MINUTEWOMEN PROJECT

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CARR. Mr. Speaker, in conjunction with the "Minutewomen" project of my good friend and colleague Mrs. SCHROEDER of Colorado, I would like to call to attention the name of Zelie P. Emerson. Ms. Emerson was born and raised in Jackson, Mich. and is known for carrying the tradition of American suffragettes to Europe.

Shortly after the turn of the 20th century Ms. Emerson became involved with Sylvia Pankhurst, the prominent London suffragette leader. Zelie embraced the cause of securing women's right to vote in London with all the vigor and conviction many other early suffragettes mustered for their cause in this country. Zelie and her British sisters joined in hunger and thirst strikes to publicize their commitment to their cause. Zelie was jailed several times for her militant activities designed to draw attention to the women's suffrage movement.

In 1913, Zelie joined Sylvia Pankhurst in a tour of Romania, Hungary, and Scandinavia in order to contact and motivate women involved in suffrage movements. Her activities were cut short in 1914 when her doctor informed her that her health was broken. She followed his orders by once again taking up residence in Jackson, in the same house occupied by her mother, the first Zelie Passavant Emerson, a friend of Andrew Carnegie, who is credited with obtaining an Andrew Carnegie Library for Jackson. A document acknowledging the donation and Mrs. Emerson's influence hangs in the library's main corridor.

Zelie's participation in the inner circles of the Pankhurst suffrage movement has been acknowledged by historians of the movement, the British Broadcasting Co. and Sylvia herself. Using the words of Patricia W. Romiero, a University of Wisconsin historian in reference to Zelie P. Emerson:

> She experienced the drama that today is regarded as creating history.

Zelie is one of our country's many influential women of history whose activities and accomplishments will long be remembered.●

SENATE—*Wednesday, July 18, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 11:15 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 James David Ford, D.D., Chaplain of the House of Representatives, offered the following prayer:

Let us pray.

Eternal and everlasting God, whose blessings are upon us each day, we give thanks that Your grace is sufficient whatever our need, and Your providence gives direction to life.

Remind us, O Lord, of Your mighty acts of redemption on behalf of Your people which, from the beginning, have witnessed to Your power and which demonstrate Your love.

Grant us forgiveness when we have wronged You and our neighbor, and mercy when You judge. Above all, continue to minister to us that we may serve with righteousness and honor.

May we not feel alone or become anxious by the pressures of the time. Cause us always to know the spiritual security that comes when we focus on You and Your way, and grant us always to know the peace that passes all human understanding.

In the name of the Lord. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 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. The Chair recognizes the Senator from Alabama.

THE JOURNAL

Mr. STEWART. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

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

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

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting minority leader, the Senator from Alaska.

MEMORIAL SERVICE FOR MRS. EVERETT DIRKSEN

Mr. STEVENS. Mr. President, many of us have just returned from the memorial service for a great lady, Mrs. Everett Dirksen, and heard the very fine statement and eulogy made by her son-in-law, who is our minority leader.

It is a unique family. Mrs. Dirksen was the wife of our minority leader, Everett Dirksen, and she became the mother-in-law of our current minority leader, HOWARD BAKER.

Many of us remember the very interesting and gracious evenings that we spent at the Dirksen home. I remember some of those when Ann and I first came back to the Senate and the Dirksens annually opened their home for a reception for Members of the Senate.

She was indeed a great lady. She has had a good life and has had a tremendous influence on two of the great leaders of this Senate.

So I for one was very privileged to be able to attend that service for her.

TAX-EXEMPT MORTGAGE BONDS

Mr. STEVENS. Mr. President, I am deeply concerned, as I am sure many Members of the Senate are, about the current controversy involving tax-exempt mortgage bonds. I am in favor of the program, but I do believe a strong case has been made for the need to place restrictions on these bonds. The revenue loss to the Treasury, the displacement of conventional mortgage lenders, and the interest subsidization of those families in the higher income brackets are unfortunate realities associated with the burgeoning of this program. In order to protect the future availability of this type of mortgage financing, Congress must act to prevent abuses and to curb the detrimental impact of mortgage bonds, while at the same time, impose guidelines that are responsible and flexible and which further our national housing goals.

However, I caution the Senate on the inevitable drawbacks in attempting to establish limits which apply to all tax-exempt mortgage bond issues in all parts of the country. As a representative of a State that is, in nearly all respects, very far from the national norm, I am well aware of the inapplicability of many of our laws to my State's situation. Nearly every Federal effort to provide safe and sanitary housing in Alaska, especially in the rural areas, has failed, primarily because of the inapplicability of HUD, FHA, BIA, and other agency standards to the Alaskan environment.

The federally subsidized tax-exempt mortgage bond program has begun to

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

make significant inroads by providing much needed housing in all areas of the country. The Senate, I am sure, will understand, therefore, the importance of insuring that any congressional action taken be sensitive to regional and local needs and permit the financing of affordable, and otherwise unavailable, housing.

In conjunction with the issue of flexibility, there are many questions which I hope will be considered. Imposing income limits, for instance, leads to the problem of definition. What is a low or moderate income, and how are they determined in areas where there are inadequate income statistics? How do income levels compare with housing costs, and do limitations placed on both income and purchase price ignore their varying relationship from area to area?

In Washington, D.C., for instance, the median family income is a little below the national average, and yet the housing costs are among the highest in the country. Restrictions on the purchase price may also tend to penalize those prospective homebuyers who have scraped together an adequate savings and can afford a nicer house because of the amount of down payment. Should we penalize savings or encourage the construction of cheap housing through purchase price limits? There currently are several tax breaks for homeowners.

Do we want to further help these individuals through an interest subsidy, or should we direct this program to new homebuyers? I trust that the Governmental Affairs Committee in their current hearing process and the Senate members will study these questions thoroughly before making a decision that would dramatically affect many homebuyers of this Nation, especially those seeking financing for the first time.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Alabama yield to me 1 minute?

Mr. STEWART. I yield a minute to the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

TIME LIMITATION AGREEMENT ON AMENDMENT NO. 338—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on amendment No. 338 by Mr. JOHNSTON, to which he alluded yesterday afternoon, this amendment having to do with the construction of an extension to the New Senate Office Building, there be a time limit of 45 minutes to the side. This has been cleared with Mr. JOHNSTON, and I understand it is cleared on the minority side. Mr. STEVENS is here to speak to that. The time would be controlled as usual.

Mr. STEVENS. Mr. President, reserving the right to object—and there will be no objection—this is the desire, as I understand it, of Senators CHAFEE and DANFORTH, and it is my understanding that with the adoption of the agreement Senator CHAFEE has indicated he will not raise the question of germaneness of this amendment.

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

ORDER OF BUSINESS

Mr. STEWART. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business to not extend beyond the hour of 11:30 a.m. with statements therein limited to 1 minute each.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. 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.

A CAUSE, A MARRIAGE KEEP HIM ON THE ROAD

Mr. STEVENS. Mr. President, recently Alaskans have been traveling throughout the country to alert other citizens of our Nation to the importance of the Alaska lands issue. We feel that the only way to attract attention to our issue is to personally explain to other Americans why the Alaska lands issue is so important to them. One of these Alaskans who has been traveling throughout the Nation is our Lieutenant Governor, Terry Miller. Much of Terry's time has been spent in New England where he attended school at Harvard and where his wife is earning her doctoral degree in experimental psychology at Tufts University.

The Boston Globe featured in a recent article a story on Terry's travels. I would like to call the attention of the Senate to Terry's journey as only one of many which Alaskans are taking throughout the country to alert our fellow citizens to the importance of the Alaska lands issue.

Mr. President, I ask unanimous consent that the article from the Boston Globe entitled "A Cause, a Marriage Keep Him On the Road" be inserted in the RECORD.

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

A CAUSE, A MARRIAGE KEEP HIM ON THE ROAD

(By Gary McMillan)

Terry Miller, the lieutenant governor of Alaska, was in town again this past week on another 5000-mile commute to see his wife, and once again he got lost trying to find the Southeast Expressway.

"Boston is a charming town, a lot of history, but it's so congested," he said. The definition of congestion is rather loose to a man who comes from a state with 586,412 square miles of land. There are almost half again as many people in Boston's 46 square miles than there are in all of Terry Miller's state.

Still, he says he likes to visit, mainly to see his wife, Dani Bowman, who is earning her doctoral degree in experimental psychology at Tufts University. They were married just before Miller gave up his state Senate seat in 1976 for his own postgraduate stint at Harvard's Kennedy School of Government. He finished in 1978, she's still here except for summertime homecomings and that is what prompts the commutes.

Miller returned to Fairbanks in May 1978 to successfully run as the Republican candidate for lieutenant governor last year with Gov. Jay Hammond.

In the meantime—and while waiting for his own potential gubernatorial campaign in 1982—Miller is traveling around the state and country touting his state's position on what, to Alaskans, is the very controversial wilderness lands bill.

On Thursday, Miller and his cohorts won an initial victory when a bill to put 120 million acres of Alaskan land into federally-controlled wilderness failed to win approval from the US House Interior Committee.

