable collateral constraints on its deployment and training, which could be brushed aside in time of crisis.

5. INTERMEDIATE RANGE MISSILES

The treaty must not provide range limitations for American medium range cruise missiles below the agreed intercontinental range limits of 5500 km, while at the same time, permitting without limitation, deployment of more threatening medium range ballistic missiles by the Soviets. It would not be acceptable, for instance, to accept a 600 km. restriction on American ground launched cruise missiles while allowing the Soviet SS-20 with its 4000-5000 km. range limit to go unrestricted.

SALT must not prohibit the development of the conventional and nuclear options for submarine surface and ground launched cruise missiles of medium range.

6. ALLIANCE CONSIDERATIONS

The SALT treaty must assure that the interests of our Allies are fully protected. There must be specific recognition that there will be no obstacles to the sharing of U.S. cruise missiles and other technologies with our Allies for the purpose of modernizing their nuclear forces.

7. PROTOCOL

We are convinced that provisions contained in the three-year protocol are without long-term effect, as the Administration has argued. The Soviets have made clear they view the protocol limits as permanent. The historic record confirms such measures are rarely if ever repealed.

8. PRINCIPLE OF EQUALITY

The SALT treaty must be perceived as providing and must actually provide for real equality in such essential strategic measures as throw-weight. The U.S. must have the equal right to deploy such important strategic systems as "heavy ICBMs" (MLBMs). Whether or not this Administration or a successor chooses to deploy such heavy missiles, unilaterally accepting a prohibition on such an option would needlessly prejudice the possibility of negotiating the eventual elimination of these formidable counterforce weapons.

In addition to these specific concerns, there are two broader considerations that will heavily influence our deliberations. The first of these is the geopolitical context in which our relations with the Soviet Union take place. SALT must be assessed within the total strategic and international framework. It would be imprudent for the Senate to consider the important limitations contained in the treaty in isolation from the changes in the overall military balance between the United States and the Soviet Union during the past decade. We believe that expanding Soviet military power is having real geopolitical consequences which are directly affecting the lives and interests of everyone in the free world.

The second broad consideration is the effect that ten years of negotiations have had on U.S. Government policy and on Soviet defense policy. We cannot escape the conclusion that Soviet defense planning and programming has molded and determined their SALT negotiating positions while the opposite has been true in the United States. While the SALT process does not seem to have interfered with any important Soviet programs, time and again we have seen American systems, like MX missile and the cruise missile, delayed and deferred in anticipation of SALT limitations. Years of United States restraint stand in marked contrast to steady increases by the Soviet Union in its strategic spending to the point where it is now triple our own.

The Administration has reminded us that we cannot expect SALT to solve our strategic problems for us. That is, of course, true, but we must not permit the SALT process to interfere with solutions to our strategic problems as has been the case in recent years.

The American people have a right to expect no less than a SALT II treaty that satisfies the concerns we have identified and does in fact enhance American security.

Sincerely yours,

Bob Dole, John W. Warner, Alan K. Simpson, Roger W. Jepsen, Gordon J. Humphrey, William L. Armstrong, Pete V. Domenici, Henry Bellmon, Richard S. Schweiker, Strom Thurmond, Malcolm Wallop, Harrison H. Schmitt.●

## THE FAMILY FARM

● Mr. McGOVERN. Mr. President, it is no surprise to learn that South Dakotans are concerned about the future of the family farm, but it is unusual to learn of a special South Dakotan who has spent many years researching the real story behind the type of farm that can be classified as "family" operated. Maxine McKeown, of Bushnell, S. Dak., started her research in 1955, and discusses what she has discovered in an interview with the Sioux Falls Argus Leader.

I believe my colleagues will be interested in Mrs. McKeown's conclusions about the family farm, and I ask that the article be printed in the RECORD.

The article follows:

ANGER DRIVES THIS RESEARCHER

(By Kim Ode)

BUSHNELL, S. DAK.—A conversation with Maxine McKeown leaves you slightly breathless, grasping for a mental hook on which to hang your thoughts while you rest for a bit.

Whether it's the banter she bandies with the farmers as she bustles behind the lunch counter at the Brookings Livestock Barn, or the kitchen table soliloquys she delivers at home, she makes her point with a sense of unrestrained enthusiasm—and restrained anger.

"I hope I'm not jumping too many rivers" she says often, well aware of the tangents that tempt when explaining 20 years of research.

That research, seeming at first to be a mish-mash of everything, eventually funnels toward one strong conviction: "The family farm as we have grown to know it is a myth. We're becoming homogenized, rural and urban blending together into one big suburb.

"And you know what happens to homogenized milk after awhile—it rots."

Now 58, she realizes she sacrificed watching her children grow up. Piles of rag rugs lie around her home, the result of a need for a physical release from the mental labor. Her dream is to be locked in libraries overnight.

Personal anger brought her to this point.

"My research started back in 1955. We had a baby that year and that was our only crop. There was a drought for 73 days and I had to watch my poor, dear husband sell cows for $55 and $60. A few months later, they had tripled in price. I felt such anger at the whole system."

A local priest got her started researching for him as an outlet for her frustration. It grew from there into the boxes of documents and stacks of books that have taken over the McKeown home near Bushnell, 10 miles east of Brookings, and spilled into the trailerhouse in the backyard.

What is contained in that waylaid trailerhouse is akin to the Library of Congress. But you'd never guess.

Boxes heaped haphazardly on other boxes spill across the floor. Books line shelves the length of the trailer. A few choice clippings are taped to the wall, some pinned to the curtains. A fraction are filed away but literally thousands await classification.

The not-so-subtle smell of mouse hangs in the air.

Uncannily, she can lay her hands on the exact book she wants or knows just where to find a clipping. And if she can't find it, she knows who wrote it and what it says.

"My children began to despise me when they were growing up, wondering why I couldn't worry about their hair and things other mothers worried about. And it seemed like I was always gone to some conference. They had to work very hard."

Her forehead, rimmed by a coil of brown hair laced with gray, furrows slightly with the memory. "But now, I think, after they've seen what I'm doing, they love me . . . and that's very wonderful."

The theory that all this time has led to is that the family farm, defined as a farm in which the family provides more than half the capital, management and labor, is just one of four separate farm groups.

The others are the slave plantation heritage of the South; the corporate farming employing migrant workers of the West, and the subsistence agriculture in the Appalachian mining country.

In each of these cultures, the workers do not control the land. The traditional family farm has that quality, but will lose it if something isn't done soon.

"The family farm is becoming industrial-

ized, and in that lies its death. We have to decentralize, pull in a little." She predicts a major social upheaval when industrialization that comes with the "bigger is better" philosophy eliminates jobs now done by hand.

"That's when you'll start hearing talk of a revolution—when too damn many hands are doing nothing."

But how to get this gospel across to everyone? "Each one, teach one," she says, confident it's not too late, despite the excuses offered.

"You hear all this talk about corporations taking over the farm; well, that's a lot of crap. And more important, our kids aren't buying that. They're asking some damn intelligent questions.

"And this energy crunch is going to force us to pull in; we've reached the point of diminishing returns. It's just getting too expensive to do things the same old way."

The weakest part of her contention, however, is the farmer himself and his famous independence.

Farmers are the only group of people I know who use 'they' when they're talking about other farmers. And it's no wonder. We've got such a splintering of farm groups—pork producers, cattlemen, wheat growers, you name it—that it's impossible to present a united front.

"'Economically, it's a jungle. But if it comes down to making it on guts, I think we can work it out intelligently.

"The enemy is complacence.

"I know some people would just as soon be on the other side of the street when I come around because I start getting too profound. I'm not liked, but I don't mind. When you're a little ahead of your time, it's much more exciting.

"If I can just share the joy, the lousy joy of what we've got here with someone, then I've done something."

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## OUR ICBM'S ARE IN DANGER

● Mr. SCHMITT. Mr. President, an issue of grave concern to me and to many Americans is the vulnerability of our intercontinental ballistic missile (ICBM) force during the early and mid-1980's. In his fiscal year 1980 annual report, Secretary of Defense Harold Brown stated:

> It is quite conceivable, at some point in the early to mid-1980's, that the Soviets—with a first strike—could eliminate the bulk of our ICBM silos and still retain a large number of warheads in reserve.

During Senate consideration of the fiscal year 1980 Department of Defense authorization bill last week, I spoke about this threat. I had intended to offer a series of amendments addressing this problem. Instead, the chairman and the ranking minority member of the Senate Armed Services Committee assured me that their committee would study this issue.

Today, the President signed the Strategic Arms Limitation Treaty (SALT II). In the coming months, the Senate Foreign Relations Committee, Armed Services Committee, and Intelligence Committee will carefully review this treaty. I hope that all these committees consider the increasing short-term vulnerability of our land-based ballistic missiles in the context of SALT II and our projected defense budget.

Mr. President, the issue is one of the most important and most challenging issues facing the Congress today. SALT II does not address the vulnerability of our Minuteman force directly and possibly prevents us from taking necessary action to protect this important leg of our triad defense system. MX will not provide the solution in the short run. The threat to our ICBM's begins in the early 1980's and the MX, which will be survivable, will not begin to be deployed until 1986 at the earliest.

The years between the beginning of the threat to our land-based missiles and the deployment of our MX system will be dangerous years. The President, during those years, will be limited in the options available to him in his conduct of foreign and defense policy. I, for one, do not want to tie any President's hands in this manner even if he does.

It is imperative that the Congress immediately study and implement plans for meeting this threat. In addition to the proposals which I submitted last week, there are many possible "quick fixes" which could be implemented, often at minimal cost, almost immediately. More attention must be given to these proposals by the Congress and the American people must be made aware of the seriousness of the situation.

The most recent issue of Fortune, dated July 2, 1979, carries as one of its cover stories, an article entitled "Our ICBM's Are in Danger." Mr. President, I ask that the article appear in the RECORD.

The article follows:

### OUR ICBM'S ARE IN DANGER

President Carter's recent decision to develop a major new land-based missile—the so-called MX—represents an effort to deal with the largest strategic problem now facing this country. The problem is that, in the next few years, our present force of land-based intercontinental ballistic missiles (ICBM's) will be increasingly vulnerable to a Soviet first strike. The Minuteman force will have this problem whether or not we sign the new SALT II treaty. The treaty could have some negative effects on our ability to deal with the threat, depending on U.S. and Soviet responses to the new situation and on the interpretation of certain clauses. On the other hand, the treaty—by imposing ceilings on the size of the Russian missile forces—at least puts some limits on the threat.

SALT as a whole is bigger than the Minuteman problem: it involves political, diplomatic, and strategic questions that go far beyond this issue. But the threat to our ICBM's will be part of the SALT debate and must be understood if a proper conclusion on SALT is to be reached.

The fact that the ICBM's will be physically vulnerable is not in much controversy. Nor is our perception of the problem a new one. Indeed, the problem was being worried about a decade ago, when the Nixon Administration was still negotiating the SALT I treaty and trying to persuade the Russians to stop building up their missile forces—especially their heavy missiles. The Russians chose not to stop until they had more than 300 of the heavies (which they have been allowed to keep under both SALT agreements, largely because the U.S. did not have the leverage to get such weapons ruled out). More recently, the annual "posture statements" issued by Secretary of Defense Harold Brown and his two predecessors, James R. Schlesinger and Donald Rumsfeld, have warned regularly of an emerging threat to our Minuteman forces.

The threat reflects the fact that the number and accuracy of Soviet warheads have been rising rapidly while the number of our hardened ICBM silos has been fixed. (The U.S. today deploys 1,000 Minuteman missiles and fifty-four Titans, precisely the figures that obtained in 1967.) In the years just ahead, the number of land-based MIRV's (multiple independently targeted re-entry vehicles) deployed by the Russians will rise above 6,000, about half of them on heavy missiles, and these vehicles will acquire median accuracies approaching 0.1 nautical mile (i.e., half the vehicles would land within about 600 feet of the target). In the not-too-distant future, the Russians could have a high level of confidence that an attack utilizing only a small fraction of their forces would take out the great bulk of our land-based ICBM's. The chart on page 52, reproduced from Secretary Brown's fiscal 1980 posture statement, represents an "official" view of the problem. Some of the non-official views are even more pessimistic.

While everyone agrees that the ICBM's will be physically vulnerable in the early 1980's—the particular date mentioned in the latest posture statement is 1982—there is some controversy about the import of this situation. Some members of the Carter Administration, including the President himself, have sounded at times as though our security would continue to be guaranteed by the logic of what defense analysts call "minimum deterrence." The central idea underlying this phrase is that the Russians would never dare to attack us, and could not credibly threaten to, so long as we had surviving strategic forces capable of annihilating their society. Minimum-deterrence advocates hold that the relative sizes and capabilities of the two sides' strategic forces are not significant; in principle, it would not matter if we were inferior—provided only that we could count on our surviving forces being able to wreak massive damage on the Russians. Needless to say, no one in the Carter Administration is advocating that the U.S. accept overall strategic inferiority; "essential equivalence" is proclaimed by all to be necessary (and to be a fact). Nevertheless, some of the arguments floating around the capital these days imply that minimum deterrence is all we need.

Leslie H. Gelb, who heads the Bureau of Politico-Military Affairs in the Department of State (and who was a major participant in shaping our SALT II negotiating positions), argues that those mathematical calculations about attacks on the Minutemen are unreal. He observed recently that an early-1980's attack on them could not be a surgically precise operation. It would cause 10 million or 20 million American deaths, he argued, and "the Soviets would have to assume retaliation against their cities."

Barry Blechman, a defense analyst from the Brookings Institution who now serves as assistant director of the U.S. Arms Control and Disarmanent Agency, is also among those who believe that the whole Minuteman problem is a bit unreal. "I don't take the scenarios literally," he remarked in a recent interview. Blechman agreed that the Russians could, "if they threw enough warheads at it, destroy a large portion of Minuteman," but nevertheless insisted: "They wouldn't do it because there's just such enormous destructive power left in the submarines and bombers and even in the Minutemen that they'd have to figure some would survive. They wouldn't get every one."

However, Blechman does not believe that the Minuteman problem can be ignored just because it is "unreal." He observed that perceptions as well as realities could make a critical difference, and added that "this perception of an asymmetry" could be dangerous. "In the proverbial 'extreme crisis,' it'd just make them a little gutsier and us a little more timid. It does have this political result, and that means we have to react."

Secretary Brown also believes that we have to react. Says the latest posture statement: "The capability of the Soviets to threaten the prompt destruction of a major portion of our retaliatory force, while that segment of their own force is not subject to such a

threat, will be a serious matter in military terms . . . A solution must be found to the problem of increasing vulnerability of land-based ICBM's." Yet even our Secretary of Defense seems to have found this judgment something of a close call. There is a kind of Hamlet-like passage elsewhere in the posture statement in which Brown considers, and then finally comes down against, the option of just abandoning the land-based ICBM's to their fate. He frames the alternatives this way: "Given the past importance of our ICBM force and the traditional emphasis of the Soviets (and of many military observers throughout the world) on ICBM's, it can be argued that a decision not to modernize the ICBM force would be perceived by the Soviets, and perhaps by others, as demonstrating U.S. willingness to accept inferiority, or at least as evidence that we were not competitive in a major (indeed, what the Soviets have chosen as the major) area of strategic power. Others could argue, however, that such a decision could be viewed as playing to U.S. strengths in SLBM's [submarine-launched ballistic missiles] and cruise missiles rather than investing in an inherently less survivable element of our strategic forces. My own judgment lies between these alternatives, but closer to the former view."

Many educated Americans do not quite see what's wrong with the logic of minimum deterrence. They tell themselves that, even if our land-based ICBM's were wiped out, we would still retain the other, formidable two legs of the so-called triad: our submarine forces, hidden in the ocean depths, and our sizable intercontinental bomber force. Right now, the U.S. has forty-one submarines, carrying some 7,500 warheads, in its strategic forces, along with about 350 intercontinental B-52 bombers.

However, there are some large problems about both the submarine and bomber forces. One problem has to do with the fact that only about half of the submarines are actually at sea at any given time—the rest must be in port—and less than 30 percent of the B-52's are ordinarily on alert. So very high proportions of both forces would be essentially defenseless against a surprise ICBM attack. And even the alert portion of the bomber forces, which presumably would get off the ground before the ICBM's arrived, would then have a "survivability" problem with their bases under attack.

There are still other difficulties about these two legs of the triad. Neither of them can deliver nuclear weapons with the land-based ICBM's combination of speed and precision. The SLBM's lack the accuracy to hit enemy silos; the B-52's, which are extremely accurate, may have trouble penetrating Soviet air defenses in the 1980's. While both the submarines and bombers have awesome abilities to hit troop concentrations, airfields, and certain other fixed military targets, their threat is heavily focused on the enemy's cities. In his State of the Union speech this year, President Carter referred to the fact that one Poseidon submarine could "destroy every large and medium-sized city in the Soviet Union."