Miller stopped off in Boston long enough to see his wife before returning to Alaska to get Hammond's instructions for the next step in Alaska's battle. Basically, Miller says, the state wants the rest of the 103 million acres promised it and the 44 million acres promised the natives in the Statehood Act of 1959 before the federal government starts fooling around with the rest.

"The issue has been reduced to an environmental versus developer thing," Miller said, "and it's not that simple. One of the things I learned from my time in Boston is that we don't want to make the same mistakes they made in the rest of the United States and that means we have to have participation in the process."

Miller is an affable man of 36 with a touch of natural Western reserve enhanced by a 16-year political career that began with his election to the Fairbanks City Council. He served two years in the state House and eight in the state Senate before heading east.

After four months of campaigning in 1978 he won his primary by a 2-1 margin and wound up not only on Hammond's ticket but also, without his permission, on the slate with former Gov. Walter Hickel, who ran as an independent. His electoral popularity has given him a fairly strong voice in Alaskan affairs.

"The question we're talking about in the state and what this fight in Congress is about is 'What is Alaska going to be when it grows up?' You know there's no other state in the union that can ask that question," he said.

"The time here in Boston was very instructive. I became more sensitive to the very values we're discussing. I'm much more sensitive to keeping the air clean, protecting the land."

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. 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.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 11:30 a.m. having arrived, the Senate will now resume consideration of the pending business, H.R. 4388, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 254, H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

UP AMENDMENT NO. 372

Mr. JOHNSTON. Mr. President, there are errors in the wording of the agreed-to committee amendments which appear in the bill on page 2, line 23, through line 2 on page 3; and on page 5, line 8 to line 11.

I send to the desk technical amendments correcting the wording, which is the same language for both appropriations accounts, and ask unanimous consent that it be in order to consider en bloc the technical amendments, which amend the bill in two separate places.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted technical amendment numbered 372.

The amendments are as follows:

On page 2, strike out all beginning on line 23 down to and through line 2 on page 3 and insert in lieu thereof:

"The anticipated revenues from Uranium Enrichment activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. Sec. 665."

On page 5, strike out all beginning on line 8 down to and through line 11 and insert in lieu thereof:

"The anticipated revenues from Uranium Enrichment Activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. Sec. 665."

The ACTING PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

Mr. JOHNSTON. Mr. President, I move the adoption of these technical amendments.

Mr. STEVENS. Mr. President, I am informed that the statement of the Senator from Louisiana is correct, that these are two technical amendments which have been discussed, and in the absence of the floor manager I am prepared to accept them on the basis of the information we have received and do not object to the motion of the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 373

(Purpose: To provide for the completion of the Hart Office Building)

Mr. JOHNSTON. Mr. President, I sent to the desk a committee amendment as recommended by the committee yesterday, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment numbered 373:

On page 31, after line 25, insert the following: Sec. 502. There is appropriated, out of any money—

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

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

The amendment is as follows:

On page 31, after line 25, insert the following:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $52,583,400, to remain available until expended: *Provided*, That the amount of $137,730,400 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

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

Mr. STEVENS. Is this the amendment for which the time agreement was just entered, for 45 minutes on each side?

Mr. JOHNSTON. That is correct.

Mr. STEVENS. It is the amendment on the Hart Building?

Mr. JOHNSTON. That is correct; this is the Hart Building amendment.

Mr. STEVENS. Has time started running on that amendment yet?

The ACTING PRESIDENT pro tempore. The agreement was on amendment No. 338. It would require unanimous consent to transfer the agreement to this amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that there be a quorum call, not to be charged to either side.

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

Mr. STEVENS. I thank the Senator from Louisiana.

Mr. JOHNSTON. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. 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. JOHNSTON. Mr. President, this is the Hart Senate Office Building amendment. As I have said a number of times before, I am chairman of the Senate Office Building Commission. It is a job I did not seek; it is a job I do not want; it is a job I would be a lot better off without, Mr. President. There is no political credit in building the Senate Office Building, because the American people, or at least a lot of them, believe that the Senators are providing for themselves in great luxury, and that Congress is wasting the taxpayers' money.

Mr. President, I received this appointment only a few weeks ago, and what I have tried to do as chairman of this Commission is do the best I could, in a responsible way, to do the best possible job for the taxpayers of this country.

I believe the amendment we have here does such a job, because the completing of that building, Mr. President, is the only responsible thing that the Senate can do. I repeat, it is the only responsible thing we can do.

We can argue about dollars here and about particular kinds of finish on this wall or that wall, or about whether we ought to finish off the cafeteria or not. But as between leaving that building an uninhabitable hulk and finishing it off, at a time when the Senate needs space, Mr. President, there is no choice.

Mr. President, the Hart Senate Office Building began with hearings back in 1967. At that time, 72 Members of Senate testified that they needed more space; and I am sure the other 28 also agreed, but probably lacked the courage to come in and testify.

There were a large number of committees which testified at that time. Twenty-four committees and subcommittees petitioned the Senate Public Works Committee for additional space.

Were those 72 Senators and all of those committees correct back in 1967? There is no question but that they were correct, Mr. President. In 1972 we did a study, undertaken by the Architect of the Capitol, that showed that the average Senate employee has 65 square feet of space. That compares with a minimum standard put out by GSA of 150 square feet. So in 1972 we had 65 square feet, and now it is less; and, as I say, that compares with the 150-square-foot GSA minimum.

Mr. President, does it make any sense when the Senate has less than 65 square feet, almost less than a third of what GSA requires as a minimum? I mean is that supposed to be in the taxpayers' interest, when the Senate is making tremendous decisions every day? The President has sent down a $142 billion energy bill, and we are supposed to have our Senate staff—my subcommittee on the Energy Committee handles a very large part of that $142 billion. He have two committee staffers. Are they to have 65 square feet apiece? Does that make any sense, Mr. President? Is that supposed to be economy? I submit to the Senate that it is not.

Mr. President, what I have recommended and what this amendment would do is seek a total of $142,627,700. That calls for an appropriation this year of $57,480,700. Last year, Mr. President, the

Senate approved legislation appropriating $140 million.

I have submitted to all of my colleagues in the Senate and to the press a "Dear Colleague" letter in which I recommended that we appropriate somewhat less than this, in order to be under last year's figure. I recommended, Mr. President, that we appropriate $54,853,000.

That figure was arrived at by a number of deductions. All of these deductions and my recommendations are listed in the CONGRESSIONAL RECORD, July 17, 1979, p. 18940.

This is a stripped down version of the building which I have recommended, Mr. President, taking out almost 20 different deductives. I believe, Mr. President, that it gives us a building which is habitable, which is in keeping with the style of architecture of other buildings in Washington, and which is a building which will last a long time.

AMENDMENT NO. 338

(Purpose: To provide for the completion of the Hart Office Building)

Mr. JOHNSTON. Mr. President, I am just advised that there is an error in the amendment. I ask unanimous consent that the amendment I sent to the desk be withdrawn and that the printed amendment No. 338 be substituted in lieu thereof.

Mr. CHAFEE. Mr. President, I would like to withhold my objection to that for a moment until I find out exactly what is in the substituted amendment.

Mr. JOHNSTON. Mr. President, apparently there is a printing error in it. It is an error in the numbers.

Mr. CHAFEE. Could we have the corrected amendment? I have before me——

Mr. JOHNSTON. That is the amendment I want to substitute for the amendment sent to the desk.

Mr. CHAFEE. What does the amendment sent to the desk do differently? Does it change the total?

Mr. JOHNSTON. Perhaps the Chair can tell us.

The ACTING PRESIDENT pro tempore. It changes the figure.

Mr. CHAFEE. The figure is fairly important in this. It changes the figure to what?

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes amendment number 338.

On page 31, after line 25, insert the following:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $57,480,700, to remain available until expended: *Provided*, That the amount of $142,627,700 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

Mr. CHAFEE. That is the amendment I have before me.

The ACTING PRESIDENT pro tempore. This is the amendment, as printed. Of course, the Senator from Louisiana has a right to do that.

Mr. CHAFEE. So the printed one is the one we are dealing with?

Mr. JOHNSTON. Yes; as I announced a moment ago I want to substitute the printed amendment No. 338 for the amendment which was inadvertently sent to the desk.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CHAFEE. No objection.

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

Mr. JOHNSTON. The difference between the two amendments was caused by the actions of the Committee on Appropriations yesterday. In the recommendations I made to the Committee on Appropriations and the Senate I recommended a figure which resulted in a total cost of slightly under $140 million, $137 million. To get to that figure, I recommended a number of deductives, all of which are listed in the pages of the CONGRESSIONAL RECORD of yesterday where my recommendations were listed.

In the consideration of the matter before the Committee on Appropriations and before the Commission, it was suggested by Senator BELLMON, who put in an amendment in the Commission where the amendment was voted down but in the Committee on Appropriations where the amendment was accepted, that deductive No. 1 relating to paneling in Senate offices should not be deducted but should be included. Senator BELLMON offered testimony to the effect that in the long run it would be cheaper to put in paneling because you would not have to come in and paint and plaster on a regular basis.