That threat is less than credible. For an American President actually to send scores of nuclear warheads flying off toward Soviet cities might well be viewed as an act of monumental immorality. Beyond that, it would be self-destructive, for it would surely imply the reciprocal annihilation of American cities. To call on the submarine forces to attack civilians would be to initiate an exercise in mutual national suicide.

Throughout the past decade, we have come to think of the ICBM's as the heart of our strategic forces. Powerful, accurate, "survivable," capable of responding either immediately or after a delay, usable against a wide range of targets, they have been the ideal strategic weapons. So our strategic response to the merging threat to the Minuteman would seem to be a rather important matter.

One way to get a handle on the strategic issues involved is to look closely, not only at the MX decision, but at some alternatives to it that have been considered—and that, in some cases at least, are still viewed as live options for the future. One option for defending the Minuteman forces has been talked about for years and there is no reason to suppose that the talk will now cease. It involves a strategy called "launch-on-warning."

The idea is that, once our radars told us that Soviet ICBM's were beginning their thirty-minute journey over the polar ice caps—the radars would presumably begin getting this message at about the five-minute mark—we would immediately launch our own ICBM's, instead of leaving them in their silos, waiting to be hit. In a recent *Meet the Press* appearance devoted entirely to SALT, Secretary of State Cyrus R. Vance at one point responded to a question about Minuteman's vulnerability by turning to the cameras and stating, in the manner of an emphatic warning, that "no one should assume those missles wouldn't be launched before they were struck by incoming missiles."

A variant of launch-on-warning is "launch-under-attack." In this case, the launch would still be essentially "automatic," but it would presumably not begin until there was confirmation that an attack had taken place and the U.S. was at war. Just what might constitute confirmation is a question that proponents of this strategy are endlessly restudying. However, the latest posture statement has several passages that can be read as evidence of our continued interest in some such strategy, e.g., "Very low survivability of ICBM's in the early 1980's will leave us with very little effective quick-response hard-target kill capability unless we were to adopt a launch-under-attack policy . . ."

A strategy calling for an essentially automatic launch has several obvious selling points. One is that it doesn't require us to spend any real money; with certain minor modifications, we could embrace the policy with our present hardware. And if we could convince the Russians that we'd go to some such strategy in a crisis, or even if we got them to wondering about the possibility, the danger of a calculated Soviet attack on Minuteman would be reduced.

However, the strategy also presents some stunning difficulties. Defense analysts who have studied the idea closely tend to be horrified by the hair-trigger mechanism it implies and by the near-abandonment of any possibility of discrimination in our retaliation. In his testimony before the House Armed Services Committee earlier this year, Paul H. Nitze, a former Assistant Secretary of Defense, observed: "An important issue surrounding the launch-under-attack option is 'launch what against what Soviet targets—upon what degree of evidence that an attack of what size is under way against U.S. targets?' Extremely difficult considerations are involved in answering that complex question. Should the President be asked to resolve them in the few minutes which may be available to him, or should the answers be preprogrammed into a computer? Neither alternative is without immense dangers." Fred Charles Iklé, former director of the U.S. Arms Control Agency, has also dwelt heavily on the dangers of any automatic launch. Iklé observed recently: "The more you lean on any such system, the more you're driven to make it taut and rapidly responding, which means that you're increasing the risk of some kind of short circuit. Making the system taut could also mean putting incredible responsibilities on some tech sergeant in the innards of the system. The more quick and automatic it is, the more you're turning over decisions—the most fateful decisions in the nation's history—to people far removed from the President and the Joint Chiefs."

The Administration's position toward launch-under-attack is somewhat ambiguous—deliberately so, it would appear. Harold Brown's posture statement, which at one point asserts that the Russians should worry about our adopting the strategy, acknowledges at another point that it would be a difficult one for us to adopt. The evidence suggests that the Administration is trying to have it both ways with launch-under-attack: it plans to avoid the strategy as dangerously destabilizing, but it would still like to leave the Russians worrying about it, at least a little.

Over the past five years or so, as the clock ticked away on the Minuteman, the Defense Department has considered scores of proposals for new kinds of missiles deployed in new ways. As recently as late May, there were four proposals that seemed to have some chance of being accepted, and Carter was being asked to choose among them.

One proposal was to hasten the development and deployment of the Trident II SLBM. This missile, unlike any now launched from submarines, would have the accuracy to hit silos anywhere in the Soviet Union. The Trident II would carry as many as fourteen re-entry vehicles, and with only minor modifications the missile could be deployed on land as well as at sea. The land-based missiles would, however, be essentially as vulnerable as the Minuteman force, and some critics of the Trident II concept therefore viewed it as an essential bowing out of the ICBM race. They also argued that the Trident II strategy would leave the U.S. with a larger vulnerability problem than ever if the Russians made certain major breakthrough in antisubmarine warfare.

All three of the other proposals involved the MX missile. All assumed that, if our land-based forces were to remain invulnerable in the 1980's, the missiles would require a new "basing mode"—one that was harder to attack than the present mode, in which 1,054 missiles are sitting in 1,054 hardened silos. One basing mode that was studied attentively involved a "survivable air mobile system." In this system the MX missiles would be protected not by tons of concrete around silos but by their extreme mobility. Each missile would come with a cargo aircraft capable of taking off and landing at relatively small airfields. They would all be based somewhere in the North Central U.S. (where warning times against incoming SLBM's would be maximized) but could be rapidly redeployed to hundreds of municipal airfields all around the U.S. The retaliatory strike would then presumably be launched from these airfields or—with somewhat less accuracy—while the missiles were aloft in the cargo planes.

The system had some real promise and plently of enthusatic advocates in the Air Force. However there were some serious difficulties here too. One was the limited time during which the missile force would be survivable. While it was designed to escape a surprise first strike, it could not last many days or perhaps even many hours, in an actual wartime situation; with the country's airfields presumably coming under steady attack, to which there would essentially be no defense the air-mobile system would have to be used fairly soon or not at all.

But the main discouragement about the air-mobile system was that it would cost a ton. Estimates for a ten-year acquisition and operating program were recently running over $40 billion—far more than any of the competing options. The program's partisans in the Air Force labored to the end to bring the cost figures down, but it seems fair to say that, even if the other difficulties associated

with the program could have been solved, it would still have been in trouble on the ground of cost alone.

Another of the MX proposals that was before Carter became extremely controversial. It involved what the Defense Department refers to as multiple protective structures (MPS); what others have termed multiple aim points (MAP); and what newspaper reporters increasingly call the "shell game." The basic idea is that each ICBM would not be confined to a single silo but would instead be moved around in some random way, among ten or twenty or twenty-five silos. Thus the Russians, if they were contemplating a first strike, would have many more targets to cope with.

Until quite recently, it seemed highly probable that the Carter Administration would finally decide to solve the problem of Minuteman vulnerability by opting for an MX missile in an MPS basing mode. Says the current posture statement: "Recent studies indicate that a multiple protective structure (MPS) would provide a highly survivable base for a new ICBM . . ."

It is true that MPS also had its problems, and some of these were mentioned in the posture statement, right after the words quoted above. First, the Russians might simply overwhelm the system by using more warheads in a first strike. Clearly, they could have done that if only a small portion of our ICBM forces were deployed in an MPS mode. But there was no doubt about our ability to put enough holes in the ground to offset the thousands of land-based MIRV's allowed by SALT II. Indeed, the proposed treaty was defended by many precisely on the ground that it would make the shell game possible. Their argument was that, by providing a ceiling, however high, on those land-based Soviet MIRV's, SALT II gives us a "limit" that we can elect to exceed just by digging more holes in the ground. President Carter made this point in his April 25 speech to the American Newspaper Publishers Association in New York.

Another problem about MPS was that the system might not be allowed under the terms of the SALT II agreement. It may seem odd that there should have been a question about the allowability of the shell game under SALT II, since throughout the past couple of years, MPS was clearly among the more favored solutions to the problem of Minuteman vulnerability. Yet it really does appear that there has been a question about the allowability of the solution.

Under the terms of SALT II, mobile missile systems are banned during the life of a "protocol"—a sort of side agreement—but allowed after it expires on December 31, 1981. The U.S. negotiators evidently assumed all during 1977 and part of 1978 that MPS was a mobile system and was therefore permitted after 1981.

However, when our negotiators made an effort last year to confirm that the shell game was allowed, they were told that in the Soviet view it was highly suspect. More precisely, the Russians argued that (a) the system was not truly mobile, since the missiles involved could be fired only from fixed positions; and (b) every one of those holes we dug in the ground should be viewed as a "launcher" and, therefore, applied against the overall ceiling on launchers. This second proposition, of course, attacked the central idea of MPS, which requires that we have multiple and redundant holes in the ground. In further exchanges, the U.S. repeatedly insisted that it had every right to go to a "mobile" MPS system and that there was no valid reason to count every hole as a launcher. It may be ovserved that this disagreement was made possible by the fact that "launcher"—the word on which so much strategic bargaining has turned in the past decade—has never been defined, either in SALT I or SALT II.

In any case, we never did reach a clear agreement with the Russians on this issue. It is possible that we could have got one by pushing harder; the evidence suggests that we preferred not to push too hard, fearing to provoke a flat and final Soviet rejection and assuming, meanwhile, that we could preserve our options by asserting unilaterally a right to deploy an MPS. (The argument was that Soviet willingness to sign the treaty in the face of these assertions could be viewed as a tacit acceptance of our position.) Whether this lingering ambiguity played any part in Carter's final decision not to go for the MX in an MPS basing mode is a matter about which there has been a certain amount of suspicious conjecture in Washington. It is at least clear that the decision spared the Administration the embarrassment that would have been entailed in simultaneously asking the Senate to buy the shell game and also to buy an arms-control agreement in which the shell game's allowability was in question.

On balance, however, the evidence suggests that different considerations were pushing the Administration away from the shell game and toward still another basing mode—the fourth option on Carter's desk. It involves missiles that would shuttle around in long underground trenches, each of which would have a removable roof. The missile could be fired from any of various hardened stations along the way: There would be perhaps twenty stations in each trench. (Exactly how the roof would be removed, and how often, and under what circumstances, are all questions that are still being studied.) In another variant, the missile would be deployed aboveground but moved around steadily from one hardened "garage" to another. On either basis, the trench system would apparently cost several billion dollars more than the MPS; however, there seems to be no disagreement about its being a truly mobile system and no real doubt that the Russians would agree to its allowability.

The relative merits of MPS and the trench concept have been endlessly debated inside the Pentagon, but it is clear enough why the Carter Administration finally went for the latter: the trench presents fewer verification problems. If the object is to keep track of numbers of missiles, while obscuring the location of missiles, the trench is easier to work with. It is relatively simple, using "national technical means" (principally satellite photography), to verify that an uncovered trench contains only one missile; it is much harder to demonstrate that twenty-five silos contain only one. If we went to the shell game, of course, we could institute various cooperative measures to help the Russians keep track of the number of missiles in our silos. But—the Administration kept telling itself—suppose the Russians followed our precedent and went to the shell game. They would presumably be less cooperative, and then we would have a severe verification problem. As Harold Brown put the case on *Meet the Press:* "We know we are going to abide by the treaty. But we have to ask ourselves [about] any of the various mobile systems we are considering . . . how would we feel about its verifiability if the Soviets were to deploy it? We are going to judge what we do by that standard."

The Administration's strong preference for verifiable systems is understandable: verification is at the heart of the whole SALT idea. Without verifiable systems, there couldn't be arms control and without arms control, the world could be a much more dangerous place. Yet the Administration may be running some risk that its concern about verifiability will not be reciprocated by the Russians. There is, in fact, no guarantee that the Russians will forswear the shell game just because we have. They don't, after all, need our precedent to start digging their own holes in the ground; they have something just as good already—our repeated unilateral assertions that, despite the verification problems it presents, MPS is allowed under SALT II. Leslie Gelb was asked recently what we would do if we backed away from MPS and the Russians went for it anyway. His answer: "Then we've got a problem!" (It could be argued, of course, that the Russians would not dare go to an unverifiable version of the shell game because the resulting outcry in this country might jeopardize the entire SALT process.)

Inevitably, *all* of those options on Carter's desk were flawed in one rather important respect. None of them responded fully to the problem as it has been defined in all those past posture statements. For if the central question is the vulnerability of the Minuteman forces in the early 1980's—which is what the Defense Department says is the question—then any answer involving the MX turns out to be a bit of a non sequitur. The MX cannot possibly be deployed in any significant numbers until the *late* 1980's—by 1986 at the very earliest. In putting forward the MX as its answer, the Administration is implicitly conceding the Russians a period of four or five years in which the ICBM forces will be vulnerable.

Not everyone agrees that it's necessary to give the Russians those years of supremacy. A fair number of defense analysts have been looking for some "quick fixes" that might bail us out before 1982. About a year ago, a group of analysts critical of the Administration's thinking was brought together by the National Strategy Information Center a think tank based in New York City, and exchanged ideas about some possible quick fixes. Professors William F. Van Cleave of the University of Southern California and W. Scott Thompson of Tufts's Fletcher School of Law and Diplomacy were the main organizers of the event, but scholarly papers were prepared for it by many other well-known analysts, including Paul Nitze; William R. Graham, a Defense Department consultant; M. R. Gustavson of Lawrence Livermore Laboratory and the University of California; and Benjamin Plymale, now of Boeing but formerly a senior research and engineering official in the Defense Department

One of the main ideas to come out of the session was a proposal, put forward by Nitze and Graham, for a version of MPS based, not on the MX, but on the existing Minuteman III. The scheme envisioned a missile encased in a canister that would also contain the basic power sources needed for a launch; also envisioned were a sizable number of dummy cansisters that would be moved randomly among the holes along with the real missiles. The investment cost of the scheme would range upward from around $15 billion, depending on the number of missiles involved. The authors of the proposal had done a lot of work on the engineering and accounting problems associated with the proposal, and made two remarkable claims for it.

First, work on the project could begin within a year, and a significant MPS force could be in place, and still growing rapidly, by around 1982. Second, the incremental cost to the U.S. of adding holes to the system would be on the order of $500,000 to $1.5 million apiece—the latter figure being substantially lower than the cost to the Russians of adding warheads to their land-based forces. Thus the U.S. would have a built-in advantage if any "race" developed between Soviet warheads and U.S. holes.

Nitze, like many other proponents of the "Minuteman shell game," believes that the U.S. also needs an MX. The quick fix is seen as no more than that—as a scheme that would, in effect, get us through the early

1980's, until the MX is deployed in a secure mode.

The Carter Administration has shown no interest in the quick-fix proopsition. Some of its spokesmen, when asked about the apparent "mismatch" between our early-1980's problem and the proposed late-1980's solutions, seem to consider the problem exaggerated. Asked about the mismatch, Barry Blechman of the Arms Control Agency returned to the theme that the whole problem of U.S. inferiority is somewhat unreal. But what, he was asked, about those "perceptions" of our inferiority—wouldn't they make a difference in a crisis? No, Blechman answered, because the perceptions in the early 1980's would be shaped by the prospective strengthening of our forces via the MX. When he was then asked why perceptions would be shaped by future capabilities, rather than by the forces in being during a crisis, Blechman insisted that the direction of events was what mattered. "It's like the inflation issue," he suggested gamely. "What matters to most people is not the level of inflation but whether the rate is rising or falling."

One difficulty about the proposed quick fix is that lingering dispute with the Russians about the allowability of the shell game under SALT II. Presumably, however, the dispute can be settled. Another difficulty is that the quickness of the fix would be reduced by the SALT II protocol, which limits the extent to which we can deploy or flight-test an MPS (or any other system deemed mobile) before 1982. However, William Graham estimates that, if we worked hard at the design and engineering problems during the period of the protocol, we could deploy a sizable "Minuteman MPS" system within about two years of its expiration—significantly earlier than any MX system is due.

The Administration obviously feels that the "quick fix" isn't really worth it. Administration spokesmen argue that, in part because of the limitations imposed on Soviet strategic forces by SALT II, the dimensions of the Minuteman-vulnerability problem have been reduced to levels at which we can get by until the MX is deployed. They question whether it would be necessary, wise—or politically possible—to spend billions on an interim system while also bracing ourselves to spend far more on our long-term solution, the MX. The alternative view, of course, is that those billions have to be weighed against the possible threat to national security. Judgments about these trade-offs may become an important subtheme in the larger struggle over SALT ratification.●

## A FINE CELEBRATION IN BARNEGAT LIGHT

● Mr. WILLIAMS. Mr. President, there are few people who are not acquainted with the charm and beauty of New Jersey's coastal areas and very soon now, one of the loveliest spots on the Garden State's shore will be celebrating its 75th anniversary.

The Borough of Barnegat Light, N.J. will mark its diamond anniversary with a series of special events and ceremonies beginning on June 30. A week of celebrating will conclude on July 7 with a parade and special program at Borough Hall.

Mr. President, the entire borough is justifiably proud of its rich history as one of our State's leading commercial fishing villages and its service as a summer resort spot for thousands of east coast residents.

Barnegat Light is located on Long Beach Island, just across from magnificent Island Beach State Park. The Barnegat Lighthouse, which marks the entrance to the important coastal inlet of the same name, is the second oldest lighthouse in the United States and has been duly recognized by being declared a State park itself.

Over the years, the families which have lived in Barnegat Light and the many visitors who have passed an enjoyable stay in the community, have seen many changes and much progress in the borough. But the traditions and the history of the community still play an important role in making it one of our State's most-enjoyed spots.

Mr. Sidney Rothman, who has been coordinating the anniversary celebration, recently sent me a copy of the minutes of the first borough meeting back in July 1904 and the record reflects the authentic pride and confidence the residents had in their fledgling community. On a lighter note, I also noticed that their first official act was to appoint a finance committee and determine how much money they would be receiving from their parent community, so the inclination for prudent fiscal management was present at the creation.

Mr. President, I just wanted to take a moment here in the official Record of Congress to mark this special occasion for our State and for the Borough of Barnegat Light and extend to Mayor Lloyd W. Behmke, the borough council, and all 850-plus residents of Barnegat Light our heartiest congratulations on this important anniversary.●

## LEVERETT SALTONSTALL (1892–1979)

● Mr. DOLE. Mr. President, this morning carries with it news of the passing of a great American, who graced this Chamber for more than 2 decades. Leverett Saltonstall has died, and with him an era in our history.

Bearer of a proud name, perhaps the greatest tribute we can pay Salty was the fact that he lived up to, indeed, furthered, the reputation for public service associated with 10 generations of Saltonstalls. He was a man uniquely able to bridge social, political, and economic gaps. Born to wealth, he cared deeply about the lives of the poor. As Governor of Massachusetts, he combined liberal social policies with fiscal conservatism—and America paid attention.

In a State where ethnic tensions had all too often polarized along political lines, Mr. Saltonstall was described as having "Back Bay manners and a South Boston face." His response was typical of the man:

"Im proud of my South Boston face," he told campaign audiences. "It may be an old horseface too, but it's the only one I've got and it doesn't change after the elections."

To the end of his life, Lev Saltonstall held fast to the ideals of Yankee New England: to integrity as hard and fast as the granite beneath his Dover farm; to honesty and self-depreciation, which led him to retire from this body in 1966 after an active career spanning 55 years; finally, to the old and cherished pursuit of excellence, which motivated his veneration of and service to Harvard University and all the people of Massachusetts.

It is fashionable to proclaim the passing of eras upon the death of a notable. It is even more common to announce that one's like will not soon be seen again. But in the case of Leverett Saltonstall—upholder of a great lineage, selfless in his service to the people of his State and Nation, and a character of singular color and attraction—the customary regrets are intensified.

I extend my deepest sympathy to the Senator's wife, Alice, as to his children, Susan, Emily, and William. In sharing a remarkable career, they, too, have made their mark. May they be comforted by the knowledge that their sorrow is shared by anyone who ever knew—or knew of—Leverett Saltonstall.●

## S. 1112—BILL TO ELIMINATE CONGRESSIONAL EXEMPTION FROM MAJOR CIVIL RIGHTS LEGISLATION AND OTHER REFORM LAWS

● Mr. LEAHY. Mr. President, I would like to commend my distinguished colleague from Ohio, Mr. METZENBAUM, for his support of my bill to eliminate Congress' exemption from the major civil rights legislation and other reform laws. He joins Senator ARMSTRONG, Senator DECONCINI, and me as cosponsors of this legislation.

We can no longer ignore the Civil Rights Act of 1964 in our hiring practices. We can no longer ignore the Equal Pay Act, the Equal Employment Opportunity Act, the National Labor Relations Act, and the other pieces of legislation which we have mandated for the rest of the Nation, but sadly, not for ourselves.

The recent Supreme Court decision on Davis against Passman is highly instructive. I find it intolerable that the thousands of men and women who work on our staffs and in the numerous support capacities have no recourse under the law when they feel they have been the subject of discrimination. And I am heartened that the courts are protecting them where we have failed.

Mr. President, we are facing a crisis of confidence. As elected leaders, we can hardly expect the Nation's businessmen to comply with the regulations of the Occupational Safety and Health Act, for example, when we do not. This is an insidious double standard that promotes a justified skepticism in our power to legislate.

What laws we enact for the rest of the country, we ourselves must obey.●

## TRYING TO TAKE THE TAX OUT OF MARRIAGE

● Mr. DURENBERGER. Mr. President, there are numerous and complex tax issues confronting the Congress. Two problems seem to predominate in terms of constituent concern. One problem is the inflation tax—basically, the fact that whenever inflation increases income, taxpayers move up into higher tax brackets. Consequently, tax burdens increase at a faster rate than inflation or any gain in real income. There is a simple and efficient solution. It is to index the tax code.

The second issue, the marriage tax, does not lend itself to a similar effective solution. The problem is that marriage can create a higher tax obligation for a two wage-earner family than occurs for two single taxpayers with the same income. Another side of the issue is that a single person with the same income as a family (either one or two wage earners) has a higher tax burden than the family.

Various studies have attempted to develop a solution for these inequities. Despite all the studies, we have not found a simple, efficient and equitable answer. A recent article in Tax Notes describes the history of the problem, and mentions one possible solution. I ask that the article be printed in the RECORD.

There is no magic solution.

What we can do is adopt the most equitable procedure for taxing the different groups of taxpayers. A first step would be hearings by the Senate Finance Committee to explore various alternatives. Despite our busy schedule, I hope we can begin addressing this problem this year.

The article follows:

[From Tax Notes, June 11, 1979]

### FEDERAL INCOME TAX TREATMENT OF MARRIED AND SINGLE TAXPAYERS

(By Walter Stromquist)

The problem of determining the relative tax burdens of married couples and single individuals has been a subject of debate in the United States since the income tax was established in 1913. There has been controversy over what is the proper unit of taxation, individuals or families. There has also been debate over how to recognize the different situations of families with one earner, families with two earners, and single persons.

The controversy revolves around four principles of taxation, each of which is widely accepted in the United States:

1. Progressivity. The higher the income, the higher should be the rate of tax. For example, more tax should be collected from a single person earning $20,000 than would be collected from two single persons earning $10,000 each.

2. Aggregation. A married couple's income should be aggregated for computing their tax, and no distinctions should be made among married couples according to how much of their income is earned by one spouse or the other. For example, all married couples with total incomes of $20,000 should pay the same tax, regardless of whether one spouse earns all of the income or each spouse earns half.

3. No penalty for marriage. Two people who marry should not pay a higher tax as a result. For example, a man and woman earning $10,000 each should pay the same tax whether they are married or single.

4. No penalty for remaining single. A single person should not pay more tax than he would pay if he were married to a person with no income. This means that a single person earning $20,000 should not pay more tax than a married couple earning $20,000, if all of the couple's income is earned by one spouse.

Each of these principles may seem sound at first. The problem for tax policy is that they are in conflict. The conflict is illustrated by Figure 1. Therefore, every system of progressive income taxation must violate one or more of the principles.

The first section of this paper contains a brief history of the Federal income tax as it relates to these four prinicples. The second section describes the current (1979) tax law, including the way in which it violates the last two principles. A final section mentions some proposals for change.

#### HISTORICAL DEVELOPMENT

Each of the principles listed above, except the first, has been violated at one time or another in the history of the Federal income tax.

Prior to the 1948, the Federal income tax conformed to all of the principles except the second. People were taxed as individuals, and there was only one rate schedule for both married and single persons. A married couple could file a joint return if they wished, but if both spouses had income, they could reduce their tax by filing separate returns. Because the rate schedule was progressive, the combined tax on two incomes of, say, $10,000 was less than the tax on one $20,000 income. Since one-earner couples could not benefit from separate returns, couples with the same total income paid different amounts of tax.

The difference in tax depended not only on the share of income earned by each spouse, but also on the states in which the couples lived. This curious result was caused by the community property laws of some states. In 1930, the Supreme Court ruled that in states with community property laws, a husband and wife could file separate returns with half of the combined income on each return, regardless of which spouse had actually earned the income. This automatic "income splitting" was unavailable in other states.

#### 1948: INCOME SPLITTING

In 1948, the law was revised to embrace the income splitting principle for married taxpayers in all states. Married couples were encouraged to file joint returns, and a separate rate schedule was designed for these returns. This "joint schedule" was derived from the "single schedule" by doubling the size of each bracket, without changing the rates. The effect was the same as income splitting: a couple——even a one-earner couple—paid the same tax as two single persons, each with half the combined income.

This represented no change for spouses who lived in community-property states or whose incomes actually were evenly divided; they simply received the same benefit on their joint returns as was already theirs if they filed separately. But for other couples, the automatic income splitting resulted in substantial savings. For example, consider a couple in which the husband's taxable income was $32,000 and the wife had no income. If they filed a joint return in 1970 (the last year of income splitting), their tax was $8,660. But if the husband had paid tax as a single person on the same taxable income, his tax would not have been $12,210. In this case, income splitting saved $3,550.

This was the state of the income tax for the period 1948–1970. The second principle was completely satisfied, since a couple paid the same tax whether both spouses or only one spouse had income. However, to make the tax law conform to the second principle, one of the other principles had to be sacrificed. In 1948, it was the fourth: after the 1948 Act, a single taxpayer generally paid substantially more tax than a married couple with the same income. If a single taxpayer had the same taxable income as the couple in the above example, he paid $3,550, or 41 percent more tax than the couple.

#### 1951–1954: SPECIAL CASES

This "single penalty" was especially conspicuous in the case of single taxpayers with children—typically, widowed or divorced parents. Such taxpayers are hard to classify fairly as single individuals or as married couples. Congress recognized the special status of this group in 1951 by classifying them as "unmarried heads of households" and allowing them half of the benefits of income splitting. A special rate schedule is provided which puts the tax for a qualifying taxpayer about halfway between the amounts paid by a single person and a married couple with the same taxable income.

Even more conspicuous was the case of a person made single by the death of a spouse. Even if the widow (or widower) was able to maintain the income previously received by the couple, he or she lost the benefit of income splitting and thus paid a higher tax. To ease this burden—at least for taxpayers with children—Congress provided in 1954 that a surviving spouse who maintains a household for a dependent child may continue to use the joint rate schedule for two full years after the death of her spouse. This provision is still in effect; it is the only circumstance in which an unmarried taxpayer may use the joint rates.

There are many more "heads of households" than "certain surviving spouses." In 1977, the former group filed 5.8 million tax returns; the latter, only 147 thousand. Both groups were small, compared with the total of over 86 million returns filed.

#### 1971: NEW SINGLE RATES

In spite of the special provisions for these small groups, most single taxpayers still faced a large tax penalty. Until 1971, the tax burden for a single taxpayer without dependents remained up to 41 percent higher than for a married couple with the same taxable income. Because Congress considered the difference to be too large, it enacted a new, lower rate schedule for single taxpayers as part of the Tax Reform Act of 1969. Under the new schedule, which became effective in 1971, a single person's tax on a given taxable income was at most 20 percent higher than a married couple's tax on the same taxable income. For example, in 1971 a single person's tax on a taxable income of $32,000 was reduced from $12,210 to $10,290, which was 18.8 percent more than a couple would pay on the same taxable income.

To prevent two-earner married couples from taking advantage of the new single rates, they were required to use the pre-1971 schedule if they filed separate returns.

#### THE END OF INCOME SPLITTING

Although the rate schedule for joint returns was not changed in 1971, it could no longer be described as an "income splitting" schedule. A married couple paid a smaller tax than a single taxpayer with the same taxable income. However, the couples' tax was not as small as it would be if they could split their income equally and use the new

single schedule. The joint schedule could not be constructed from the new single schedule by widening the brackets, or by any other simple algebraic rule. Following changes in 1977 and 1979, these two rate schedules still have no exact relationship, although they retain the approximate relationship established in 1971.

Reducing the single penalty was an improvement according to one of the four principles, but it could not be obtained without a price in terms of one of the other principles. The 1969 Act sacrificed the third principle—by introducing, for the first time, a substantial marriage penalty into the tax law.

1970–1979: STRIKING A BALANCE

Since the 1969 Act, Congress has attempted to strike a balance between the single penalty and the marriage penalty. As long as the first two principles are honored—as long as the tax remains progressive and no distinction is made betwen one-earner and two-earner couples—it is mathematically impossible to abolish both penalties. Instead, the tax law has sought a compromise between them.

In this decade the compromise has found expression in several other tax provisions, as well as the rate schedules. The most important of these was the standard deduction, which was a feature of the tax law until 1977. Any taxpayer could elect to give up most of his personal deductions, such as medical expenses or charitable contributions, and claim the standard deduction instead. Most low-and midle-income taxpayers did so. The amount of the standard deduction depended on income, but was limited to a fairly narrow range by minimum and maximum amounts. In 1976, the standard deduction for single returns could range from $1,700 to $2,400, and for joint returns, from $2,100 to $2,800.

The minimum standard deduction was greatly increased by the Tax Reform Act of 1969, to remove tax burdens from most persons below the poverty line. At that time, the minimum was the same for single and joint returns. This added to the marriage penalty, since two single persons could claim two minimum standard deductions, but if they married, they could claim only one. Increases in the standard deduction after 1974, however, were twice as large for married couples as for single persons, so that these increases in themselves did not add to the marriage penalty.

A temporary contributor to the marriage penalty in 1976–78 was the general tax credit. Based on income and family size, the credit was limited to $180 for most tax returns, single or joint. Single persons could each qualify for a $180 credit; a married couple had to share one.

In 1977 Congress repealed the standard deduction. At the same time, "zero brackets" were added to each of the several rate schedules, providing that a certain amount of taxable income is subject to a tax rate of zero percent. In 1979 the zero bracket amounts were increased to $2,300 for single taxpayers, and $3,400 for joint returns. The zero bracket amount presents the same problems as the standard deduction: as long as joint returns receive a higher amount than singles, there is a single penalty, but if the joint amount is less than twice the single amount, there is also a marriage penalty. The present structure, therefore, represents a compromise.

When the standard deduction was repealed, a "floor" was imposed on itemized deductions. This means that a taxpayer may not subtract all of his deductible expenses from income, but only the excess of these expenses over the "floor." The amount of the floor is $2,300 for singles or $3,400 for joint returns—that is, the amount is the same as the zero bracket. Taken together, the floors and the zero brackets have nearly the same effect as the standard deduction—in fact, the repeal of the standard deduction has generally been regarded as a mere change in form.

In all of these actions, Congress has taken the first two principles—progressivity and aggregation—as given, and has attempted to strike a balance between the marriage penalty and the single penalty. We now review the state of the tax law as it is in 1979, with an emphasis on the way these penalties affect typical taxpayers.

THE INCOME TAX IN 1979

In 1979, the income tax continues to reflect the compromise among the principles that was struck in 1971. The tax is progressive, and no distinction is made between one-earner and two-earner married couples. The last two principles are violated, however. A single person generally pays more tax than a married couple with the same income, and two wage earners who are married usually pay more tax than they would if they were single.

The Internal Revenue Code contains four different rate schedules applicable to individuals. One is for single persons, one is for married couples filing joint returns, one is for married persons filing separate returns, and one is for single persons with dependents who qualify as heads of households. Each schedule contains a "zero bracket" and positive rates ranging from 14 to 70 percent. Some facts about the rate schedules are summarized in table 1.

The rate schedules are based on "taxable income," not "total income." For taxpayers who do not itemize their deductions, taxable income is equal to total income minus exemptions, which are now $1000 per person for both taxpayers and dependents. (Actually, most taxpayers never calculate their taxable incomes. Instead, they use the published "tax tables," which have the exemptions "built in." The figures in the tax tables, of course, are calculated from the rate schedules described here.)

For taxpayers who do itemize, there is one more step on computing taxable income. They may subtract their deductible expenses, but only to the extent that they exceed the "floor," which is the same as the zero bracket amount in the appropriate rate schedule. For example, suppose a family of four has earnings of $25,600 and deductible expenses of $5,000. Then their taxable income is $20,000:

$25,600—total income.
−4,000—four exemptions.
−1,600—$5,000 deductions minus $3,400 floor.

$20,000—taxable income.

From schedule Y (for joint returns) we can calculate their tax, which is $3,225.

THE MARRIAGE PENALTY

If two persons with independent incomes marry, they usually have to pay a higher tax.

For example, assume two persons each have taxable incomes of $15,000 (after subtracting their exemptions) and assume they do not itemize their deductions. If they file as single individuals, they each must pay $2,605 in tax. Their combined tax is therefore $5,210. If they marry and file a joint return, their taxable income is $30,000, and their tax (from schedule Y) is $6,238. Their marriage penalty is $1,028.

Table 2 shows marriage penalties for various levels of taxable income, under the assumptions that the income is evenly divided between the spouses and the couples do not itemize their deductions. Table 3 shows the marriage penalty (and marriage bonus) in cases in which income is not evenly divided between the spouses.