He also suggested that we should include No. 3. My recommendation was to deduct the 9th floor dining facility. It was my recommendation that we could get along without it, but Senator BELLMON pointed out that the dining facility is basically not for the accommodation of the Senators, as there is plenty of dining space right now for Senators to eat, but the 9th floor dining facility is principally for visitors, for guests, for tourists on Capitol Hill, for Americans who come to see their Capitol and want a place to eat.

He also suggested that item No. 16, the central hearing room, which is specially outfitted for multimedia, should be finished and included. I recommended that we not finish the room, that we could get along without it. He suggested that it is a needed facility and ought to be finished.

It was my feeling, Mr. President, that we ought to make this as frugal, as austere as possible. The Committee on Appropriations agreed, save the three amendments which Senator BELLMON offered at the committee and which were accepted by the committee.

This increases the total cost to the figure listed in the amendment, which is approximately $142 million. That is the reason for the differences between the two. I thought I had offered an amendment that had these three changes.

Mr. President, with these changes we will now have space which, I believe, will put the Senate in compliance with the GSA minimum standards. It will put the Senate in compliance with the OSHA standards. It will given the Senate an office building, Mr. President, which, with all the ballyhoo about its cost, is still considerably cheaper on a square foot basis than the Rayburn building.

Mr. President, using 1981 dollars, which we are using for both buildings, the Hart Building would cost $172 per square foot and the Rayburn $212 per square foot, or substantially more.

I have just one final word, Mr. President, and then I will let the opponents speak. For every month which goes by without completing that building, it is costing the American taxpayer $700,000. That is the reason for which I have come in and sought expedited consideration of this amendment on this bill. It is time for the Senate to make up its mind. If in fact we would accept what I consider to be the absolutely asinine idea of leaving that building with its exposed steel to rust away in the weather, or an almost equally asinine idea of just finishing off the shell, then when we come in and finally present that building we will present a nice bill to the American taxpayer that goes up at the rate of $700,000 a month.

Our friends in the House of Representatives, Mr. President, last year——

Mr. DANFORTH. Will the Senator yield?

Mr. JOHNSTON. In just a moment.

Mr. DANFORTH. I wanted to ask a question at the appropriate time.

Mr. JOHNSTON. I have one more comment, and then I shall yield.

Mr. President, our friends in the House of Representatives last year killed the Senate appropriation on economy grounds. Do you know what has happened in the meantime, Mr. President, because of that delay? The sum of $20 million has been added to the tax bill of the taxpayers. I do not think that is the kind of economy we want in this Government.

I yield.

Mr. DANFORTH. I would like to ask a question. It is my understanding that 1972 was the first year, is that correct, when this building was proposed or the first authorization was made?

Mr. JOHNSTON. The first public law, yes, was passed in 1972, that is correct.

Mr. DANFORTH. At that time, the building was estimated to cost $48 million. Is that right?

Mr. JOHNSTON. Not this building. That was an estimate based on a sort of replication of the Dirksen Senate Office Building. By the way, that was before I came to the Senate.

Mr. DANFORTH. A third Senate office building at that time was supposed to cost $48 million. Is that correct?

Mr. JOHNSTON. Yes. If the Senator is interested in all the figures, in 1972, it was $48 million. In 1974, the design of this building, rounding off, was $69 million. In 1974——

Mr. DANFORTH. I am sorry. The Senator said 1972 was $48 million. Then he moved to 1974.

Mr. JOHNSTON. Yes, I have $68,825,000 appropriated.

Mr. DANFORTH. In 1974?

Mr. JOHNSTON. That is 1974. In December of 1974, it went up to $85 million. Last year, it was $122 million. This year, based on this amendment, $142 million.

Mr. DANFORTH. The $142 million in this amendment would pay the entire cost. Is that going to be the end of it?

Mr. JOHNSTON. I say to my friend that the Architect of the Capitol hired an outside estimating firm to come in and estimate everything. It is a nationally recognized firm. What we did is take those figures of the outside firm, concurred in by the Architect of the Capitol. We increased that by the inflationary factors which the Architect of the Capitol was using. Then we increased the contingency fund from 5 percent to 15 percent. Then we made our deductions and, based on that, we have this figure of $142 million, which I sincerely hope and have done everything that I know of possible to say, is a final, complete figure that will not change.

Mr. DANFORTH. It is my recollection, Mr. President, that last year, in the vote we had on the floor of the Senate, after extensive debate critical of this building, we attempted to put an absolute cap on the cost of this building of $135 million. Is that not right?

Mr. JOHNSTON. It is a rather curious situation. We put on a cap of $135 million, then we appropriated $140 million.

Mr. DANFORTH. The authorization was $135 million?

Mr. JOHNSTON. No, Mr. President, there was language purporting to put a ceiling of $135 million on it, but the cumulative appropriation—last year's appropriation plus the previous year's appropriation—amount to $140 million. I have treated the $140 million as if it were a ceiling.

Mr. DANFORTH. So the cap we attempted to put on last year of $135 million meant absolutely nothing, is that right? Now we are up to $142 million.

Mr. JOHNSTON. If the Senator will yield——

Mr. DANFORTH. The Senator has the floor.

Mr. JOHNSTON. We would be well within the money if the House had not killed the appropriation last year.

Mr. DANFORTH. I am not interested in fixing blame on the House or anybody else. What I am saying is that last year, we went through the charade—it turns out to have been just wasted motion, just beating our gums—of having a cap of $135 million. We said, oh, no, we had a previous estimate that was $140 million. Now the Senator says it is $142 million. Now I am asking, Is that the absolute cap? Will we have a building for $142 million?

Mr. JOHNSTON. I believe so.

Mr. DANFORTH. And we are not going to come back next year and say we are going to go over $142 million?

Mr. JOHNSTON. I have done everything I can.

Mr. DANFORTH. Can I have the Senator's total, absolute, unqualified assurance that $142 million is the absolute cap?

Mr. JOHNSTON. The Senator has my total, absolute, unqualified assurance that so far as I know, I have done the best I can. (Laughter.)

Mr. DANFORTH. This is exactly the point, one of the two points that should be made. I do not want to take up too much of the Senator's time, because we shall have our own.

Mr. President, the first of the points is that this is Government extravagance in its quintessential form.

Mr. JOHNSTON. Does the Senator mean this amendment?

Mr. DANFORTH. This building is the very model for the whole country to look at of the extravagance of the Federal Government.

The second point that should be made is that at a time when the President of the United States is trying to convince the American people that he has a grip on things, that he has some control of Government, some control of what is going on in the country, some control of the energy problem, what we are saying when, over a period of 7 years, the figure for this building goes from $48 million to $69 million to $85 million to $122 million to $135 million to $140 million to $142 million over a period of 7 years—it seems to me we are conceding to the people of this country, "Folks, we do not have any control over anything in America, much less even on how to build an office building in our own backyard."

Mr. JOHNSTON. Let us wait just a minute. Is the Senator saying we do not need a building?

Mr. DANFORTH. Yes, I think we do not need a building. But that is not the point. The point I am putting to the Senator is this: Are we not conceding that we in Washington, we in the U.S. Senate, we in this Federal Government, have absolutely no way of controlling anything that goes on in this country, including the cost of one lousy office building?

Mr. JOHNSTON. No, we are not doing that.

It is very easy for all the Senators to sit up here and throw knives at me. I have put myself in this position. I did not ask for the job, but I have it, and here I am. You can call me a profligate spender if you want. I cannot unscamble that egg. When they appointed me chairman of this Senate office building, I had a building up there. I have the practical responsibility to try to determine what to do with that building.

Are you telling me that, for the sake of appearances, we are not going to finance that building, we are going to let the steel rust away, just so the American people will, somehow, have more confidence in the Senate?

Listen, I do not hold a back seat to you or any of you on balanced budget. It is my motion that passed the balanced budget in the Budget Committee, that cut $7 billion off President Carter's budget. It was my motion, that was adopted, that gave us a balanced budget by fiscal year 1981.

How did you vote when I came up with the first budget-cutting amendment here, on the floor of the Senate, on cost of medical school cutback, and on the other cost-cutting things which I have been behind?

Look, do not call me a big profligate spender.

Mr. DANFORTH. I am not calling you anything at all. I am saying that, regardless of BENNETT JOHNSTON, for whom I have the highest personal regard—the highest personal regard—I am not calling you anything at all. I am saying to the American people that institutionally, we in Washington, we in the U.S. Senate, the President of the United States, who is trying to convince the American people that he has a grip on things—that we in Washington have a grip on absolutely nothing; that the country is spinning out of control and we cannot even control the cost of one office building.

Call it the Taj Mahal or Versailles or whatever you want to call it, this palatial. grandiose structure.

Mr. JOHNSTON. What is palatial about it?

Mr. DANFORTH. It is a symbol for the entire country of a government run out of control.

Mr. JOHNSTON. What would you have done had you been called upon by the majority leader to take on this chairmanship a few weeks ago? I would like to know.

Mr. DANFORTH. I would have said the same thing I said last year.

Mr. JOHNSTON. You would have said no to the appointment?

Mr. DANFORTH. I would have said stop the darned thing.

Mr. JOHNSTON. And what, let it rust away out there?

Mr. DANFORTH. Absolutely. Call it a museum if you want. Over at the Hirshhorn Museum, there are a few I-beams put up that they call a work of art. You can go over to the Hirshhorn and they have a bow of a boat and some I-beams and they call it something or other. They paid a guy to do that.

We have the same thing over here. Last year, the Senate went along and said, "OK, we are in a trap now. You keep building the thing and we have to go along."

What the Senator is saying now is that we have no control over the situation because it is under construction and therefore, we have to pay any darned bill that the contractor submits to us.

Mr. JOHNSTON. No. We do not have to pay any darn bill. I will tell you that if you get 51 Senators——

The ACTING PRESIDENT pro tempore. The Chair would like to interrupt for just a moment to remind the Senator that it is customary for the Senators to address the Chair on their remarks.

Mr. JOHNSTON. Very well, Mr. President.

The ACTING PRESIDENT pro tempore. To proceed, the Chair recognizes the Senator from Louisiana.

Mr. DANFORTH. Mr. President, a parliamentary inquiry.

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

Mr. DANFORTH. It was my understanding that I was engaging in a colloquy with the distinguished junior Senator from Louisiana on his time in answering questions. But am I mistaken on that?

The ACTING PRESIDENT pro tempore. The Chair would not become engaged, but is just reminding Senators that, even in the terms of a colloquy, it is customary to address the Chair and not each other.

Mr. JOHNSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, in reply to my distinguished colleague, we have about $70 million in that building now, on contracts we have now, and, yes, we could leave it there, not finish it.

We would have a parking garage we could use and not one whit of space; $70 million spent. And there is not the slightest doubt some future Congress would come along and finish it, because why did they commission it in the first place? Because we need the space.

Perhaps the Senator does not. In my office, I have one office with five people in it, another with five people in it, one person has his office in a very small bathroom, another office with four people in it.

I do not know what the Senator has. But, listen, my office staff works hard. I do not make the slightest apology for Senate employees and the numbers of them. They are among the hardest working group I know. To say we need to cut down the amount of staff we have around here is just poppycock.

The Senate staff and its proliferation is not the problem in this country. Look at the Budget Committee. It is a brand new committee, put together for the sole purpose of controlling the budget, and I think they are doing a pretty good job.

The CBO, the same thing.

Yes, staff is growing. But we need office space around here. That is the reason this building was started in the first place.

But if the Senator can get together 51 Senators and stop this building, it is all right with me.

I can get along with the people I have. We will just keep that $70 million, the $70 million memorial to the idiocy of the Senate, and just leave it up to the people to decide which side of that argument was the most idiotic.

We would probably have been better off just to strangle ourselves without a building at all. But we have $70 million in the process now and I think we have to continue it.

I yield the floor, Mr. President.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. CHAFEE. Mr. President, I think one important statistic has been left out in this debate. The proponents stated that the rising cost has gone, starting off from $48 million, then to $69 million, then to $85 million, then to $122 million, then just a year ago it was $135 million.

Yesterday morning the presentation by the distinguished chairman of the Building Committee stated it was going to be $137 million, and in 10 hours yesterday it jumped $5 million.

Mr. JOHNSTON. Will the Senator yield?

Mr. CHAFEE. Let me just finish.

I appreciate that the figures he came in with yesterday morning were the stripped-down building. But within 10 hours the Appropriations Committee had added $5 million.

I think we ought to get one thing straight here, Mr. President. We are kidding ourselves completely if we think this figure of $142 million is going to stick. It showed yesterday, it became unglued immediately. Three items were added back in, and every item has a justification for it.

The paneling is actually going to save us money, we were told. That is only a $2.2 million item. But we cannot cut it out, as the chairman originally proposed. The Finance Committee restored it, and the restaurant for the public. They restored the central hearing room.

Does anybody really think as we sit here they will not restore the furniture?

Those of us on the other side are accused of being asinine, idiotic, all those terms are tossed around. But does anybody really believe, do the proponents of this bill really believe, that furniture will not be added in?

He testified yesterday, as chairman of the Building Committee, everybody will pick up his furniture and move it over to the other building. We all know that is not so.

Every one of these items will be restored. They may not be restored within 10 hours. That was a record yesterday: $5 million in 10 hours.

Mr. PROXMIRE. Will the Senator yield on the matter of the furniture?

Mr. CHAFEE. Yes.

Mr. PROXMIRE. What was the cost for the furniture? How much did that add—$13 million?

Mr. CHAFEE. $13 million. That is right; $13 million of furniture that was cut out.

But everybody knows that is going to be back in. Every single one of these items will be restored.

One of the most attractive items they cut out was an energy control item, something to save energy. That will go whipping right back in, in these times. Actually, it is one of the items that ought to be in there if we go ahead with this building.

So as to the real cost of this building, judging from the world's worst estimators, which the group handling estimations on this building have proven themselves to be, they say now it will cost $174,600,000, and we all know they are wrong, and they are wrong on the down side. So it will come right back to that figure we discussed last year, $200 million.

Mr. President, that does not include one important item. That is, does anybody believe those 50 Senators are going to sit over there in their imperial majesty, 16-foot ceilings, paneled walls, atriums, Calder mobiles, and does anybody think the Dirksen and the Russell Buildings will be left the way they are?

Who is going to get along with an undignified 8-foot ceiling when across the hall, down the street a bit, they have 16-foot ceilings?

Just as sure as we are sitting here, we know that those buildings are going to be gutted so there will be similar offices, so the other 50 can live in the same style.

It seems to me, Mr. President, that the key thing is that this country of ours is in trouble, and who knows it better than the President of the United States? The majority party all cheered his speech the other night. He said that there is a troubled spirit in this country—and, certainly, there is. We have inflation. We have energy. We have every different kind of problem. The President appealed to the people: "Be with me," he said, "Are you with me?" And they cheered. And they are with him and they will do all they can.

Is it right for us, 100 Senators, sitting here, not exactly in undignified surroundings, to proceed with this building that will cost $200 million and say to the people, "Well, you save. You fight inflation, but not us. We need more staff. We need bigger offices. We need rooftop restaurants. We need paneled offices. But you save, you peasants out there, but not us. Don't have us cut back."

Now, it is characterized as being asinine for anybody to suggest, "Let's say stop. Let's close this thing in, seal it in. Some day, hopefully, this country will have its budget balanced again. Some day maybe we will have inflation under control, and at that time we can proceed."

Now, the distinguished junior Senator from Louisiana undoubtedly will be here at that time and when we proceed to go ahead with that building, he will say, "Look, we could have had it for $200 million. Now it is going to cost x million dollars."

That is not the point. The point is, can we afford it now? Is it the right thing to do?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Louisiana was asked by the majority leader if he would take on the onerous job of acting as chairman of the Senate Building Commission.

Mr. CHAFEE. May I break in for 1 minute? Is this on my time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ROBERT C. BYRD. I did not create the Senate Building Commission, but I have a responsibility to try to get Senators to serve on that Commission. Nobody wants the job. I did not want it. The Senator from Louisiana did not ask for it, and he does not want it. However, out of a sense of responsibility, to fulfill the duties that are incumbent upon the Senate, he accepted that chore. He does not relish the job, but someone has to assume the duty. He has devoted time to it. He has made a recommendation, based

on the hearings that were conducted by his Commission, and based on the discussions that were had in the Appropriations Committee.

I respect the able Senator from Rhode Island. I respect his opposition to the item. I have no quarrel about that. But let us not be critical of the Senator from Louisiana, who is attempting to do his duty. I hope we will not get personal about this.

Mr. DANFORTH. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. I will yield in a moment.

I do not think any Senator intends to do that; but I think the record should be clear as to why the Senator from Louisiana is in this position today, in bringing this recommendation to the Senate.

I also want to make clear that I admire him and respect him for taking on this chore; for taking on the responsibility that nobody wants, for taking on this duty that somebody has to perform.

The Senator from Louisiana is presenting a case, and I think he has done it in a masterful way. Those in opposition to it are presenting their case. They have a right to do that. They have a right to vote against the building.

I hope a little consideration will be given to the Senator from Louisiana, and that he may be accorded all due respect that he would accord to those who hold opposite views.

Mr. DANFORTH. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. DANFORTH. Exactly what has been said that in the Senator's opinion has cast reflections on the Senator from Louisiana? I have not heard anything at all.

What we are casting reflection on is the excessive spending for this building and the fact that we have absolutely no control over the cost of that building.

Mr. ROBERT C. BYRD. I yielded for a question.

Mr. DANFORTH. Are we supposed to be——

Mr. ROBERT C. BYRD. Mr. President, I yielded for a question.

Mr. DANFORTH. Pardon?

Mr. ROBERT C. BYRD. Mr. President, I yielded for a question.

Mr. DANFORTH. You have a question.

Mr. ROBERT C. BYRD. What is the question?

Mr. DANFORTH. What is the reflection that has been cast on the Senator from Louisiana?

Mr. ROBERT C. BYRD. The Senator may speak against the building, if he wishes to; that is his business. I do not find any fault with that. I do not know how the Senate will come down on this. That is up to each Senator.