TABLE 1.—SUMMARY OF THE RATE SCHEDULES

| Name of schedule | Taxpayers covered | Number of 1977 returns [1] (millions) | 1979 zero bracket amount |
|---|---|---|---|
| Schedule X | Single persons other than heads of households. | 35.3 | $2,300 |
| Schedule Y (pt. 1) | Joint returns of married couples and certain surviving spouses. | 44.1 | 3,400 |
| Schedule Y (pt. 2) | Separate returns of married persons. | 1.3 | 1,700 |
| Schedule Z | Unmarried heads of households. | 5.8 | 2,300 |

[1] Total individual returns 86,500,000.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—MARRIAGE PENALTIES IN 1979 WHEN INCOME IS EVENLY DIVIDED

| If 2 single people, each with adjusted gross incomes of— | Marry, to give a combined adjusted gross income of— | Their combined tax increases from— | To— | For a marriage penalty of— |
|---|---|---|---|---|
| $5,000 | $10,000 | $500 | $702 | $202 |
| $10,000 | 20,000 | 2,354 | 2,745 | 391 |
| $15,000 | 30,000 | 4,690 | 5,593 | 903 |
| $20,000 | 40,000 | 7,674 | 9,366 | 1,692 |
| $30,000 | 60,000 | 15,308 | 18,698 | 3,390 |

Note: These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

TABLE 3.—MARRIAGE PENALTIES (AND BONUSES) IN 1979 WHEN INCOME IS UNEVENLY DIVIDED

[A negative marriage penalty indicates a marriage bonus for 2 single persons who marry]

| Adjusted gross income | Share of lesser-earning spouse | | | | | | Adjusted gross income | Share of lesser-earning spouse | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Zero | 10 percent | 20 percent | 30 percent | 40 percent | 50 percent | | Zero | 10 percent | 20 percent | 30 percent | 40 percent | 50 percent |
| $3,000 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| $5,000 | −250 | −170 | −98 | −28 | 0 | 0 | $25,000 | −1,505 | −630 | −30 | 310 | 535 | 611 |
| $7,000 | −378 | −252 | −126 | −10 | 98 | 168 | $30,000 | −1,929 | −749 | −26 | 439 | 785 | 903 |
| $10,000 | −475 | −275 | −85 | 100 | 182 | 202 | $40,000 | −2,801 | −939 | 177 | 1,031 | 1,564 | 1,692 |
| $15,000 | −710 | −328 | 32 | 183 | 236 | 251 | $50,000 | −3,269 | −1,069 | 454 | 1,731 | 2,439 | 2,674 |
| $20,000 | −1,092 | −460 | 42 | 238 | 355 | 391 | $100,000 | −3,269 | 454 | 2,694 | 3,909 | 4,164 | 4,164 |

Note: Accounts for maximum tax. These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

It is not necessary that the two individual incomes be equal in order for a marriage penalty to arise. Suppose that the two persons have taxable incomes of $22,000 and $8,000, giving the same combined taxable income of $30,000. Filing as single persons, their respective taxes are $4,857 and $977, for a total of $5,834. If they marry and file jointly, their tax is again $6,238, for a marriage penalty of $404. If the income is divided even more unevenly, the marriage penalty will be smaller, or the couple may even save tax by marriage. Roughly speaking, the marriage penalty affects couples where the spouse with the lower earnings contributes at least 20 percent of the combined income.

For taxpayers who itemize, the situation is more complicated, since marriage may change their combined taxable income as well as their tax rates. Two single itemizers, for example, are each subject to $2,300 floor on their deductions, for a combined floor of $4,600. If they marry, they are subject to a floor of only $3,400. In other words, as a married couple, they can use $1,200 more of their itemized deductions than if they were single. This reduces, but does not eliminate, their marriage penalty. This example is an extreme case; at the opposite extreme, when only one spouse has deductible expenses, the effect of the floors is to increase their marriage penalty.

Married persons may file separately if they wish, but they must use the highest of the four rate schedules, and other special provisions occur throughout the tax code to prevent them from saving tax in this way. Allowing such savings would violate the principle of aggregation, since it would create an advantage for two-earner couples. Therefore separate returns are not a defense against the marriage penalty.

THE SINGLE PENALTY

A single taxpayer usually pays more tax than a married couple with the same income. For example, a single person with a taxable income of $15,000 pays $2,605 tax. But if a married couple has the same taxable income, even if it is all earned by one spouse, their tax is $2,055. In this case the single persons pays 27 percent more tax.

It can be argued that the comparison in this example is not entirely fair, since a couple may have less ability to pay than a single person with the same income. This difference is taken into account by the fact that a couple has two personal exemptions. It may be, however, that the second exemption is too much recognition—or too little—of the couple's different situation.

PROPOSALS FOR CHANGE

The compromise between single penalties and marriage penalties has always been an uneasy one. The marriage penalty, in particular, is one of the most widely criticized weaknesses in our income tax, and it is difficult to find anyone who regards it as good policy. But as long as the first two principles—progressivity and aggregation—are adhered to, the marriage penalty cannot be reduced without making the situation for single taxpayers even worse.

Consideration has turned, therefore, to these first two principles. It is unlikely that progessivity will be abandoned. Therefore, any proposal which alleviates both the marriage penalty and the single penalty must violate the aggregation principle: that is, there must be some distinction in the tax law between one-earner and two-earner married couples.

Opponents of the aggregation principle argue that there is an economic difference to support such a distinction: one-earner couples have the benefit of a full-time homemaker. Although the homemaker's services in the home are not measured in dollars, they do increase a couple's economic well-being and able to pay. Two-earner couples have no such advantage, and, arguably, this should result in a lower tax liability. Among respondents to a recent O.E.C.D. survey, every major democratic nation with an income tax, except the United States, distinguishes between one-earner and two-earner couples.

It is one thing, of course, to support such a distinction and quite another to decide what form it should take. One proposal is to abandon joint returns, requiring separate returns from married persons with no income splitting. Most experts agree that Congress can require that each married person pay tax on his or her own income, determined without regard to state community property laws. Such legislation would eliminate both the marriage penalty and the single penalty. Only the aggregation principle would be violated, as was the case before 1930. The administrative convenience of joint returns could be retained by allowing married couples to file their "separate" returns on two parts of the same standard form, as is now done in some state income tax systems.

An alternative is to allow couples the option of filing jointly under present law, or filing separate returns as *single persons*. This is the simplest and most straightforward way to eliminate the marriage penalty, but it would not affect the single penalty. In any system in which married couples are encouraged to file separately, there is a significant technical problem of deciding how a husband and wife will be allowed to divide their deductions and non-wage income (such as interest or business profits).

If joint returns are retained in their present form, it would still be possible to distinguish between one-earner and two-earner couples, by allowing a special deduction or credit based on the wages of the second earner.

Selecting the best of these proposals will require an extensive public debate. Then, if a reform is enacted, it remains to be seen whether it will provide any more lasting satisfaction than did the reforms of earlier eras.●

## SOFT DRINK INTERBRAND COMPETITION ACT

● Mr. HELMS. Mr. President, I am pleased to cosponsor S. 598, a bill to preserve a unique and competitive industry practice—the manufacture, bottling, and distribution of trademarked soft drinks by local companies operating under territorial licenses. The Soft Drink Interbrand Competition Act allows local manufacturers to maintain their territorial licenses as long as there is substantial and effective interbrand competition.

The Federal Trade Commission's decision to bar as unlawful territorial restrictions in soft drink trademark licensing—like most misguided bureaucratic actions—does more harm than good. In the long run, the FTC decision would prove to be anticompetitive. If territorial licenses are prohibited, it is most likely that many of the small bottlers will be absorbed by larger ones. Such a restructuring of the industry would be inconsistent with the purposes of the antitrust laws.

Mr. James A. Hackney, III, president of Hackney & Sons, Inc., a North Caroline-based truck body and trailer manufacturing company, has prepared an economic impact statement examining the effect on the beverage truck body and trailer industry of the FTC's decision barring territorial restrictions.

Mr. Hackney has clearly demonstrated how the FTC decision would prove to be anticompetitive—even among peripheral industries. His study provides a compelling argument for passage of S. 598. I encourage my colleagues to study this report.

Mr. President, I submit the economic impact statement prepared by Mr. James A. Hackney, III, be printed in the RECORD.

The statement follows:

ECONOMIC IMPACT STATEMENT: SOFT DRINK DELIVERY BODY AND TRAILER INDUSTRY

Assuming S. 598/H.R. 3567 is not enacted and appellate courts do not overturn FTC decision outlawing franchise territories for soft drinks in nonreturnable containers.

IMPACT ON PATTERN OF DISTRIBUTION IN THE SOFT DRINK INDUSTRY

At the present time, most packaged soft drinks are delivered by route delivery vehicles of local bottlers, driven by local employees. These driver-salesmen fill vending machines, stock supermarket shelves, and arrange special merchandising displays to increase sales. In 1977, 72.1 percent of all packaged soft drink container units (cans, bottles, etc.) were sold through food stores. Nonreturnable containers of all types accounted for 68.0 percent of food store soft drink unit sales. Expressed differently, 49.0 percent of all packaged soft drink sales were nonreturnable type containers sold in food stores.

If the exclusive territory granted the local soft drink bottler by his franchiser is eliminated, major changes are anticipated in the pattern of distribution of soft drinks to food stores and other chain outlets. Instead of buying brand-name soft drinks from each local bottler, as is the case with the present territorial limitation, a chain food store's central purchasing department would be able to negotiate directly with large regional bottlers to furnish soft drinks in nonreturnable containers, delivered in bulk to the central distribution warehouse of the food store chain. The food store chain would then deliver these soft drinks in bulk on its own vehicles, along with other canned goods, from its central warehouse to its retail stores. Food store employees would stock the shelves with soft drinks as they stock other items.

The need for conventional route delivery equipment by local bottlers (and the employees to operate it) to service outlets such as food stores would be greatly reduced once warehouse delivery is established. The type of transportation equipment used in the warehouse distribution method by food store chains is the 40-foot van trailer, produced primarily by large trailer manufacturers such as Fruehauf and Trailmobile.

It would be unrealistic to expect a local bottler to lose the entire 49 percent of his total packaged soft drink sales presently represented by food stores' purchases of nonreturnable containers. However, 30 percent sales loss is not an unrealistic estimate, meaning that local bottlers could face a substantial loss in sales to the larger bottlers who are able to sell in bulk. The resultant weakened financial condition of small bottlers would make them vulnerable take-over targets for acquistion by larger bottlers. As large bottlers become larger and small bottlers disappear, less, rather than more, competition will result.

IMPACT ON THE BEVERAGE TRUCK BODY AND TRAILER INDUSTRY

Route delivery beverage truck bodies and trailers are currently supplied by several doz-

en small manufacturers throughout the United States. Hackney & Sons, Inc., is the largest of these, but still only had total beverage body and trailer sales in 1978 of $24 million and employed a total of 600 persons in three manufacturing plants located in Washington, North Carolina; Fountain Inn, South Carolina; and Independence, Kansas. By comparison, Fruehauf Corporation had trailer operations sales in 1978 of $1.25 billion, with Trailmobile's sales at about half of Fruehauf's.

If the franchise territory system for soft drinks in nonreturnable containers is eliminated, it is anticipated that all companies in the beverage truck body and trailer industry will experience an immediate decrease in soft-drink delivery body and trailer sales of approximately 70 percent (the new level of sales will be 30 percent of previous levels), and that the severity of this decline will last for approximately five years. After that, sales might return to approximately 70 percent of previous levels. It is doubtful whether many of the present manufacturers of soft drink delivery bodies and trailers could survive five years of such declines. It is probable that some will be forced into bankruptcy; others will be forced into acquisition by a larger company. In the face of such a decline, Hackney & Sons, Inc. anticipates an immediate loss of at least 350 jobs and cannot make any prediction as to its ability to survive five years of such economic trauma. The chief beneficiary from this decline will be very large truck/trailer manufacturers, such as Fruehauf and Trailmobile, whose equipment is presently not used in the local delivery of soft drinks.

The reason for the severity of the anticipated decline in beverage body sales is not obvious without some explanation of the buying and operating habits of soft-drink fleet owners. Most soft-drink fleets operate with 90 percent of their fleet on the routes each day and 10 percent as "spares," either held in reserve for peak demand or withheld from duty for normal maintenance. Historically, bottlers have dramatically reduced buying of new delivery equipment in difficult years and simply used up spares.

Assume, as an example, a hypothetical fleet of 100 soft-drink route trucks. This is considerably larger than average, but makes arithmetic simpler for illustrative purposes. Presently, such a fleet would typically have 90 trucks on the route each day and 10 units in reserve. If this bottler's sales are reduced by 30 percent, he would then need only 70 percent of his 90 trucks on the route each day, or 63 units. An active fleet of 63 units would require approximately 7 spares, for a total fleet size of 70 units. Typically, one-tenth of the total fleet is replaced each year, so that the annual replacement requirement would then be 7 units, down from the previous 10. With 30 extra liberated units over and above normal operating and spare requirements, this bottler can simply use up his extra units for 4.3 years before being down to his new required fleet size of 70 units. Thereafter, it would be assumed that he might order 7 units each year to maintain his 70-unit-fleet.

To illustrate this situation more graphically, the present and anticipated phaseover buying pattern is shown in tabular form.

*Present route delivery method (assume a fleet of 100 vehicles)*

| | |
|---|---|
| Units on daily route | 90 |
| Spares | 10 |
| Total fleet size | 100 |

TYPICAL PROJECTED BUYING PATTERN (ASSUMING NO GROWTH)

| Year | Units retired | New units needed | Total fleet size |
|---|---|---|---|
| 1980 | 10 | 10 | 100 |
| 1981 | 10 | 10 | 100 |
| 1982 | 10 | 10 | 100 |
| 1983 | 10 | 10 | 100 |
| 1984 | 10 | 10 | 100 |
| 1985 | 10 | 10 | 100 |

*Revised fleet requirements with warehouse food-store delivery accounting for 30 percent of sales (local bottler's sales are 70 percent of prior sales) (initial fleet size 100 units)*

| | |
|---|---|
| Units on daily route | 63 |
| Required spares | 7 |
| Total new required fleet size | 70 |
| Extra trucks liberated by sales decrease | 30 |
| Total fleet size | 100 |

| Year | Units retired | New units needed | Total fleet size |
|---|---|---|---|
| 1980 | 7 | 0 | 93 |
| 1981 | 7 | 0 | 86 |
| 1982 | 7 | 0 | 79 |
| 1983 | 7 | 0 | 72 |
| 1984 | 7 | 5 | 70 |
| 1985 | 7 | 7 | 70 |

It is not anticipated that every bottler would stop ordering new route delivery equipment for more than four years. However, it is reasonably projected that at least 60 percent would do so, with the remaining 40 percent ordering at the new reduced annual level of requirements. The net impact would be a 70 percent reduction in sales to the beverage body and trailer industry. This is similar to the percent decline of orders during the period from August, 1974 through February, 1975, when bottlers were worried about sales declines resulting from sharply higher sugar prices. Fortunately, sugar prices declined, soft drink sales returned to previous levels, and strong spring and summer delivery-equipment orders kept Fiscal Year 1975 from being a disaster in the beverage body and trailer industry. Nonetheless, soft-drink route bodies and trailers delivered in 1975 were still down by 20 percent from the previous year. A softening of sales is now being felt in the beverage body and trailer industry because of anxiety over a possible unfavorable outcome in the FTC case.

SUMMARY

The present system of route delivery of soft drinks evolved over many years of trial and error as the most efficient and economical means of delivering the greatest volume of soft drinks to the consuming public. It evolved without any government interference and in full public view. The system resulted in a great number of independent local industries—the local soft drink bottlers. Many of these are now third-generation family businesses.

The system also gave birth to a great number of small peripheral industries, such as the beverage truck body and trailer industry, which specialized in serving the local bottler. Neither the soft drink industry nor the truck body and trailer industry have enjoyed special favorable tax treatment; in fact, the reverse is true. Soft drinks have been singled out for discriminatory taxes in several states, and the truck body and trailer industry is almost the last industry in America subject to the Federal Manufacturer's Excise Tax.

The Federal Trade Commission proposes, by the stroke of a pen, to totally restructure the soft drink industry. This restructuring would greatly favor the large bottlers and virtually eliminate many small bottlers. The new structure would have less competition which, in the long run, would lead to higher soft drink prices to the average consumer.

The peripheral industries which have developed to serve the soft drink industry, such as the beverage truck body and trailer industry, would be far more adversely affected by the restructuring. It is probable that most companies in this industry will be driven out of business. These companies are, for the most part, small, independent family businesses. Here again, the beneficiaries will be a few large trailer manufacturers. The level of competition in the truck body and trailer industry will be reduced, with eventual higher prices in that industry also.

The Federal Trade Commission apparently believed that its action would enhance competition in the soft drink industry. Not only do we believe the reverse will be true, but it is clear that competition will also be reduced in the peripheral industries, such as the beverage truck body and trailer industry.

A decision of this magnitude, affecting several industries, should not be made by a Federal Commission but, instead, should be made by the Congress.●

## HARASSMENT OF CZECH DISSIDENTS

● Mr. ZORINSKY. Mr. President, I would like to address an issue today which should be of great concern to free people everywhere: harassment of Czech dissidents. The Czechoslovakian Government recently arrested 10 members of the Committee for the Defense of the Unjustly Persecuted, which was formed to monitor Czech compliance with the Helsinki accords.

All 10 of those arrested have been charged with subversion, and could face prison terms of up to 10 years. Among those arrested is Vaclav Havel, a prominent playwright and one of the main authors of 77 Charter, which is the manifesto of the Committee. Another prominent signer of the charter, Mrs. Zdena Tominova, was beaten as she entered her home by men wearing masks.

Most of the nearly 1,000 Czech citizens who signed the charter have been subjected to government harassment. Nearly 40 are in prison, where many receive inadequate medical care, about 16 have been forced to emigrate, and countless others have been fired from their jobs or have had difficulties finding apartments.

Mr. President, I commend the administration for taking steps to protect the Czech Government's actions. Mr. George Vest, Assistant Secretary of State for European Affairs, and Mr. Frank Meehan, our ambassador to Czechoslovakia, officially protested the Czech Government's actions in the name of the Helsinki accords and in the interest of improved bilateral relations between Czechoslovakia and the United States.

I hope that Czechoslovakia will take steps to improve its position as one of the most repressive regimes in Eastern Europe, and begin to treat with seriousness its international and humanitarian obligations.●

## A 120-DAY STUDY OF MOBILIZATION CAPABILITY

● Mr. COHEN. Mr. President, the legislation we are introducing today provides the most positive, responsible course of action we can take as we seek to insure that our Nation will have the most effective possible mobilization capability in time of emergency.

It is imperative that we in Congress get a full accounting in this critical area before we make the important decisions that need to be made. Our proposal would direct the President to report to the Armed Services Committees of the House and Senate, within 120 days of enactment of this measure, on the Nation's manpower needs and mobilization capability. The report would include:

First. An assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of national emergency.

Second. An evaluation of the current capability of the armed forces of the United States to meet the equipment, clothing, living quarters and training personnel needs that would be required in the event of a total or partial mobilization of the armed forces.

Third. Such recommendations for legislation as the President considers necessary to provide an effective and equitable military manpower mobilization capability.

As the question of selective service registration is debated, I am deeply concerned about the many unanswered questions that remain on this issue. Throughout the hearings of the Armed Services Committee's Manpower and Personnel Subcommittee, I have pressed witnesses on their evaluation of our defense capability and of the Nation's capability to mobilize quickly in time of emergency. Responses have been conflicting, and they have lacked any firm information which would lead to the conclusion that registration would in any way speed the delivery of battlefield replacements if war were to break out.

I wrote both the Secretary of Defense and the director of the Selective Service System to ask their position on registration. Both told me they neither need nor want registration at this point. Both said Selective Service can meet DOD's most accelerated mobilization schedule with only a minor increase in funding and through improved computerization. Both recommended that step be taken before Congress moves toward registration.

Yet, the Joint Chiefs of Staff, the majority of the Armed Services Committee and others say registration is needed. In light of that sentiment, the unanswered questions, and the conflicting administration statements, it is my strong belief that the approach embodied in the legislation I am introducing with Senators DOLE, MCGOVERN, and PROXMIRE is the most responsible one we can take.

Before we can make a reasoned decision, we need to find out just what the facts are. The kind of report required in this legislation will provide the answers that are so essential if we are to make an informed decision based on a full understanding of our mobilization needs and the ability of Selective Service and DOD's training base to meet the Nation's needs in time of emergency. It is the single best step we can take at this point.●

## A PLEA FOR HUBER MATOS

● Mr. MOYNIHAN. Mr. President, just 2 months ago today I joined with 40 other Members of the Senate—among whom were leaders of both parties and representatives of a full range of political views—in writing to President Carter to ask him to make a "clear public statement" of the concern of the U.S. Government for the well-being of Mr. Huber Matos, a distinguished Cuban democrat held prisoner by the Castro government. The administration has yet to make such a statement. Meanwhile, fear for Mr. Matos' well-being continues to grow. Today the Washington Post carried a moving plea by Mr. Matos' wife, Maria Luisa Matos, for support from the American public for the cause of her husband and the other Cuban patriots and dissenters who now endure political imprisonment in the jails of the Castro dictatorship. I ask that Mrs. Matos' statement be printed in the RECORD.

The statement follows:

A PLEA FOR HUBER MATOS

(By Maria Luisa Matos)

My husband, Huber Matos, has been a political prisoner in Cuba since 1959. He was sentenced to 20 years in prison merely because he resigned his post as military governor of Camaguey province and in an open letter cautioned Fidel Castro about the growing number of Communist cadres in the Rebel Army.

Huber has been the victim of countless abuses and humiliations. During the last 19 years, he was kept in solitary confinement for periods of more than one year in the dungeons of the Cabana Fortress prison. Because he refused to accept the government's "reeducation" indoctrination program for political prisoners, he was forced to live completely nude for two years. In February 1970 he was isolated in a dark cell with a small window covered with a heavy cloth, sewn to the bars. He was not allowed visitors during seven years, until 1977.

During that period, whenever he would ask about family visits he was told that no one had come. To his old and ailing father who several times made the long journey from Oriente province to try to see him, there has always been the same answer: "The prisoner does not wish to see anyone."

Last September, Cuba's President Fidel Castro announced he was going to release 3,600 political prisoners. Later Mr. Castro criticized the United States because the Justice Department was dragging its feet in accepting the prisoners he wanted to release. Months ago, the Costa Rican government offered political asylum to 138 Cuban political prisoners. Costa Rica has announced it is willing to send an airplane to Havana to pick them up. My husband is in this group, but until now the Cuban government has ignored the offer.

Late in 1975, in a letter smuggled out of prison my husband told me that he was "practically convinced that he was to spend his last days in prison."

Journalists who repeatedly ask to see him have always been told that a meeting with him cannot be arranged. A letter signed by 47 American senators in December 1977, asking for his release has not as yet been acknowledged.

My son, Huber, Jr., lives in Costa Rica. He has been active in requesting many Latin Americans visiting Cuba to ask about his father. After receiving several threats telling him to keep quiet, he was wounded in an attempt against his life in December 1976.

My husband has difficulty moving his left arm, as a result of severe beatings several years ago. After denying him medical attention during 19 years, the Cuban government now let him know that there is "something wrong" with his kidneys and his lungs. I do not want him to have any type of operation while in Cuba.

In letters written in October and November 1978, that reached the United States through clandestine channels, Huber writes: "I am convinced that Castro does not plan to let me go . . . Castro is attached to the idea that something will happen to me before I can leave Cuba. . . . The hate that Castro feels for me . . . can be measured by what he has been doing and continues to do to my aged father and my poor sister. Both of them are ill and helpless creatures who for years needed to leave, who are alone here, lacking medicine, food and care, and yet he keeps them as hostages here."

The revolution, it is said, is consolidated. Castro says that the revolution is a process determined by historical forces, not by men.

If the revolution is consolidated and men cannot deflect the course of history, then no useful purpose is served by continuing to detain prisoners who have spent one third of their lives behind bars.

My husband's case is not unique. Many other revolutionary leaders who fought against the Batista dictatorship are in similar situations. There are also labor leaders, writers and young people who refuse to serve in Africa.

In their name, in the name of their families, in the name of my children and in my own name as wife, I plead with those in Congress, the international organizations, the business and the academic communities who have friendly ties with Havana—to help me protect their lives and obtain their release without further delay.●

## NICARAGUA

● Mr. ZORINSKY. Mr. President, a report carried in this morning's Washington Post signals two dramatic diplomatic developments with respect to the ongoing crisis in Nicaragua.

First, the Andean Pact nations—Bolivia, Colombia, Ecuador, Peru, and Venezuela—have apparently issued a formal declaration recognizing a state of belligerency in Nicaragua and placing the Sandinista-led opposition forces on a diplomatic par with government troops. According to the Post report, this "opens the way for eventual recognition should the guerrillas emerge as probable victors in the Nicaraguan civil war."

Second, opposition forces announced yesterday the establishment of a representative five-member provisional govvernmental council. According to the Post article, the members include: Violeta Chamorro, widow of slain publisher and long-time Somoza foe Pedro Joaquin Chamorro; Alfonso Robelo, a businessman leader of the moderate Broad Opposition Front; Sergio Ramirez,

an author and professor who is a member of the Sandinista-allied Group 12; Moises Hasan Morales, a teachers' union leader who represents the National Patriotic Front, a left-wing alternative to the Broad Front; and Daniel Ortega Saavedra, one of the original Sandinista leaders and a member of the nine-man guerrilla directorate.

Mr. President, these developments are as dramatic as they are significant. I hope the Carter administration will recognize the importance of them and do what is necessary to support the initiatives of our friends in Latin America who are determined to eliminate the dictatorial rule imposed by the Somoza government. These initiatives can help pave the way for a democratic solution to the present Nicaraguan crisis. As I have said previously further delays can only enhance the chances for an extremist political solution. The only real hope for avoiding this kind of solution is to make it abundantly clear to Somoza that it is all over and that he must depart the scene. In this regard, we must not find ourselves once again in the disastrous position of "being a day late and a dollar short."

Mr. President, I ask that the Washington Post article of June 18 entitled, "Andean Nations Provide Sandinistas a Diplomatic Opening," be printed in the RECORD.

The article follows:

ANDEAN NATIONS PROVIDE SANDINISTAS A DIPLOMATIC OPENING

(By Karen DeYoung)

MANAGUA, NICARAGUA, June 17—President Anastasio Somoza's beleaguered government suffered a serious diplomatic setback this weekend when five South American nations recognized Sandinista guerrillas as members of a legitimate army eligible for "treatment and prerogatives" as a belligerent under international law.

The statement issued by the foreign ministers of Ecuador, Venezuela, Colombia, Bolivia and Peru, all members of the Andean Pact economic group, essentially rejects Somoza's contention that the rebel forces are "international terrorists" and opens the way for eventual recognition should the guerrillas emerge as probable victors in the Nicaraguan civil war.

Today one of the pact members, Ecuador, broke relations with Somoza's government. Costa Rica severed diplomatic ties last fall, followed by Mexico last month.

Coinciding with the past statement yesterday, a 400-strong Sandinista column crossed the Costa Rican border into Nicaragua and joined 300 guerrillas who invaded there Friday.

The joint Sandinista force is the largest yet assembled. National Guard troops defending the southern front reportedly have called for heavy reinforcements and additional air support.

The Sandinista force reportedly is led by Eden Pastora, the guerrilla chief of military operations who staged a successful raid on Managua's National Palace last August after which more than 1,000 hostages were exchanged for jailed Sandinistas.

A Costa Rican radio station quoted Pastora as vowing the rebel column would reach the departmental capital of Rivas within 48 hours. In Rivas, 25 miles from the border, the Sandinistas hope to establish a provisional government.

Yesterday, Radio Sandino, the clandestine guerrilla station, announced the names of a five-member "provisional governmental council." They include Violeta Chamorro, widow of slain publisher and long-time Somoza foe Pedro Jaoquin Chamorro; Alfonso Robelo, a businessman leader of the moderate Broad Opposition Front; Sergio Ramirez, an author and professor who is a member of the Sandinista-allied Group of 12; Moises Hasan Morales, a teachers union leader who represents the National Patriotic Front, a left-wing alternative to the Broad Front; and Daniel Ortega Saavedra, one of the original Sandinista leaders and a member of the nine-man guerrilla directorate.

The list is notable for its exclusion of the more doctrinaire Marxist Sandinista leaders and the inclusion of Robelo, a U.S.-favored left-centrist who has denounced the guerrillas in the past.

The Sandinistas, by announcing their potential government, clearly seek to build on the diplomatic initiative provided by such actions as that of the Andean Pact nations.

In recognizing a "state of belligerency" in Nicaragua, the pact nations recognize the Sandinistas-led "popular forces" as diplomatically equal to the government's National Guard. The statement opens the way for possible aid to the opposition government in an attempt to force Somoza into a political solution.

The move also complicates the position of the United States, which has praised previous Andean initiatives in the crisis but has consistently opposed a Sandinista government. The statement calls on "all countries of the continent" to join in facilitating "the installation of a truly representative, democratic regime, justice and liberty in Nicaragua."

Nicaragua has called for an emergency meeting of the Organization of American States, scheduled for Wednesday, to seek action against the Sandinista border crossings. It is uncertain whether the Andean nations can persuade a majority of the 25-nation body—which has rebuffed Nicaragua previously—to support its initiative. Up to now, the OAS has also shown reluctance to sympathize openly with the left-wing revolutionaries and hence has been paralyzed.

It also is uncertain whether the guerrillas can move north to Rivas and manage to hold on to territory they take. Repeated past attempts at a southern stronghold, including an unsuccessful invasion late last month, have been blocked by the National Guard, with guerrilla forces consistently driven back to their camps in Costa Rica.

Reports from the south today indicated the Sandinista force, which the government says is armed with heavy weapons including mortars bazookas and .50 caliber machine guns, have been at least temporarily stopped at Sapoa, barely four miles north of the border.

This time, however, the rebels hope to gain an advantage as continuing battles in Managua and in Nicaragua's northern cities have spread government forces thin.

The government today announced the National Guard evacuation of its garrison in Leon, the second largest city, 54 miles north of here. Although the Sandinistas have controlled the city for more than two weeks, government troops surrounded in the garrison in the city's center had managed to hold the rebels at bay.

Late in the week, the government failed in an attempt to helicopter supplies to the besieged troops and the commanding general, Gonzalo Evertz, reportedly was wounded. A government communique did not detail how the remaining troops were evacuated.

Government rocket and ground force attacks on guerrilla strongholds in Managua barrios continued today, as the toll in civilian lives and property mounted.

The guerrillas now control much of the eastern part of Managua, including the main airport access road. Despite far superior National Guard firepower, the Sandinistas have been aided by strong civilian support that enables them quickly to reconstruct barricades and easily retreat from National Guard onslaughts.

In western barrios, where heavy fighting took place last week, Sandinistra forces have now apparently evacuated to aid rebels in the eastern zone. Civilian bodies littering the streets in the western part of the capital were gathered today by residents and burned in street-corner pyres.●

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## A CRIME AGAINST HUMANITY

● Mr. MOYNIHAN. Mr. President, in the past year or more we have been witness to the unfolding of one of the largest human tragedies of our era. The enormity of the suffering, despite the abundance of facts and figures we have to document it, strains our ability to comprehend it some 10,000 miles away. I refer, of course, to the plight of those Southeast Asian refugees who have been forced out of their countries, and now, we learn, out of those camps where they have heretofore found temporary asylum. I am compelled to speak now because the suffering has grown to the point where, if we have so far resisted the term "genocide" to describe the phenomenon, we have nonetheless come to grasp that this involves the deliberate and systematic destruction of an entire group of people. Those who previously found sufficient reason to either ignore or condone the violence now seem to concede the brutality of the forced expulsion of tens, even hundreds, of thousands into the seas and unreceptive neighboring lands, with the certain knowledge that only half of them, if that many, will survive.

The press as lately come to draw the comparison between what is going on now in Southeast Asia and the enormous suffering of the Nazi holocaust. And yet I would argue that this comparison does not capture one particular quality of this current terror. For, while the campaign against the Jewish people of Europe relied chiefly on the propagation of a racial or ethnic hatred and intolerance, the savagery practiced by the present Vietnamese leadership, and by their proxies and puppets in Cambodia, has radically expanded the grounds for persecution to the realm of ideas and political preferences. It is not just the ethnic Chinese who are being forced to flee; thousands who are not willing to give up their professions, their beliefs, their traditions and families, who are not willing to be marched off, mute, to the so-called re-education camps are forced to risk death rather than surrender.

Now systematic murder for the crime of intellectual heterodoxy is not something unheard of to those who have studied the Stalinist purges and the course of "socialist construction" in those countries which have loyalty employed the mechanisms of totalitarian rule. The spread and consequences of such ideology in the twentieth century has been treated at length and with great intelligence in numerous other places. It comes to me to make but one further point. Totalitarian ideologies have masked and bred campaigns of mass suffering in the past. It is time we

recognized that such is the case presently in Southeast Asia and that we have an obligation to speak out against it in the strongest terms. Further, we have an obligation, as we did some 40 years ago, to do something real to relieve the suffering of the victims of this repression.

I ask that Anthony Lewis' column in the New York Times of June 14 be printed in the RECORD. Mr. Lewis manages, as he so frequently does, to convey vividly the magnitude and substance of this tragedy. I also ask that two related pieces, by Christopher Dickey of the Washington Post and Henry Kamm of the New York Times, be included, together with related material.

The material follows:

[From the New York Times, June 14, 1979]

A CRIME AGAINST HUMANITY

(By Anthony Lewis)

BOSTON, June 13.—"It is the greatest moral-political problem in the world today, and nearly everyone wants to look the other way." A high United States official was talking about the developing human disaster in Southeast Asia: the tidal wave of refugees from Communist Vietnam.