As I listened, I felt that the Senator from Louisiana was being made the target of criticism that I do not believe is justified; and I am sure Senators do not want to leave the impression that the Senator personally is being criticized. I hope that is not the case.

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

Mr. ROBERT C. BYRD. I yield.

Mr. JOHNSTON. Mr. President, I was not offended by the remarks of my good friends, the Senator from Missouri and the Senator from Rhode Island. But I must say that I am awfully glad the majority leader came in and did make clear that I did not ask for this job.

However, I must say that I am a big boy and I knew what I was getting into when I accepted it. When you are chairman of an Office Building Commission which has been written up around this country as being a Taj Mahal and you come in and ask the Senate to finish it, you are leading with your chin, and you are asking for it. So I guess I asked for it.

All I want to do is do the most responsible thing I can recommend.

I did not take the remarks as being personal. I knew that whoever had the job would be criticized.

I do not think the building is a Taj Mahal. I think it is in keeping with the other buildings around here. It cost a whole lot less than the Rayburn Building, and I guess that is a Taj Mahal. It costs the same as the FBI Building per square foot and the same as the other buildings around here.

Mr. CHAFEE. Mr. President, I am always conscious of time.

The PRESIDING OFFICER. We are proceeding under the unanimous-consent request of the majority leader.

Mr. CHAFEE. Which is that the time is charged to nobody?

The PRESIDING OFFICER. To no one.

Mr. ROBERT C. BYRD. As soon as I yield the floor, the time will be charged.

Mr. JOHNSTON. Mr. President, back in 1972, before I came to the Senate, the Public Works Committee, which first recommended——

The PRESIDING OFFICER. The Chair informs the Senator that he is now using his own time.

Mr. ROBERT C. BYRD. Mr. President, I do not want to continue to yield, just now.

Let me just say that I respect the viewpoint of all Senators on the issue. As I listened to the debate in my office, I heard Senators referring to each other in the first person. The Chair called attention to the fact that Senators should address other Senators through the Chair. It is also the rule that Senators should refer to other Senators in the third person. This is in order that acerbities might be avoided and that the debate might not get too personal.

I just felt that it should be made clear as to why the Senator from Louisiana is acting in his present capacity, and I felt that I should accord him the honor and respect he deserves for taking on that onerous burden.

Mr. JOHNSTON. I thank the Senator.

Mr. ROBERT C. BYRD. I have done that for the RECORD.

I hope that the Senator from Connecticut and the Senator from Missouri will not take umbrage at my doing this. I certainly do not mean to cast any reflection on them because of the position they are taking. I respect them for it, as I said earlier. If they want to oppose the item, that is all right. Any Senator may vote as he wishes. I just thought it should be made clear as to why the Senator from Louisiana is the chairman, and I wanted to pay him this tribute on the record.

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

Mr. ROBERT C. BYRD. I yield.

Mr. YOUNG. Mr. President, I commend the distinguished Senator from Louisiana for taking on a very thankless job.

I was here when this new building was first authorized and began. The newer Members of the Senate wanted a bigger staff and more room. I said there was room enough. They claimed there was not. They started this thing of more staff and a new office building. I voted against extra staff. I did not think they were necessary, but we have them.

I, for one, do not want to leave the building half built. Because of inflation it is bound to cost much more in the future. I will not be here, because I will leave when my term is up next year; so it will be of no benefit to me. If I vote for it, it will be an unpopular vote, and I will get a lot of hell for it. But I will vote for what I think is right, and that is to finish this building after the huge amount of money we already put into it.

Mr. CHAFEE. One question: I say to the distinguished majority leader that I am not prepared to concede that any remarks I made were personal, because my respect for the proponent is great, and I think everyone knows that. But if, perhaps, we are feeling a little prickly when the opponents are described as being asinine and idiotic, I suppose that does get the juices flowing a little.

However, we are prepared to proceed whenever the majority leader wants to yield the floor.

Mr. ROBERT C. BYRD. Mr. President, before I yield the floor, may I say that there is no more redoubtable a supporter on an issue in the Senate than the distinguished Senator from Connecticut.

Mr. CHAFEE. Rhode Island. That is the first mistake the Senator has made today.

Mr. ROBERT C. BYRD. That is the second time I have made the same mistake.

The Senator from Rhode Island, stood toe to toe with this Senator and other Senators in the effort to grant $50 million in military aid for Turkey, and I think that was in the best interests of the United States.

I found him to be a strong supporter in what he and I thought was the right cause. Yet, may I say, when he is on the other side of an issue, he is a formidable opponent. Not for once would I think that either he or the Senator from Missouri would intentionally cast any reflection on the Senator from Louisiana or any other Senator.

But I thought the debate was waxing a little warm and that there were references to Senators in the first person that could be misunderstood or misinterpreted. The Senator from Louisiana had taken on an onerous burden in agreeing to chair the Senate Building Commission. May I say I am going to support his position also.

Mr. DANFORTH. Mr. President, before the majority leader yields the floor, I wish to ask him a question.

Mr. ROBERT C. BYRD. Yes.

Mr. DANFORTH. I appreciate his willingness and sense of duty in policing the decorum in the Chamber. I did not believe that we were departing from that traditional Senate debate. But I hope that the majority leader is not suggesting that we in the name of decorum tone down our attack on a building.

Mr. ROBERT C. BYRD. Oh, no. Never.

Mr. DANFORTH. It is not a breach of decorum, as I understand it——

Mr. ROBERT C. BYRD. Perish the thought. Never.

Mr. DANFORTH. To call a building ridiculous or to call the building a Taj Mahal.

Mr. ROBERT C. BYRD. Oh, the Senator may call the building whatever he wishes.

Mr. DANFORTH. Or a Versailles.

Mr. ROBERT C. BYRD. Anything he wants.

Mr. DANFORTH. The distinguished majority leader might even consider that to be a compliment in the third Senate Office Building.

Mr. ROBERT C. BYRD. I would not go that far. The Senator may talk about the building any way he wishes. He may call it by any name he thinks it deserves.

But just please let us address one another in accordance with the Rules of the Senate in the third person and let us have a little mercy on the Senator from Louisiana who is here doing his duty—as the Senators are doing theirs.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. Twenty-six minutes.

Mr. JOHNSTON. I yield myself 3 minutes.

Mr. President, I am ready to recognize that it does not violate the rule to do those things that the Senator from Missouri spoke of. It probably should, but it does not, and I am willing to play by the rules of today.

Mr. President, in 1972 when the Senate, before I got here, passed the original Senate office building authorization, they were faced with certain imperatives in the Senate office building. One of those was you have to build a building that lasts for a couple hundred years. I mean that is the way we must build on Capitol Hill in our Nation's Capital. Second, it must be in keeping with the other buildings around it. It should not be an eyesore that looks like a Holiday Inn. However good those are as motels they are not very good as national buildings and monuments.

We spend an enormous amount of money in this Capital keeping up appearances. We are spending almost $200 million for the facade of the Pennsylvania Avenue Corporation, not even public buildings, just so that they will look right on that important arena.

That is what the Senate had to do in 1972, build a permanent building, build it to last 200 years, and I might also add they had to build a tramway to this Senate, an underground subway, because otherwise the Nation's business would have been held up.

Those three things contributed a great deal to the cost. I do not frankly know why the cost has escalated this much. I do not defend the fact that the cost escalated from $68 million to last year $122 million. I do not defend that at all.

I know something about the process where the miscalculations were made. But, Mr. President, it happened. The egg is scrambled and I cannot unscramble it except to complete the building. That is the only responsible thing I believe that this Senate can do.

Will the furniture be ordered? All I said was I am not recommending that it be ordered. Each Senator, each employee, now has a desk and a chair and whatever he needs in terms of furniture.

If some future Senate feels that is not sufficient, so be it. But it is not necessary for this building to have new furniture. We can occupy it with the existing furniture. I mean I do not know—maybe we will build a fourth Senate office building someday—but that is no argument against this proposition because this proposition does not include it.

Mr. President, I hope the Senate will pass this amendment, and I yield the floor.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield me 4 minutes?

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, first, I express my admiration and sympathy to the distinguished Senator from Louisiana, Senator JOHNSTON. I think he has done a marvelous job with a very weak case. He has indicated once again his great intelligence, his great ability, and his great courage to stand up on the floor and defend this kind of a boondoggle. I mean that. I mean he is an outstanding Senator, and there is nothing tougher than to have to do this.

We were joking about it pretty much in the Appropriations Committee yesterday. What a terrible job it is to have to take this on. Those Senators who defended it last time spoke about how difficult it was with their constituents.

I think it is difficult. I think we should give Senator BENNETT JOHNSTON credit for the way in which he has handled this and I think, as I say, he has done a very good job under very difficult circumstances.

Mr. President, the House of Representatives voted no on this. It is very, very rare that the House of Representatives or the Senate turns down an action by the other body. There is always a feeling of comity between the two bodies and between the two Houses, and that has been respected. But in this case, the House of Representatives said no. That was a surprise, and it should be a message to us.