The figures are staggering and getting worse. In March about 16,000 refugees from Vietnam made it to other nearby countries, mostly on overloaded boats. In April the total was 26,000; in May 46,000. In the last week as many as 3,000 have reached Hong Kong alone on a single day.

Those are the people who made it. By some estimates, 100,000 who left Vietnam on boats did not; they drowned, or died of hunger or thirst or exposure. An International Red Cross official was reported this week to believe that 50 percent of the boat people have died at sea—and that the figure has gone up to 70 percent as more and more unsafe boats are used.

Worse yet is the reason for the mass exodus, clear now from overwhelming evidence. The Vietnamese Government is calculatedly forcing out of the country those it thinks may be unreliable, may resist the remolding of society because of their middle-class outlook. And 80 percent of them at this point are from a single racial group: people of Chinese extraction.

"It is systematic persecution of people because they are Chinese and economically suspect," says former Senator Dick Clark of Iowa, who as ambassador at large now coordinates refugee affairs in the State Department. Persecution is a fair word for the tactics described by refugees in interviews with, among others, Henry Kamm and Fox Butterfield of The New York Times.

Tran Van Hong was a printer in Haiphong. This past winter, he said, he was dismissed from his job, detained by the security police and finally told that he must either move to one of Vietnam's new rural resettlement zones or leave the country. In either event he would forsake his trade, his property and his community. Ambassador Clark said this was the choice put generally to those who left.

There was more pressure on Mr. Hong. The Chinese school his children attended was closed, and they were forbidden to go to a Vietnamese school. His wife lost her job in a garage. His Chinese neighborhood had a curfew imposed on it. The family was deprived of its official ration of rice.

In the end Mr. Hong decided he had to leave. The police arranged his passage on a fishing boat heading for Hong Kong. He paid the equivalent of $650 to a policeman for each member of his family. On the boat the police searched everyone for jewelry or other belongings.

The last stage of Mr. Hong's story reflects perhaps the ugliest aspect of the Vietnamese expulsion campaign: that it is run for profit. The Hanoi authorities demand substantial payments from those they force to leace, in gold or in foreign currency balances sent by overseas Chinese in Hong Kong or elsewhere so relatives in Vietnam can leave. The total reportedly remitted in April alone was $242 million.

The prospect for the refugees who live through their voyage is appalling. Already 325,000 including refugees from Laos, are lodged in dismal camps. There are still thought to be a million ethnic Chinese in Vietnam, and Hanoi may well intend to force them all out. Where can such numbers go?

In terms of permanent resettlement, the United States has taken by far the largest number: 210,000 to date, and now at the record rate of 7,000 a month. Secretary of State Vance and Attorney General Bell together persuaded Congress to accept increasing numbers and to vote the necessary money. It is an honorable record, two-thirds of all those resettled, but it does not nearly match the need.

The only other countries to have taken large numbers as permanent residents are France, with 50,000; Australia 20,000, and Canada 13,000. And the tiny colony of Hong Kong has let 15,000 settle. Countries with the ability to help that have done little or nothing include Brazil, Japan, Taiwan, South Korea. Britain, West Germany and others in Europe could do much more.

But before settlement comes initial asylum, and that now presents heartbreaking difficulties. This week the foreign ministers of Indonesia and Malaysia said their countries would allow no Vietnamese even temporary asylum: would let no boats land. Thailand has a similar policy. In the last week it has forced 30,000 Cambodian refugees, some of them weeping and pleading, back across the border to their starving, war-swept land.

Decency cries out for every country to do what it can. But humanitarianism is not enough. The time has come for the opinion of mankind to focus on the principal source of the misery: the Government of Vietnam. Hanoi just might care if its neighbors in Southeast Asia and the friends it prizes elsewhere—the Scandinavian countries, for example—condemned the racism and cruelty of a policy that sends hundreds of thousands of its citizens to rootless exile or death.

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[From the Washington Post, June 14, 1979]

BOAT PEOPLE'S PLIGHT COMPARED TO NAZI PURGE OF JEWS

(By Christopher Dickey)

Likening the current Indochinese refugee crisis to Germany's expulsion of Jews in the 1930s, a congressional subcommittee yesterday called for an immediate emergency session of the U.N. General Assembly to deal with the problem.

At a hearing of the House Foreign Affairs subcommittee on Asia and the Pacific, subcommittee chairman Lester L. Wolff (D–N.Y.) called the present situation "a disaster which . . . threatens to explode in death for perhaps 500,000 men, women and children."

Assistant Secretary of State for Pacific Affairs Richard C. Holbrooke, who testified before the subcommittee, said he agreed with the German analogy, and squarely placed the blame for the crisis on the Hanoi regime.

"The Vietnamese government has embarked on a deliberate effort to rid itself of those elements of society which it considers undesirable," Holbrooke said in a prepared statement.

Holbrooke told the committee that in 1978 the average monthly number of Indochinese who reached safe havens after fleeing their homelands by boat was 7,500. During the first quarter of 1979 that average rose to 11,000 a month, he said.

In April, according to Holbrooke, 34,000 "boat people" reached temporary asylum, in Southeast Asia and in May the figure rose to 54,912. These figures do not include, Holbrooke said, scores of thousands of Cambodians and Laotians who have fled to Thailand, large numbers of refugees who are believed to have fled to China, or between 30 and 60 percent of the boat people who are believed to have died in their efforts to escape Vietnam.

There are now 330,000 Indochinese in Thailand, Malaysia, Indonesia, Hong Kong, Singapore and the Philippines, waiting for permanent resettlement in the West, according to the State Department. By September that number is expected to reach more than half a million. But Thailand, the major recipient of refugees thus far, has refused to let any more boat people land, and has reportedly begun forcing some 80,000 Cambodian refugees back across the border.

Malaysia and Indonesia both announced this week that they would not accept any more refugees. If they hold to this position, refugees fleeing the communist countries of Indochina will have virtually no place to go.

Vietnam has reportedly made clear its intention to force out as many as 1.2 million ethnic Chinese, who are considered by the Hanoi regime a dangerous "fifth column" sympathetic to its enemies in Peking, according to State Department officials.

Holbrooke, who was in China last week, said the Peking government informed him it had accepted 230,000 Vietnamese-Chinese refugees so far, amounting to about 10,000 a month during the last five months. But he said there is no independent confirmation of these numbers, and some of the refugees may be sent to Hong Kong.

Holbrooke strongly criticized Vietnam for its incursion into Cambodia, the source of many new refugees, and the related risk that the war there will spill into Thailand. Holbrooke deplored, as well, the increasing Soviet presence in Vietnam.

The refugee crisis remains the most pressing concern however. Secretary of State Cyrus Vance announced at a news conference yesterday that it will be discussed with the Soviet Union at this weekend's Vienna summit. British Prime Minister Margaret Thatcher has called for an international conference on the issue.

"Thirty thousand refugees may have died already in the month of May," said one State Department official after the hearing. "Only 10,000 refugees are being resettled by all the permanent asylum countries each month." (The United States takes 7,000.)

"That means that each month about three days worth of arrivals in the first asylum countries are being taken off their hands," the official said. "Right now the situation is beyond the grasp of the international community to cope."

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[From the New York Times, June 14, 1979]

AT THAI CAMP, AN EXILE'S JOY TURNS TO GRIEF

(By Henry Kamm)

BANGKOK, THAILAND, June 13.—The first good news that Kim Kok Hoai had received in more than four years reached him at his home in Paris last month. A Cambodian of Chinese origin, like himself, had discovered Mr. Kim's 18-year-old sister in a Thai border camp, where she had found refuge.

On hearing the news, Mr. Kim flew to Bangkok on the first plane and reached the Nongchan camp, an open field three hours' drive from here, the following morning. It was not easy to find his sister among the 30,000 refugees huddled under low tents, but he did.

Today, however, Mr. Kim, a frail 26-year-old employee in an import concern, is shat-

tered and constantly on the edge of tears. His sister, whom he had left in Phnom Penh in 1970 when he was 17 years old and she 9, is one of more than 40,000 Cambodian refugees whom the Thai military authorities have forced at gunpoint to return to a country in which death may be a greater likelihood than survival. She was one of many hundreds, perhaps thousands, whose acceptance by a third country was a certainty and whom Thailand did not allow to wait.

Since Friday, the Cambodians have been taken from the camps in columns of buses to be pushed across the border in an area studded with mines and booby traps and empty of food.

In a last act Monday, anguished refugee officials from the United States, France and Australia made a selection that reminded them of the harrowing scenes of the arrival of victims in German extermination camps in World War II.

With about 5,500 Cambodian men, women and children assembled before them, the officials called off names on a list they had compiled of refugees with family or other links in one of their three countries. Those on the list were put in 22 buses and taken to a transit camp on their way to a new life.

About 4,000 had waited in vain; their names were on no list. Immediately after the departure of the last bus, a new column of buses, this time belonging to the Thai military, drew up. Without the calling of a roll, all who remained were herded aboard by armed soldiers and taken on the long drive back to Cambodia.

QUESTION ALL DREAD TO ASK

When Mr. Kim and his sister met at the camp, he recalled yesterday, they were both virtually in a state of shock. The sister almost fainted. "There was a terrible coldness in her eyes, and they were deep, very deep," he said.

Another sister, who had come from Hong Kong, could not release her from her embrace or else she would have fallen.

Then Mr. Kim and his sister from Hong Kong asked the question they dreaded to ask: "Where are our parents, and where is our other sister?" All Cambodians in exile have been asking similar questions since the Communist victory in April 1975 cut off communications with Cambodia.

Mr. Kim's sister hesitated before replying. "Our father died in December, 1975, a few months after we stopped walking," she said. Like all Cambodians, the members of the Kim family were driven from their home and marched into the countryside to join working communes.

"He died of diarrhea," Mr. Kim continued. "My sister told us she washed his body, rolled it into a mat and buried him by herself. He was as thin as a sheet of paper from hunger and illness. She said he cried in pain for hours before he died."

"Then my mother's mother died," Mr. Kim continued, "and my sister buried her. She was old and very sick."

In September 1976 their mother died, also of diarrhea, the woman told her brother and sister. Many reports of cholera and typhoid epidemics came from Cambodia during those years, and diarrhea was the symptoms noted in countless accounts by refugees.

"My mother was a strong woman physically, but my sister said at her death she weighed about 30 kilograms," Mr. Kim said, his voice flat. Thirty kilograms is about 66 pounds.

"She died on the floor, in a straw hut," Mr. Kim went on. "Her last words to my sister were: 'You must survive and try to rejoin our family.'

"Two months later, at the end of November, my smallest sister, less than a year younger than the other, died and for the fourth time, my sister had to bury one of our family.

"The two youngest sisters were always the best in their class at the Lycee Descartes. The girls were so hungry that the younger one went into the fields to look for crickets. She ate them. She got the same illness at home when we used to play with crickets.

"Then my sister was all alone in northwestern Cambodia. She was 15 years old and indescribably sad."

BEFRIENDED BY CHINESE FAMILY

Mr. Kim went on to tell how the sister was befriended by a family of ethnic Chinese. She was ill and hungry. The mother asked her to stay with them and marry her son, who was three years older. The sister asked her first to find medicines to cure her. The family exchanged some of their remaining valuables for traditional medicines, and the sister recovered. The two young people were married without sanction.

When the Vietnamese invasion earlier this year brought down the regime of Prime Minister Pol Pot, the family gathered what savings in gold they had left and bribed Vietnamese soldiers to let the couple walk to the Thai border.

The young people reached the Nongchan camp on May 15, and the woman's brother and sister met her on June 1. Mr. Kim rushed back to Bangkok and obtained the agreement of the French Embassy to accept the couple as refugees. The office of the United Nations High Commissioner for Refugees here added their names to a list of refugees submitted to the Thai authorities for release to a transit camp in Bangkok to await departure for France.

"I thought all had been done," Mr. Kim said. "It was my joy."

He left with his other sister for Hong King to visit his father's 80-year-old mother, who arrived a month ago in a small boat that had escaped from Vietnam. On Monday he returned and called the United Nations office for news of his sister only to find that she had been forced back into Cambodia with thousands of other refugees.

The Nongchan camp stands empty now, and so do almost all the other spots in which Cambodian refugees were encamped. However, south of the camp, thousands of heavily armed soldiers of the fallen Pol Pot regime squat on the Thai side of the border, keeping under their harsh control about 30,000 of their dependents and unwilling civilians. Thailand has not yet found a way of making them return.

The protests, cries and sobs of the refugees forced to return to Cambodia remain in the ears of those who could no longer help.

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[From the New York Times, June 17, 1979]

U.S. ASKS IF PEKING WILL TAKE REFUGEES; ITS REACTION IS COOL

(By Bernard Gwertzman)

WASHINGTON, June 16.—China, contending that it has already accepted more than 200,000 refugees, has reacted cooly to an American appeal that it play a larger role for providing safe haven for the new wave of ethnic Chinese who have recently been forced to flee Vietnam, according to Administration officials.

Because of the magnitude of the problem, the Carter Administration turned to China in an effort to cope with the flow. More than 60,000 refugees arrived in Southeast Asian countries last month alone.

The issue has been aggravated by the recent actions of Malaysia, Indonesia and Thailand in announcing that they would take no more refugees. The United States has been accepting about 7,000 a month from Indochina, but officials said that this was just a small part of the total flow.

The principal United Nations refugee official in Malaysia said today that he had been assured that Malaysia did not actually intend to shoot newly arriving Vietnamese refugees or push those already in the country back out to sea, as the country's Deputy Prime Minister threatened yesterday to do.

MORAL OUTRAGE AND FRUSTRATION

Officials dealing with refugee affairs speak these days with a mixture of moral outrage and frustration at the unwillingness of most countries to take many refugees, and at their own inability to come up with a program to ease the crisis. Japan, for instance, is repeatedly criticized within the Administration for refusing to accept more than 500 refugees.

Because of China's size, and the fact that about 90 percent of the "boat people" are ethnic Chinese being forced to leave Vietnam, several officials in the Administration drafted recommendations urging that Peking be called on to join the international effort and absorb most of the refugees.

Moreover, these officials contended privately that Vietnam was probably expelling the Chinese because of the recent Chinese invasion of Vietnam, an action taken by China to teach Vietnam a "lesson" for its attack on Cambodia. Therefore, they assert, even though Vietnam should be condemned for driving the Chinese out of the country and forcing them to pay bribes to leave, the Chinese should be asked to share the responsibility.

Richard C. Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, raised the question with Chinese officials during a recent visit and was told that China had already taken more than 200,000 refugees and was continuing to take as many as 10,000 a month.

However, almost all the refugees to which the Chinese were believed to be referring were given sanctuary last year, after Vietnam confiscated the property of ethnic Chinese in that country, prompting them to flee across the border into Chinese territory. The Chinese assertions cannot be verified because China has refused to take part in the United Nations refugee efforts, and boycotted a major meeting last year in Geneva.

Deputy Secretary of State Warren M. Christopher forcefully raised the matter with Ambassador Chai Zemin of China late last month, but received no satisfaction. According to officials, Ambassador Chai said that the climate in China was "too cold" for the refugees, and he proposed that more efforts be made by the United States to find homes for them in Southeast Asia.

Officials were uncertain why the Chinese, after taking many refugees last year, have since declined to become involved with the grave human crisis in the region. American officials estimate that for every refugee who reaches safe haven, another drowns.

CHINESE SPEAK OF OVERCROWDING

Chinese authorities have suggested that China was already overcrowded and could not absorb the one million ethnic Chinese still in Vietnam. Some American officials said that the Chinese may feel uncomfortable with a large influx of southerns, who have no direct roots in China and many of whom would prefer to live in capitalist societies such as existed in the former South Vietnam.

Besides being annoyed at China's apparent indifference to the plight of the ethnic Chinese, American officials also declared that China was at least partially responsible for the sharp increase of refugees in Hong Kong. Last month alone, 21,000 arrived there by boat, more than have landed anywhere else in the region.

Until now, the major United States concern has been to get financing for an increase in the number of refugees allowed into the United States, and to house them in camps in Asia. Because of the decision by the key Southeast Asian countries to curtail the admission of refugees, an ur-

gent effort has emerged here to come up with a new solution.

[From the New York Times, June 17, 1979]

GROWING REFUGEE PROBLEM STRAINING RECEIVING NATIONS

(By B. Drummond Ayers, Jr.)

WASHINGTON, JUNE 16.—So many refugees are now fleeing Indochina that the exodus has become one of the most serious and tragic since World War II, a human and logistical problem that is severely straining the patience and resources of sympathetic nations.

Within the last month, according to some State Department calculations, the number of people fleeing Vietnam, Cambodia and Laos has increased to almost 10 times what it was a year ago. By these calculations, the situation has reached a point where there are about 300,000 men, women and children jammed into crude, makeshift camps in Thailand, Malaysia, Indochina, Hong Kong and other countries of Southeast Asia.

Many of the refugees are ethnic Chinese, the majority of them shopkeepers and businessmen who had dim futures in a Communist society. Refugees in Hong Kong have said pressure had been applied on them to leave, and many said they had bought their way out.

But for others, the only way to leave is by clandestine means. No one knows how many such attempts have ended in death or imprisonment. The figure appears to be high, particularly for those who have tried to get away by boat.

REFUGEES ALSO ESCAPE ON FOOT

When they cannot find enough flimsy boats to brave the South China Sea and the Gulf of Siam, they leave by foot, working their way across paddies and through mountain passes, slipping past mines and patrols, all in the hope that at the end of the trek they will find food and shelter in a rude camp and, eventually, a permanent home in another country.

Thailand, overwhelmed by this growing influx, has begun turning away the refugees and even shipping thousands back, particularly recent arrivals from Cambodia. There were reports yesterday that Malaysia would accept no more refugees, would shoot those who tried to land without permission and would expel those already in its camps. Although it appeared today that the reports were exaggerate, the Malaysians have made their point. In addition, Indonesia says it can take no more, and Hong Kong is beginning to balk.

"The scope of what's happening is so immense that people just can't seem to grasp it," said Patricia M. Derian, Assistant Secretary of State for Human Rights and Humanitarian Affairs. "The flow is tremendous, at least a million people in five years. The tragedy is even bigger; people starving, drowning, being shot, people without hope and without a future. Something has got to be done."

CARTER TO RAISE ISSUE IN VIENNA

President Carter plans to discuss the problem with Leonid I. Brezhnev, the Soviet leader, during their meeting this weekend in Vienna. Some members of Congress, as well as Margaret Thatcher, the British Prime Minister, want to convene another international conference on the refugees. Representatives Lester L. Wolff of New York, the chairman of the House Foreign Affairs Subcommittee on Asia and the Pacific, said this week that the current refugee situation was "a disaster that threatens to explode in death for perhaps half a million men, women and children."

The United States has also made diplomatic approaches to some European and Latin American countries, which with few exceptions have so far accepted only small numbers of the refugees. Pope John Paul II has been urged through indirect diplomatic channels to take part in efforts to find homes for them.

It is difficult to say how much influence the United States can bring to bear on the problem. Most refugee camps and resettlement programs are run by the United Nations, but the United States contributes about half the money used to operate the camps and programs, and is the leading resettlement country.

In the last five years, about 500,000 Indochinese refugees have found permanent homes around the world. Besides the 200,000 China says it has taken in, the United States has accepted about 200,000, at the rate of 7,000 a month. France, Australia, Canada and Hong Kong account for most of the remaining 100,000.

While United States officials are disturbed about the recent expulsions from Thailand and Indochina, they express some understanding of the frustrations of those nations. "These countries have been very good about this up to now," a State Department official said privately today.

There are about 160,000 refugees in Thailand, 75,000 in Malaysia and 36,000 in Indonesia. Hong Kong, the most experienced refugee center in Asia, has about 43,000.●

## S. 1331—EMERGENCY FUEL ASSISTANCE ACT OF 1979

● Mr. BIDEN. Mr. President, last week I introduced the Emergency Fuel Assistance Act of 1979. Unfortunately, a copy of the text of this bill was not printed in the RECORD.

Mr. President, I ask that the floor statement and the text of the bill be printed in the RECORD.

The statement and bill follow:

THE EMERGENCY FUEL ASSISTANCE ACT OF 1979

Mr. President, today I am introducing legislation to make changes in the federally-funded fuel assistance programs for the elderly.

For the past three years, Congress has appropriated funds to help senior citizens and other low-income families pay for unusually high home heating bills. The purpose of this program is to ensure that senior citizens and families would not have their electricity or home heating fuel shut off because they could not raise the money to pay for basic utilities. In many areas of the country, severe winters and rapidly rising utility and fuel prices have driven fuel bills up to high that it is impossible for senior citizens to pay these bills. With the recent increases in OPEC oil prices this trend seems likely to continue.

Unfortunately, the existing programs set up to aid these households have not achieved their goals. In each of the three years that the Community Services Administration has administered the program, the program has been operated differently. The result has been confusion among state and local agencies and inequitable treatment of recipients.

Mr. President, I call to the attention of my colleagues a study which the General Accounting Office released on April 26, 1979 on the operation of federal fuel assistance programs.

GAO found serious deficiencies in the operation of the fuel assistance program in many states.

State plans for identifying priorities and methods of payment to recipients could not be effectively reviewed and approved by the Community Services Administration. Although it was the intent of Congress that funds allocated under the fuel assistance program be targeted to the elderly and families of greatest need, many states did not develop effective plans for targeting assistance to these groups.

Eight states had no priority plans for distributing assistance to recipients. Some states distributed assistance to elderly only; other states distributed assistance on a first-come, first-serve basis, regardless of age; and still other states placed specific exclusions of limitations on payments to recipients. Some states only paid households who had outstanding, unpaid fuel bills while denying aid to persons who at great personal sacrifice and expense paid their bills.

Of the $200 million appropriated by Congress for the Special Crisis Intervention Program during fiscal year 1977 over $36 million had to be returned to the federal government because it could not be used. However, on September 27, 1978 a U.S. District Court ruled that CSA's administrative procedures had excluded certain eligible program participants and ordered CSA to reallocate any remaining funds to the states for distribution. Now as we enter the third year of operation of this program, there are still major problems remaining in the administration of this program.

In their report, the GAO made the following recommendations:

(1) That the type of energy emergencies treated under this program be better identified.

(2) Development of criteria for state and local programs to use in directing funds to individuals in the greatest need.

(3) A requirement that local projects priorities individual applications by the criteria identified above.

(4) Established specific procedures for regions to follow in assuring the program integrity within each state.

(5) Provide guidance for uniform review and approval of all State plans and programs.

President Carter proposed moving the fuel assistance programs from CSA to the Department of Health, Education and Welfare's program of emergency assistance to needy families. However, because of defects in the HEW program, GAO recommended that Congress not transfer this program until these problems are resolved.

Mr. President, I believe the legislation which I am introducing today makes progress towards solving the problems identified by GAO in existing fuel assistance programs.

My legislation would:

Transfer administrative responsibility for this program from CSA to the Federal Emergency Management Agency.

Target fuel assistance to elderly households who are eligible for food stamp assistance and who directly purchase their home heating fuel.

Require that the program be operated by State Food Stamp Agencies. Assistance to households would be administered in the form of energy stamps which could be used to pay outstanding, unpaid fuel bills or could be used as a credit against future fuel bills if the person has already paid their fuel bills.

Improves program integrity by requiring recipients to submit documentation to the administering agency at the time of food stamp recertification. Program checks and individual audits would be conducted in the same manner as the food stamp program is presently operated.

Provide criminal penalties for persons who abuse the program.

By reorganizing this program I believe that it will be possible to correct many of the administrative problems which have plagued the program in the past. The legislation that I am offering today will tighten eligibility criteria, improve program integrity and deliver assistance to eligible households in a fair and efficient manner.

The President has proposed a substantial

expansion of the federal fuel assistance program as part of his proposed gasoline decontrol plan. I support aiding our senior citizens in meeting legitimate fuel assistance needs. But we must also assure that the program works in a fair and efficient manner. I hope that my colleagues will give serious consideration to this legislation and I look forward to working with them on it.

S. 1331

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Emergency Fuel Assistance Act of 1979".

FINDINGS AND PURPOSE

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

(1) unusually severe winters and the actions of foreign governments have created energy emergencies in many American communities by raising the cost of, and creating a shortage of home heating fuels, and

(2) senior citizens living on fixed incomes experience substantial economic hardships which may significantly affect their health and well-being.

(b) It is the purpose of this Act to establish a program to alleviate energy emergencies by providing assistance to senior citizens in the form of energy coupons.

DEFINITIONS

SEC. 3. As used in this Act the terms—

(1) "heating fuel" means electricity, oil, gas, coal, or any other fuel if used by a household as the primary source for heating a dwelling;

(2) "Director" means the Director of the Federal Emergency Management Agency;

(3) "State agency" means the unit of State government which was established for the purpose of administering assistance under the Food Stamp Act of 1964;

(4) "household" means (a) any group of related individuals who are living together as one economic unit for whom heating fuel is customarily purchased in common, and that the head of such a unit is aged 65 years or older, (b) any individual living alone aged 65 years or older who purchases heating fuel directly;

(5) "coupon" and "stamp" means any coupon, stamp or certificate issued pursuant to provisions of this Act;

(6) "retail heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel for consumption by households;

(7) "wholesale heating fuel outlet" means any establishment including a recognized department thereof, which sells heating fuel to retail heating fuel outlets for resale for consumption by households;

(8) "sub-state area" means any county or group of counties which comprise part of a State;

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

(10) "bank" means any member or nonmember bank of the Federal reserve system; and

(11) "vendor" means any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated administrative responsibility in connection with the issuance of coupons to households.

DECLARATION OF AN ENERGY EMERGENCY

SEC. 4. (a) Funds shall be made available to State agencies to provide assistance under this Act when the Director finds that an energy emergency exists in any State or substate area. For the purposes of this Act an "energy emergency" means that—

(1) there is within a State a shortage or unavailability of normal heating fuels on a temporary or permanent basic to low-income households, causing extraordinary expense;

(2) there has been within the State of a sub-state area an increase of 20 percent or more in the price of a major fuel or utility service since May 1 of the previous year;

(3) the State or area within the State is experiencing excessively cold weather that represents both a cumulative total of population-weighted heating degree days higher than the normal cumulative total for that date, and at least 600 heating degree days for the month or the 4-week period for which assistance is requested; or

(4) a specified area within a State is experiencing daily temperatures for 14 consecutive days which compute to any average of 25 degrees Fahrenheit or less.

(b) Where the Governor declares that a winter-related energy emergency exists and that substantial State funds are made available to provide emergency fuel assistance to fixed-income households.

ALLOCATION OF FUNDS

SEC. 5. (a) Upon finding than an energy emergency exists in any State or sub-state area, the Director shall make available (to the extent that funds are available under appropriations authorized by this Act) to the State agency all or any portion of the funds allocated to the State.

(b) The Director shall allocate funds to each State by determining the—

(1) population-weighted heating degrees days based on historical heating degree day trends; and

(2) numbers of households in each State or sub-State area who are eligible for assistance under this Act.

ELIGIBILITY STANDARDS

SEC. 6. (a) Participation in the program shall be limited to households as defined in this Act and which are eligible for benefits under the Food Stamp Act of 1964.

(b) Households applying for benefits under this Act have been eligible for assistance under the Food Stamp Act of 1964 for at least 1 month prior to application for emergency fuel assistance benefits under this Act.

(c) Each household participating in the program shall submit to the State agency proof that the household does purchase heating fuels.

(d) Coupons received by eligible households shall be used to purchase heating fuel only from a retail heating fuel outlet participating in the fuel assistance program.

(e) The value of any fuel assistance provided to an eligible household under this Act shall not be considered income or resources for any purpose under any Federal or State law, including any law relating to taxation public assistance or welfare program.

ADMINISTRATION OF FUNDS

SEC. 7. (a) The Director of the Federal Emergency Management Agency shall contract with each State agency to administer and distribute fuel assistance to low-income, elderly households who meet eligibility standards under section 6.

(b) The Director shall establish criteria to determine the level of and the manner in which assistance may be delivered to eligible households. Fuel assistance shall be made available to eligible households for repayment of outstanding unpaid fuel bills or may be used as a credit against future fuel bills.

(c) If any funds appropriated pursuant to authorizations under this Act are unallocated after May 31 of any calendar year because a State was not eligible for assistance under this Act, or if a State agency has not distributed all funds allocated to it by such date, the Director may reallocate such funds to eligible States or sub-state areas in accordance with the formula described in section 5.

(d)(1) Any State agency wishing to participate in the fuel assistance program shall notify the Director of their desire to do so and shall submit a plan of operation to the Director for approval.

(2) The Director shall approve any State agency plan which provides—

(A) the number of eligible households participating in the Food Stamp Act of 1964 during the preceding 12-month period;

(B) a plan to inform eligible households and heating fuel outlets as to the availability, rules, regulations and benefits of the fuel assistance program; and

(C) that the State agency keep a strict and accurate accounting of all transactions made pursuant to this Act.

(3) If the Director determines that in the administration of the program there is substantial failure by a State agency to comply with provisions of this Act or with the operation plan submitted by such agency, the Director shall inform such State agency and provide a reasonable period of time for the correction of such failure. Upon the expiration of such period the Director shall order that further distribution of fuel assistance in the area serviced by such agency shall cease until such time as satisfactory corrective action has been taken.

(4) The Director shall reimburse a State agency for reasonable costs it incurs in administering the fuel assistance program. Such reimbursement shall be made upon terms and conditions prescribed by rule of the Director.

(5) The Treasury of the United States—

(A) shall finance the printing of fuel assistance stamps or coupons and the issuing of such stamps or coupons to State agencies; and

(B) shall be obliged for payment at face value of fuel assistance coupons to persons redeeming such coupons in accordance with the provisions of this Act.

PRINTING AND REDEMPTION OF COUPONS

SEC. 8. (a) Fuel assistance coupons shall be printed in denominations as determined by the Director and shall be issued by a State agency only to households which have been certified as eligible to participate in the fuel assistance programs.

(b) The Director shall by regulation develop appropriate procedures for determining the issuance, distribution and redemption of fuel assistance coupons to households and vendors. To the maximum extent practicable procedures described in the preceding sentence shall be similar to procedures under the Food Stamp Act of 1964.

(c) The Director shall by regulation prescribe appropriate procedures for delivery of fuel assistance coupons to vendors for the custody, handling and storage of fuel assistance coupons in the possession of vendors in order to secure such coupons against theft, embezzlement, fraud, misuse, loss or destruction.

(d)(1) Coupons accepted by any retail heating fuel outlet shall be redeemed through wholesale heating fuel outlets or banks with the cooperation of the Department of Treasury.

(2) Coupons issued and used in accordance with the provisions of this Act shall be redeemable at face value by the Director through the facilities of the Department of Treasury.

CRIMINAL PENALTIES

SEC. 9. (a) Whoever violates provisions of this Act or who knowingly provides false information in any report required under this Act shall be fined not more than $10,000 or imprisoned not more than 5 years or both.

(b) Whoever knowingly uses, transfers, acquires, alters, or possesses fuel assistance

stamps in any manner not authorized by this Act—

(1) shall if the total value of such coupons is $100 or more, be fined not more than $10,000 or imprisoned for not more than 5 years or both; or

(2) shall if the total value of such coupons is less than $100, be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

REGULATIONS

SEC. 10. (a) The Director shall issue such regulations as necessary or appropriate for carrying out the provisions of this Act.

(b) The Director shall coordinate with the Secretary of Agriculture methods by which to implement provisions of this Act in conjunction with existing procedural requirements under the Food Stamp Act of 1964.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. (a) For the purpose of carrying out the provisions of this Act there are authorized to be appropriated $150,000,000 for the fiscal year ending September 30, 1980, $150,000,000 for the fiscal year ending September 30, 1981, and $150,000,000 for the fiscal year ending September 30, 1982.

(b) Allocations under section 5 of this Act shall be made only to the extent that appropriations under this section are available.●

## DIRECT ELECTIONS

● Mr. BAYH. Mr. President, as the constitutional amendment to abolish the electoral college and establish direct popular election nears the floor of the Senate, it seem appropriate that a statement be inserted in the RECORD which exemplifies what many of us have thought about this issue for a long time. Just such a statement was made by John R. Lewis before the Judiciary Committee in April of this year.

Mr. Lewis, presently the Associate Director of Domestic and Anti-Poverty Programs of ACTION, has spent most of his life in the effort to bring all American citizens into the political process, beginning with the civil rights movement in 1960. In part due to his efforts during the Selma march and other events in the civil rights movement, the Voting Rights Act of 1965 passed the U.S. Congress. As head of the Student Nonviolent Coordinating Committee for 5 years, Lewis worked to facilitate the implementation of that act. During this period, at the height of the voting rights struggle, he was arrested over 40 times.

John Lewis sees direct election as a way to increase voting participation—an integral part of the constitutional principle of one-man, one-vote that cannot be comprised by considerations of self-advantage. Mr. President, I ask that Mr. Lewis' statement be printed in the RECORD.

The statement follows:

STATEMENT OF JOHN LEWIS

Mr. Chairman, I am John Lewis, Associate Director of the Office of Domestic and Anti-Poverty Operations for ACTION, the Federal agency for voluntarism whose purpose is to strengthen the impact and appeal of citizen participation in programs providing personalized services to people whose needs are compelling, both at home and abroad.

I am pleased that this Administration has endorsed the constitutional amendment to establish direct popular election of the President and Vice President. From my own personal experience, I am convinced that direct election is the right way for Americans to elect their national leader, and that it is in the interest of all of us as citizens, now and for generations yet unborn.

Perhaps I should give something in the way of my own background to explain my perspective on direct election. As a participant in the civil rights movement for the past twenty years, I am fortunate to have participated in a great movement for human rights—a movement which has removed many racial barriers in the South and throughout the country.