After all, they were reacting to the angry feeling of constituents throughout the country. I am sure that they would like to have gone along with us but they felt and they are in a much more objective position because they would not be affected one way or the other by whether we built a building, but they recognized that it was wrong, and I think we should consider that decision very carefully.

In the second place, what kind of an example are we setting here at a time when inflation is overwhelmingly our No. 1 domestic problem, when inflation is moving along at 10 or 12 percent, when we are trying to do all we can to cope with inflation in every way we know how and when we have a serious budget problem as it is in 1980 and 1981? How very difficult it is going to be for us to say no as we are going to have to say no to programs that are well justified and that we would all like to support.

Recently, just the other day, the Senate by majority vote voted against a housing program for which there was a very strong case. We voted to reduce that and reduce it sharply so that low-income-housing people would be housed in a lesser way than they would be if we had been more generous. We did that because, in my judgment—I was one of the majority; in fact it was my amendment—we felt that at this time under these circumstances, inflation the problem that it is, we simply had to say no. It was a tough decision.

We have also voted for a lower budget for health, for education, and for public works in every State and congressional district. We turned down a couple of public works proposals yesterday. We have been called on and we are going to hold down the farm program. We voted to hold down the food stamp program. We held down help for our cities and in combating crimes and assistance to the elderly.

All these programs have great appeal and great justification, and they are needed.

But we recognize that in a time of inflation and a time with a swollen Federal budget we have to say no.

How in good conscience can we really go back to our constituents and say we voted against education, against health, against housing, but on the other hand when it comes to our own Senate office building we felt we had to go ahead?

Mr. President, just one more point: the argument has been made that the House of Representatives by acting as they did, as indicated, increased the costs of this building by 20 percent because it is delayed. Anyone with eyes to see knows that construction of that building was virtually idle month after month after month. It was an empty hole.

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

Mr. PROXMIRE. Mr. President, I ask if the Senator from Rhode Island will yield me an additional 2 minutes?

Mr. CHAFEE. I yield.

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

Mr. PROXMIRE. Then Senator CHAFEE made it clear that he was going to make this an issue and Senator DANFORTH and others joined him, and the House of Representatives voted no. Then I have never

seen such activity. I happen to be in the Banking Committee room a great deal near the front end on that Hart Building, and they have been very busy ever since that action by the House of Representatives. The action by the House of Representatives did not slow them down. It galvanized them to action. It pushed them ahead.

Mr. President, the toughest question here is what do we do now? We are in a tough position. The Senator from Louisiana so well said we are faced with $70 million invested in nothing but steel beams. What do we do?

Just for this Senator and I know all Senators may have their answer, I think it would be a good reminder to the country as well as to the Senate that we did say no and if we have a framework standing there that is not used and not occupied I think that that kind of grim reminder would indicate to the country that we had the will under tough circumstances to say because of inflation, because of the difficulties this country is facing, because we were determined to hold down spending we said no under those circumstances. This is a monument to the kind of thrift and the kind of restraint that we should continue to show in the future.

Mr. President, I thank my good friend.

Mr. CHAFEE. I wish to congratulate the distinguished senior Senator from Wisconsin for those very fine remarks on an extremely important topic.

It seems to me there are a lot of jokes made about this, and there is joshing back and forth. But I think we are really talking about a serious matter, and it is a question of what kind of a symbol are we going to hold out to the Nation. The Senator from Wisconsin touched on that in his remarks.

It seems to me that in these difficult times, if we in the Senate cannot exercise any restraint then we are in a bad way. It has been talked about the difficulties we have without adequate staff. Well, Mr. President, the staff of the Senate has continued to grow, and as they have grown the space available for the staff has continued to grow.

I would just like to point out that since the beginning of this decade, the beginning of 1970, there have been the following totally owned Senate buildings added for staff for the U.S. Senate: 14,000 feet in the Plaza Hotel. This is all over in the Monocle block just north of the Dirksen Building.

Then came the Immigration Building of 54,000 feet. Then the Capitol Hill Hotel 23,000 square feet. Then the Senate Court apartments 44,000 square feet; then followed subsequently by the Carroll Arms apartments of 15,000 square feet.

Then we rented space at 400 North Capitol for 38,000 square feet.

Mr. President, there are 190,000 square feet of additional office space for staff alone that have been added for the U.S. Senate in 9 years. Where do we draw the line? Do we say there is no line, that we just keep expanding?

It is clear that the only limitation on staff in the U.S. Senate is space. All of us have extra money for staff, unspent money. I have it, I suspect everybody does, extra money, and the constraining factor is space. There is no place to put them, and thank goodness for that. Otherwise not only will the staffs expand but the expense with them.

There will be space in this new building, if it is ever opened, for 3,000 new staff.

It is suggested we are just going to spread out and have more room. Everybody will have a little more room. But it just plain does not work that way, and I think the proponents of this measure must acknowledge that.

Does anybody seriously think when we add 3,000 more spaces over there that we are just going to flee out of the Dirksen Building and out of the Russell Building and out of some of these other buildings and that soon everybody will meet the OSHA requirement of 125 square feet per staff member? Well, of course not. I know just as sure as we are standing here that that new building, so inappropriately named the Hart Building, is going to be just as jam packed as every staff office space is at the current time.

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

Mr. CHAFEE. I yield.

Mr. DANFORTH. Mr. President, I do not know if the Senator from Rhode Island has had an opportunity to read the history of the Senate desks that was distributed by the Secretary of the Senate about a week or so ago. I did.

One of the interesting points that was made in that little handout was that it was not until, I think, 1909 that we had the first Senate Office Building. Before that there was no Senate Office Building, and most Members of the Senate, according to that booklet, operated out of the Senate Chamber. Their desks in the Chamber served as their offices.

Since the beginning of this century we have had an explosion in geometric terms, as the Senator from Rhode Island has pointed out, not only in the number of buildings and the quantity of square feet, but also in staff.

I am told that Senate staff size has doubled in the last 10 years. As the Senator from Rhode Island pointed out, it has been estimated that another 3,000 staff members will be added within the next 10 years to fill the available space.

The question this presents is very interesting, and that is this: Is it really true that we do not have enough staff around here or perhaps can the argument be made that we are trying to do so much, trying to read so many memoranda, trying to keep on top of so many things, because we have so many staff people moving around that there is no sense of priority about what a Senator can do?

A very interesting book was written by Elizabeth Drew based on two articles she wrote for the New Yorker magazine, the book being entitled "The Senator." It was a book relating her experiences following Senator CULVER around for a period of time about a year ago.

One of the points that really struck home to me in reading that book, which struck me as true, was the relationship between a Senator and his staff. It is obviously important to have good staff, and it is obviously important to have sufficent staff to get the work done. But is it not possible, and has not the point already been reached, that when the number of staff who work in the Senate has reached a point of diminishing returns that not only are they less productive by virtue of their quantity, but a Senator is less productive in the quality of work that he is called upon to do, simply because he is being pulled apart in the number of directions at the same time by various different initiatives that he is following, as opposed to concentrating on a few things that could be done at a very high quality of performance?

It would seem to me that the notion that a building has to be created in order to house additional staff, and then additional staff are hired to fill the available space, is an unending snowballing kind of an effect where we can see that the U.S. Senate as an institution will get bigger and bigger and more and more complex, while there still will be under our Constitution but two U.S. Senators per State, no more. There will only be 24 hours in a day.

I am wondering if we are not just going to build in the possibility of spreading ourselves too thin by this argument that we must constantly have more staff and constantly have more buildings to house them.

I would like to return to the argument which was made last year, and it was made again this year, and that is that here is a building already under construction. It is irresponsible, asinine, idiotic, whatever word you want to use, to try to stop the building in midprocess. What are the available alternatives to stopping it at construction? The available alternative that has been suggested last year and again this year on the floor of the Senate is that the only thing you can do is to just keep building, just keep writing checks. The sky is the limit. The $135 million cap means nothing, the $140 million cap means nothing, the $142 million cap means nothing.

The cost of the building continues to escalate, and there is absolutely no handle that the Senate has on the cost, except writing checks.

I do not know, and I would like someone to tell me, when this building is scheduled to be completed. But I can see in the future coming back next year, the year after, and the year after that, and the same argument is going to be made. Inertia has set in. Inertia has set in, and you cannot stop the snowball. The American people ask, "How do you stop inflation?" The American people asks, "How do you stop the growth and expansion of Government?" The American people ask, "How do you stop the energy problem?" And our answer is, "We can do nothing."

Mr. CHAFEE. Mr. President, will the Senator yield for a few comments at this point?

Mr. DANFORTH. Of course. It is your time.

Mr. CHAFEE. Mr. President, I commend the Senator from Missouri for the very, very persuasive points he has made. He did indicate a little history. We stood on this floor a year ago, trying to stop this building, and at that time there was

just a skeleton. We heard the same arguments we hear now, "You cannot stop it, is has gone on too far." We tried to stop it when it was just a hole in the ground, but quickly the steel started rising after that. Then we brought it to the floor. The skeleton was up then, and we heard it had gone too far. Each time they bring that argument: "It has gone too far; we cannot stop it."

I think, to set an example for the rest of the country, that now is the time to stop it. It should have been dead by now, not later.

Two points I would like to make briefly. First, we heard last year, and we are hearing it again: "We hear that this building is too expensive, but it is no more expensive than the Rayburn Building." Mr. President, the facts do not bear that out. The Architect of the Capitol testified in 1974 that the Rayburn Building cost $60 a square foot. This building will cost in the area of $180 a square foot. Is the argument that costs have gone up three times since 1974?

That argument does not hold water.

The next item is: "The House cost of $20 million." Well, where do they get those statistics? They got them from the world's most inaccurate authors of statistics, the Office of the Architect of the Capitol. He has not been right in the figures he has put out since 1972. Yet we are relying on those statistics to tell us that the House action cost us $20 million.

Anyone can look out his window. I am in the Dirksen Building; I can see that construction going on. There are people all over that building. And this proposal is from that source of bad information, the Architect of the Captiol's bad estimates. They have not been right in any estimate; yet there is where they get their statistics of $20 million. Obviously, I think that is wrong. Just by looking we can see it is wrong, and we ought not to pay any attention to it. And, by the way, that is water over the dam anyway; let us take the situation we are in now.

Finally, the argument about lack of space. We are so fraught with lack of space. We have been given plenty of space over the years, but we just gobble it up; and we will gobble up this additional space within a short time. I do not know what the proponents of the measure suggest is enough space for each staff member. I think we talked about OSHA estimates of 125 or 150 square feet, but we all know we will soon be right back where we are now. I just do not understand the proponents' argument that that situation will be taken care of with this new building.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Whose side does the Senator wish to be on?

Mr. PELL. I have not yet determined.

Mr. CHAFEE. I will yield my colleague from Rhode Island 2 minutes.

Mr. PELL. Mr. President, I think one thing that might clinch this argument is to make sure, if the new building is completed, when the Senate employees move into the new building, that the buildings now known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments be immediately vacated by the Senate.

I ask unanimous consent to offer an amendment to this effect for consideration at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

Mr. CHAFEE. I would have to understand that.

Mr. PELL. May I read the amendment?

Mr. CHAFEE. We are in the middle of one amendment now.

Mr. PELL. Right; but this would clinch at least the point the Senator was making about personnel. It would insure that we would not be left with the old buildings and the new building, spreading out even more like an octopus.

Will the Senator permit me to read the amendment?

The PRESIDING OFFICER. What is the unanimous-consent request now?

Mr. PELL. My unanimous-consent request is that an amendment be considered at this time. I guess it would be an amendment to the committee amendment.

Mr. CHAFEE. Why do we not take that up later? I am for the amendment.

Mr. JOHNSTON. Mr. President, I would have no objection to it if it is in line with what I understand to be the Senator's argument, that we vacate these other buildings. I do not think a record vote is necessary. If the Senator wants to wait until all time is yielded back, it is OK with me, but I am perfectly willing to accept it.

Mr. PELL. I have no intention——

Mr. CHAFEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. Can we accept an amendment in the middle of the discussion of another amendment?

The PRESIDING OFFICEER. By unanimous consent it can be done.

Mr. CHAFEE. What does the amendment say?

Mr. PELL. May I read it?

Provided further, That it is the will of the Senate that upon completion of the Hart Senate Office building, the Committee on Rules and Administration shall provide for the expeditious removal of personnel, equipment, and furnishings from the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments and that said buildings shall remain unoccupied by the Senate until demolished; Provided further that the Architect of the Capitol shall, within six months of the vacating of the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments, submit to the Senate Committee on Appropriations estimates of the cost of razing and demolishing said buildings together with recommendations for future use, renovation, or demolition of the building known as the Immigration Building.

It is certainly not my desire, and I do not think the desire of the Senate, to keep 1,700 employees in these outbuildings where they are now, in unsafe conditions, keep them there and then staff this new building with new employees. The idea is to take those 1,700 employees and put them in the new building, and shut down the others.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. Mr. President, reserving the right to object, does the amendment compel any specific use of the buildings? In other words, does the amendment compel the razing of the buildings to make it a parking lot, or anything like that?

Mr. PELL. No; it just says "said buildings shall remain unoccupied by the Senate until demolished." If they are not demolished, that does not change that phrase. Or we can knock out that phrase "until demolished" if you like. But the intent is to keep the Senate employees out of those buildings if we are going into this new, huge building.

What I can see happening, if I am still chairman of the Rules Committee, is people coming along and saying, "Please, I want to both move into the new building and keep the old building."

Mr. DANFORTH. Yes. Well, further reserving the right to object, there is no prohibition, as I understand, in the amendment to a future decision to sell those buildings to somebody else?

Mr. PELL. Absolutely not.

Mr. EXON. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 22 minutes remaining.

Is there objection to the request of the Senator from Rhode Island?

Does the Senator indicate a reservation?

Mr. EXON. No.

The PRESIDING OFFICER. If there is no objection, the suggestion of the Senator from Rhode Island will be considered a modification of the committee amendment. Without objection, it is so ordered.

The modification is as follows:

At the end of Amendment No. 338, insert the following:

Provided further, That it is the will of the Senate that upon completion of the Hart Senate Office building, the Committee on Rules and Administration shall provide for the expeditious removal of personnel, equipment, and furnishings from the buildings know as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments and that said buildings shall remain unoccupied by the Senate vacant until demolished; *Provided further* that the Architect of the Capitol shall, within six months of the vacating of the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments, submit to the Senate Committee on Appropriations estimates of the cost of razing and demolishing said buildings together with recommendations for future use, renovation, or demolition of the building known as the Immigration Building.

Mr. PELL. I thank my colleagues.

Mr. JOHNSTON. I yield 2 minutes to the Senator from Nebraska.

Mr. EXON. I thank my colleague.

The reason I sought recognition, Mr. President, was that I would have liked to have added my name as a cosponsor to the very worthy amendment just of-

fered by the Senator which I think gets to the heart of the key issue in this problem. I have been listening with great interest to the debate. It seems to me that whether or not the decision was right or wrong when it was made some time ago, the most irresponsible position that we could take in the Senate would be to say that we created an expenditure of millions and millions of dollars and now we are going to let it stand there and rust and wither away.

It seems to me, as I suggested in a letter to the committee when it was addressing this yesterday, what we should do is move as many people who are in rented buildings into that new building, when and if it is completed. Therefore, it seems to me that the taxpayers are best served by the suggestion made when we adopted the amendment by the Senator from Rhode Island, to move people from rented buildings and dispose of those buildings, if we own them, and, therefore, make a saving to the taxpayer.

Certainly, I would think that if we abandon the building as it is now it would be the worst possible choice of all.

Mr. CHAFEE. Mr. President, I yield myself 2 minutes.

I would like to point out to the Senator from Nebraska that there will not be savings as far as rent goes, because we own those buildings anyway. So concerning the savings he looks forward to, with the exception of the North Capitol Street building, which was not mentioned by the senior Senator from Rhode Island in his proposal, that is the only rented building. With the others, the Plaza, the Immigration Building, the Capitol Hill Hotel, the Senate Arms Apartment, and so on, we will not save a nickel by leaving them vacant. There is no rent paid. We own them.

Mr. EXON. If the Senator will yield, I thought during the statement made by the senior Senator from Rhode Island he did say that we would have the option of selling those older and I would assume less energy efficient buildings than the new one would be if and when it is completed. Is the junior Senator from Rhode Island suggesting that we would not be able to make any saving whatsoever in total cost?

Mr. CHAFEE. No. I do not think anyone has suggested that we are going to sell off those buildings. The Architect of the Capitol has ideas for further office buildings in that space. That space is there right across the street from the so-called block, and the master plan down the future is for more office buildings. I do not think anybody should look for a bonanza from the sale of that property to some private investor. It is just not there.

Second, of course there will be added savings, but there will be added costs when we go into this new building. Any time you try and heat 16-foot ceilings, or try to cool them, there are a lot of problems. The operation and maintenance of this new building will be far greater than the buildings we are operating in now. There is no question.

It will be more commodious, more luxurious, more marble, more paneling, but it will not be less expensive in any way.

Mr. EXON. Are there facts and figures which back up the statements which have just been made by the junior Senator from Rhode Island? Certainly, I do not agree that we need more office space in general for Members of the Senate or their staff, but I had suspected that with staff scattered all over Capitol Hill we probably could be more efficient, both in the use of time and hopefully more efficient from the standpoint of conserving energy, if we could centralize that staff in a more centralized location. That was my point.

Mr. CHAFEE. Trying to quantify efficiency, of course, is always a little difficult. The suggestion inevitably made by the proponents is that there will be more efficiency in this area where they will have twice as much square footage as they presently have. The Senator from Nebraska will have to make his own judgment on that.

My own judgment is that experience has clearly shown us that staff rises to meet available space and experience is clear that in giving the Senate more space, whether in the Plaza Hotel, the Immigration Building, Capitol Hill Hotel, Senate Court Apartments, Hill Apartments, 400 North Capitol Street, immediately we fill it. That is what we do. We just add more and more staff. Out they go to fill up every single available square inch.