I served from 1963 through 1966 as chairman of the Student Nonviolent Coordinating Committee. During that period, it was a great honor for me to participate with approximately 600 courageous human beings, mostly women and young children, in an attempt to march from Selma to Montgomery in 1965 to dramatize the denial of the right to vote. It was a dark day for humanity when the Alabama Highway Patrol and Sheriff Jim Clark's posse set upon our orderly, peaceful march and viciously attacked us with horses, clubs, whips, cattle prodders, and tear gas. It was that single event, more than any other, which dramatized the necessity for the long-awaited and overdue Voting Rights Act.

In 1970, I became the Director of the nonpartisan Voter Education Project, a Southwide organization based in Atlanta, Georgia, where we devoted our time and energy to educate and assist millions of minority voters to become registered under the protection of the Voting Rights Act. I devoted my time to this work until after the 1976 election, when southern black voters, for the first time in history, were able to claim a major role in the election of a United States President.

Mr. Chairman, it is important to realize that there has been a peaceful political revolution in the South, and that black voters now are active participants in our national political process. In 1960, there were only about a million registered to vote in the 11 states of the Deep South; there are now four million. In 1960, there were fewer than 50 black elected officials, now there are 2,733. In 1960, any attempt by large numbers of blacks to register to vote, or to organize politically in any effective way, was met with violent resistance by whites; today, black political participation is an accepted reality.

A few days before the 1963 March on Washington, I saw a picture of Africans carrying a sign with the words, "One Man, One Vote." I used those words in my speech to over a quarter of a million people at that great March for Jobs and Freedom, when I said, "One Man, One Vote" is the African cry, it is ours too; it must be ours." These words became the slogan of the Student Nonviolent Coordinating Committee. "One man, one vote" was the fundamental principle which was later guaranteed by the Voting Rights Act.

It is based on the fundamental principle of "one man, one vote" that I view the direct election of the President. Its value is self evident: every person's vote counts, and every vote must count the same. It was on this principle that we suffered abuse, attack, and even death in the struggle for the right to vote for minorities.

We have yet to realize our goal of extending citizenship rights to all minorities, for many are still unregistered to vote and still unrepresented, but we now have an opportunity to take another great stride toward that great principle of American democracy. Direct popular election is a logical next-step, following the Voting Rights Act as a vehicle for increasing the participation of all Americans in the election process.

There is one kind of major disfranchisement that remains in our country and that is in the Electoral College system—which we still have for the election of the President. With the Electoral College and the "winner-take-all" rule, you can be part of a minority—whether 5% or 49%—in a state and have your vote thrown away, or really, recast for the winner.

On the other hand, you can be part of a huge plurality in a state like Georgia—1976 for example—and the result will be the same number of electoral votes as if you hadn't bothered to vote at all. In the South in 1968, as another example, blacks voted around 90% for Mr. Humphrey, but none of the Southern states' electoral votes except those of Texas went for him. The same thing happened in 1972 when 92% of the black vote was Democratic, but all the Southern states and their electoral votes went Republican. How much more sense it would have made if all the votes of those newly registered voters had counted. How much easier it would have been to register new people if the presidential candidates and their committees paid any attention to getting out those new voters.

The same disfranchisement effect works in the North as well. I've heard some of my friends in the black community maintain that they are in favor of the Electoral College because they believe it works to the advantage of blacks in the cities in the larger northern states. I have trouble understanding how they justify that belief—how can anyone explain to blacks in Chicago or Detroit or New York City that, although they've turned out over 90% for one candidate, their state's electoral votes all go for another. The issue is the same in California, Indiana, New Jersey, or any other state.

There are those who would cite a temporary advantage of the current Electoral College for partisan political purposes, but we must expand our vision. When we are talking about basic, fundamental, Constitutionally-guaranteed rights, we cannot be sidetracked by the temptation of temporary advantage or the pettiness of partisanship. This is a nonpartisan issue in which we must work to establish a principle which is not only good for our own time, but for all the times to come.

That every person's vote should count the same is one of the fundamental principles which is bedrock in this country. Having won the long and difficult and dangerous struggle to win the right to vote, we cannot now accept the proposition that any one person's vote can count more than another.

The most popular poster of the Voter Education Project is one which reads "Hands that once picked cotton now can pick our public officials." The principle of equality was basic to our struggle and is not one that we can deny as we now seek to become more democratic, more humane, and more respectful of human rights at home and abroad.

Mr. Chairman, I respectfully submit that the direct popular election of the President and Vice President is an idea whose time has not only come, but is long overdue.●

## AUTHORIZATION TO VITIATE ORDER TO RECESS THE SENATE AT 5:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the previous order providing for the recess of the Senate at 5:30 p.m. be vitiated.

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

## THE SALT II TREATY

Mr. McGOVERN. Mr. President, the SALT II Treaty signed yesterday in Vienna proclaims that both the United States and the Soviet Union will keep in mind the goal of general and complete disarmament as they take meas-

ures in the future to limit and reduce nuclear weapons. Thus far, however, the SALT process may have impeded real progress toward this goal, as Senator MARK HATFIELD points out in his recent interview on SALT. I agree with Senator HATFIELD when he said:

I think we are avoiding the real issue of disarmament which is the ultimate goal. By kidding ourselves that we are getting limitations, I think we are making the goal less attainable by postponing the hard decisions.

The interview with Senator HATFIELD was conducted by Alan Geyer of the Church Center for Theology and Public Policy and was printed in the Coalition Close-Up published by the Coalition for a New Foreign and Military Policy. I urge my colleagues to give close consideration to the important insights raised by Senator HATFIELD.

I ask unanimous consent to have the interview printed in the RECORD.

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

INTERVIEW

ALAN GEYER. Senator, you've indicated recently that you are leaning toward the negative on SALT II. What are your principle objections to SALT II at this time?

Senator HATFIELD. I think that the experience of SALT I has proven to be more arms acceleration and arms development than it has been a real lid or restriction. One need only to go back to a warhead count to see that since SALT I both the Soviet Union and the United States have roughly doubled their warheads. Now, SALT II tends to perpetrate this illusion that somehow we have achieved true arms limitation—when in fact we have not.

It seems to me that the President has been looking at the problem from the domestic political scene and has been willing to compromise and trade off, for the support of many hard-liners. These tradeoffs could fuel a further build-up through development and deployment of new weapons systems and further movement toward a war fighting or counterforce strategic doctrine on both sides. It seems to me that we are developing complexities which will block meaningful arms reduction under SALT III.

ALAN GEYER. Do you think that if SALT II is defeated there will be less likelihood that the U.S. will go ahead with these new weapons—Cruise missiles, Trident II, MX and so on?

Senator HATFIELD. No, but even with SALT II we can develop these weapons. The MX, the land, air and water cruise missiles, Trident; all these weapons systems are not restricted under SALT II. We can develop these programs to the tune of about $60 billion. The President talked about saving $30 billion. It sounds to me that what he is really saying is instead of costing us $90 billion it is only going to cost us $60 billion. But actually, it is not the money alone but the complexity of these new counterforce weapons systems that will be more difficult than the existing nuclear arsenal to control once we begin development. I would speculate that this was done to acquire the votes of the so-called hard liners. What seems to be happening is that we are abandoning our position as a deterrent power. By developing more and more accurate weopons we raise the possibility of a pre-emptive nuclear strike. These developments make the question more complicated than simply money.

ALAN GEYER. You don't subscribe to the view that the U.S. has been standing still while the Soviets have been pushing ahead?

Senator HATFIELD. Absolutely not. At the time of the signing of SALT I we had 4,500 warheads, and today we have 9,000. Under SALT II we will be allowed over 10,000. Before SALT I the Soviets had a little over 2,000 warheads. Today they have over 4,000 and will be allowed over 8,000 under SALT II. There is the acceleration, there is the arms race. We must remind ourselves that we were the first to have the atomic bomb. From bombers to ballistic missiles to MIRV's, we were the first to develop sophisticated weaponry. But this development did not go unanswered. The Soviet Union responded with new military programs each time we gained superiority. And qualitatively, we are not slowing down.

ALAN GEYER. What is the alternative to the existing SALT II treaty?

Senator HATFIELD. I propose that we force both nations to adopt stricter limits both within the context of SALT II and in future negotiations. These stricter limits aimed at stopping the movement toward nuclear warfighting capability on both sides could be added to the protocol of the SALT II treaty which deals with future negotiations under SALT III. These new conditions to the treaty would replace the vague promises in the protocol related to future limits with specific demands, possibly linked to stricter timetables, that would have the effect of forcing both nations to real limits on arsenals before the next explosive phase of weaponry deployment occurs.

ALAN GEYER. Another international dimension of this concerns the consistent pressure on the superpowers by the U.N. in recent years to conclude a SALT II treaty. The final document of the Special Session on Disarmament last year urged approval of SALT II without delay. The General Assembly also urged completion of SALT II. How would you respond to this kind of expression of concern on the part of the international community?

Senator HATFIELD. Yes, I think it is much the same in this country where many liberal, progressive, peace forces, and church groups have publicly endorsed SALT II. It is characteristic of our age. We are in a period of short-hand, labels, the brief, the digest. We have adopted the Goebels idea that if we call something by a certain label enough times, after a while people will believe it—regardless of what the content may be. When you say strategic arms limitation treaty, that immediately conveys the idea of arms control, building toward arms reduction. But, like a lot of other things, SALT has lost its meaning. As I began studying the situation, I had to raise the question, is SALT II truly arms limitation? I think we are avoiding the real issue of disarmament which is the ultimate goal. By kidding ourselves that we are getting limitations, I think we are making the goal less attainable by postponing the hard decisions.

ALAN GEYER. Do you think superiority and inferiority have become meaningless terms?

Senator HATFIELD. Meaningless terms, yes. Just as talk of "winning and losing" is meaningless in the nuclear context.

First of all they are meaningless because who is going to use nuclear weapons? Except for the possibility of misjudgment during crises or of an accident, both of which are increased under counterforce strategic doctrine, we have no use for the arsenal. We found that in Vietnam and other confrontations, that unless we committed ourselves to the end of the world, we cannot use these weapons systems. So we are locked into our own power—that makes them meaningless.

Secondly, every time we speak of the "Russion build-up" we are assuming that it is all aimed against us, when actually the Soviets must also worry about the massive border they share with China.

Thirdly, how much is enough for superiority? For security? By 1985, when SALT II expires, we will have the equivalent in our arsenal of 2 million Hiroshima bombs. I cannot even begin to get a feeling for how much fire power that is. So, I just cannot understand those who keep saying that in order to gain security or superiority we must accelerate arms programs. We had more security when we had less.

ALAN GEYER. Do you think President Carter is sincerely committed to nuclear arms reduction and if so is he misguided or confused about how to get there? He is obviously fervently committed to SALT II.

Senator HATFIELD. Well, first we have seen an exemption of the military budget from this year's mood of budget austerity. He has committed the U.S. to a yearly 3% real growth in military spending. Now why? I really feel that there is something about the Presidency that as much as Mr. Carter has tried to keep in touch with the people, there is an isolation that becomes totally absorbed by the military, the Pentagon budget, the National Security Council, the maps, the secret information, the red telephone. Just look at the erosion of the State Department's role in defining foreign policy. The National Security Council, first under Mr. Kissinger and now under Mr. Brzezinski, has gained ascendency in terms of policy making. So instead of our military posture being created to implement foreign policy, our foreign policy is almost reversed, playing the role of implementing our military policy.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will recess shortly, but for the time being, commitments provide that when the Senate does recess it will reconvene at 8:30 p.m. this evening and at about 8:40 p.m. Senators will proceed in a body to the Hall of the House of Representatives where the President of the United States will deliver a message to a joint session of the two Houses.

Upon the dissolution of that assembly, the Senate will then stand in recess until the hour of 9:30 a.m. tomorrow.

Am I correct about the convening hour of tomorrow?

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, on tomorrow, after the two leaders have been recognized under the standing order, Mr. DOMENICI will be recognized for not to exceed 15 minutes, after which the Senate will resume its consideration of the business that has been before the Senate for the last hour or so, and which, according to the order entered previously, was to be before the Senate on tomorrow, the foreign assistance legislation, Calendar Order No. 211, S. 588.

There is a time agreement on that bill. Rollcall votes will occur in connection with the bill, on motions and/or amendments in relation to the bill tomorrow. So Senators are, therefore, made aware of the fact that there will be rollcalls tomorrow.

## RECESS TO 8:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I am about to move to recess until 8:30 p.m. tonight. Senators will gather at that time to proceed in a body to the Hall of the House of Representatives for the joint session.

Upon the completion of the address there and the dissolution of the session,

the Senate, in accordance with the order previously entered, and as a further mark of respect to the memory of our late, departed colleague Leverett Saltonstall, will stand in recess until tomorrow morning at 9:30.

Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 8:30 p.m. today.

The motion was agreed to; and at 5:39 p.m. the Senate recessed until 8:30 p.m.

The Senate reassembled at 8:30 p.m., when called to order by the Presiding Officer (Mr. MORGAN).

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.

### JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–152)

The Senate, at 8:40 p.m., preceded by the Sergeant at Arms, F. Nordy Hoffmann; the Secretary of the Senate, J. Stanley Kimmitt; and the Vice President, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Jimmy Carter.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress is printed in the proceedings of the House of Representatives in today's RECORD.)

### RECESS UNTIL 9:30 A.M. TOMORROW

At the conclusion of the joint session of the two Houses, in accordance with the order previously entered into and pursuant to Senate Resolution 186, as a further mark of respect to the memory of the deceased Honorable Leverett Saltonstall, late a Senator from the State of Massachusetts, at 9:44 p.m. the Senate recessed until tomorrow, Tuesday, June 19, 1979, at 9:30 a.m.

# HOUSE OF REPRESENTATIVES—*Monday, June 18, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We earnestly pray, O Lord, for the health and safety of our Nation and the world. We give thanks for occasions when people of good will have spoken and acted to defend those who were weak or alone. We praise you for those noble men and women who have sacrificed their means and their lives, so that others could live in peace.

We pray, O God, that You would lead us in the paths of peace. Show us how we may contribute to justice and righteousness in this world, that our children and our children's children may know and enjoy the beauty and majesty of Your creation.

In the name of the Lord, we pray, Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 670. An act to require the Secretary of Agriculture to establish and maintain a rural development policy management process, and for other purposes;

S. 802. An act to further amend the Peace Corps Act;

S. 892. An act to extend the authorization of appropriations for carrying out rural development research, rural development extension, small farm research, and small farm extension programs, and for other purposes;

S. 901. An act to extend the time limits contained in the industrial cost recovery moratorium provision of the Clean Water Act of 1977 (91 Stat. 1610);

S. 948. An act to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; and

S. 1144. An act to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981.

### CONSERVATION PRACTICES SEEN AS WEAPON AGAINST INFLATION AND GAS PRICES

(Mr. WEAVER asked and was given permission to address the House for 1 minute.)

Mr. WEAVER. Mr. Speaker, we are told that there is a gasoline shortage. The lines at service stations seem to be proof of this.

The actual fact is that we use too much energy. We are presently using 20 million barrels of oil a day. When I first came to the Congress 5 years ago, we were using 12 million barrels a day.

Curtailing our use is the way to solve our energy problem today. Curtailing our use of petroleum products will break OPEC, and drive the price of oil down. It will cut inflation rates in half and force Detroit to make smaller fuel-efficient cars. As a result, we will live more cheaply and accomplish just as much.

Mr. Speaker, three-fifths of all Americans say that they prefer gas rationing to higher prices and they prefer gas rationing to the lines at service stations. We should listen to them.

### A TRIBUTE TO THE LATE HONORABLE LEVERETT SALTONSTALL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I bring the House the very sad news of the death yesterday of our former colleague in the Senate, my very good friend and a good friend of the Commonwealth of Massachusetts and the country, the Honorable Leverett Saltonstall.

A member of a prominent Massachusetts political family, his long career in politics began on the local level, as a member of the board of alderman of Newton, Mass., from 1920 to 1922. On the county level, he served as an assistant district attorney of Middlesex County in 1921 and 1922. He was elected to State office in 1922 and served in the Massachusetts House of Representatives from 1923 to 1936, the last 5 years as speaker of the House. In 1939, he was elected Governor of the Commonwealth of Massachusetts and served in that capacity until 1944, when he was elected to the U.S. Senate. He served with great distinction in that body until 1967.

Active also in party circles, he was a delegate to the 1932 Republican National Convention, as well as every convention between 1949 and 1968.

That tells in the sparest terms the chronology of his public service.

Those of us who served with him in the Congress will note his actions as a legislator, others will remark upon his achievements as Governor, or as a party standard bearer. But all of us who knew him will remember his human side. Lev Saltonstall was possessed of a keen intellect and unquestioned integrity. His statesmanlike demeanor, his reserved manner, and his gentlemanly bearing hid a wry wit. My relations with him—as a junior Republican Congressman working with a senior Republican Senator—were marked with great warmth. I will always be grateful for his kindness to me,