The chairman of the Building Committee has pointed out that he has a staff member who works in a bathroom. That is what we do with any space. I do not think anyone would be prepared to stand before this Senate and say that when we move into this new area where there is going to be twice as much square footage that will not soon be filled and we will be right back where we are now.

Mr. EXON. I agree with the statements made by the junior Senator from Rhode Island and eloquently made by the Senator from Missouri, who is on the floor now, and I agree, that when you have more space, you expand staff and move into it. That is why I am supporting enthusiastically a motion made by the senior Senator from Rhode Island which was the heart of what I wrote to the committee yesterday, that we should use that building for existing staff and, if necessary, get rid of the old buildings which are not necessary. What I am saying to the junior Senator from Rhode Island is I am agreeing with his theory which I believe has been proven, that if we have more room we do indeed get more staff. I think by transferring staff we could eliminate the most part of that very reasonable objection.

Mr. CHAFEE. I thank the Senator.

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

● Mr. DOMENICI. Mr. President, I oppose any additional appropriations to the Hart Building. I believe we should enclose the building, complete the shell, and mothball it for the future decision by the Senate.

As a member of the Senate Office Building Commission, I can tell you that the Senate has been treated shabbily in the way this building has been handled. For years we were never told of the delays and added costs. We were told by the Capitol Architect that the Associate Architect was never able to provide accurate cost figures. A year ago, the building was to cost $122 million. Now, it is to cost $174 million. As tough as it is, I intend to vote to stop work on the Hart Building now and mothball this bad project.

Such a decision would serve as an example to the American public—an example that the Senate can stop a bad project. Such an action will save as much as $100 million in the costs to finish the building. It will save the cost of remodeling the existing building at tens of millions of dollars, and we will save the cost of the additional legislative bureaucracy. This will cost at least $75 million yearly for the 3,000 additional staff that will inevitably cram that building as thoroughly as our present buildings are now crammed.

The American people have no desire that the U.S. Senate complete this extravagant project—even without frills—and to bring with it the associated growth of the congressional bureaucracy. Stopping now would give Congress the opportunity and the time to assess what we need for the future, both in buildings and bureaucracy.

I urge the Senate to oppose any further appropriations for this building and to direct the Architect of the Capitol to complete work now under contract and mothball the building for the future.●

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Will the Senator yield for a request?

Mr. CHAFEE. Yes.

Mr. NELSON. I have been in the Finance Committee all morning listening to testimony on the windfall profits tax so I am not acquainted with the debate which has been going on. What, precisely, is the proposal being made by the distinguished Senator which is different from last year? What precisely is the proposal made at this time?

Mr. CHAFEE. What to do with the building?

Mr. NELSON. Yes.

Mr. CHAFEE. Those who oppose the amendment propose to close the building in and leave it there until this country is able to finance the many, many things we wish to finance, including this building. We have before the Senate motions to cut food stamp programs. It just does not seem to us to be the appropriate time to go ahead with a building such as this.

Mr. NELSON. So the proposal is not to utilize it for any other personnel who are in other buildings, just to close it up?

Mr. CHAFEE. To close it up, to stop where we are now, with no more expenditures, to not go ahead with this additional $54 million which has been requested, but to take the available money and close it in. There have been a lot of suggestions that it will all rust away, but I do not follow that argument at all. When it is closed in, why should it rust away?

Mr. NELSON. What would be the total figure for completing the closing in

of the building, plus what has been put in it now? Does the Senator have that?

Mr. CHAFEE. The total amount would be in the neighborhood of $70 million.

Mr. NELSON. To close it in and just leave the building standing.

Mr. CHAFEE. Right. Not additional—total, which has been already appropriated. What is sought today is some $54 million more, which will complete the building without the features which we all—which I very firmly believe are going to be added in very quickly, just as, yesterday, $5 million was added in before the Appropriations Committee.

I reserve the remainder of my time.

Mr. DANFORTH. Mr. President, I wonder if I could ask the Senator from Rhode Island some questions?

Mr. CHAFEE. Yes.

Mr. DANFORTH. I did not follow the proceedings in the committee yesterday, the Commission, as the Senator did. I was wondering exactly what has been done to delete some of the extravagance?

This morning's Washington Post reports that—

> The Senate Office Building Commission yesterday agreed to cut out $36.8 million worth of gymnasium, "monumental stairs," fancy furniture, and other baubles.

Now, then, I take it that, instead of having three gymnasiums for the 100 Members of the Senate, we shall have a mere two, is that right?

Mr. CHAFEE. That is right. But, as I say, I suspect that every one of these items deleted by the Building Commission will soon be added back in. As a matter of fact, three of them were added in within 10 hours of the submission of the Building Commission's report yesterday.

Mr. DANFORTH. Paneling has not been deleted, is that right?

Mr. CHAFEE. That was deleted originally and then added within a 10-hour period.

Mr. DANFORTH. The rooftop dining room, has that been deleted?

Mr. CHAFEE. That was deleted and then added within a 10-hour period.

Mr. DANFORTH. I thank the Senator.

Mr. CHAFEE. I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield 10 minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to oppose both the substance and the implication of the positions of the Senator from Rhode Island.

The easiest thing in the world is to demagogue against politics or politicians. Whenever an editorial writer wants readership, he takes a shot at politicians. That is sure to get favorable letters to the editor.

Whenever a radio or television commentator wants listeners/viewers, with no argument, he lambasts Washington, the State capital—such as Hartford, Conn.

Whenever a politician wants to get a bit of favorable publicity, he does the same thing: Lets his colleagues have it, harangues against politicians.

I suggest to my colleagues today that I think it time a few of us expressed pride in our profession and thus in representative democracy. There is no such thing as Washington. There is no such thing as Hartford. There is representative democracy, there are representatives of people.

I take great pride in my constituency and in the trust imposed on me. If I do not measure up to the mark, the system is here to remove me. But in the meantime I am going to fight against making headlines at the expense of the political system of this country which in practice is insulting to all of us.

I was not going to get involved in this debate until yesterday when at the Appropriations Committee, the distinguished Senator from Rhode Island entered the room and left with the following parting shot:

> And if sometime in the future, we have enough money or we are feeling rich enough and the budget is in balance, we can go ahead and create marvelous suites for ourselves so we can all live like kings. Until then, I think it is improper.

Well, I have been in this business for 6 years in the Connecticut State Legislature, 4 years in the townhall of Greenwich, 2 years in Congress, 9 years, now, in the U.S. Senate. I can assure you, I have not seen any of the men and women who serve at any of these levels of Government living like kings. I see an extraordinary dedicated group of people working under very adverse circumstances in terms of facilities, in terms of salaries, in terms of hours, in terms of commitment required.

That is not the picture given on the Senate floor today, or through the media every day. Sure, there are 5 percent at all levels of Government who, I am sure, disgrace their profession. The same percentage holds true in any other endeavor in this country.

No, I do not want the cheapest building built and I do not want the cheapest man or woman serving. Already we have done a number on ourselves salary-wise, so as to have made this a rich man's club. Thanks to our own demagoguery. No one can afford to serve in Government.

We have denied the Nation the talent that exists across America when we made political hay on the question of salaries. It does not affect me, but it sure as hell is going to affect the kind of representation and civil service we have in this country.

Now let us talk about facilities. Every day, I hear about all the "perks" we have, how we are ripping off the taxpayers. I just came back from getting my hair cut—not free, what hair there is; not free. Thirteen dollars. Not free. I pay what everybody else pays for some of the lousiest food in the world—served right here in the Capitol. Indeed, more than is warranted.

And, no, I do not use taxpayer funded facilities for exercise. I belong to my own club, I play my own tennis, I pay my own way.

But just to get a little headline, a little more publicity, sell a few more papers, have a few more people watching the tube, it is easy to refer to this great palace, this great monument.

But, that is not reality. Pretty soon we are going to chew ourselves up around here. All the institutions of this country, be it Government, be it the media, be it business—we are just going to chew each other up, devour ourselves.

Do you want to take your constituents through the present annex office facilities? Has any one of you on this floor taken your constituents through there? Has the Senator from Missouri taken them through or the Senator from Rhode Island? No, you take them through the Capitol, through the rotunda. You take them, into the Senate Chamber. These belong to the people of the United States and are matters of pride. But not the annex.

Since when have they wanted the cheapest? There is more here than just the mortar, the stone, the flesh, and the blood. There is or should be the element of excellence.

Do you want to talk about buildings? Do you want to know what money is spent on? Without the bat of an eye, right after we heard all the squawking in the Appropriations Committee yesterday, along comes a $20 million Federal building for Knoxville, Tenn., for an energy exposition. Nobody said boo. One hundred million dollars for the winter Olympic facilities in Lake Placid, N.Y.; nobody objects.

The John F. Kennedy Center in Boston—does anybody want to ask the cost of that?

All of these are buildings for votes and are OK.

But not Washington, the seat of Government. There is a safe target to badmouth.

Well, I will not remain silent during exercises in self-destruction.

Then we come to the business of staff itself. We are proliferating staff. Well, all right. I believe every Senator should be able to do his own thing on this floor. If you want to pass a law to get staff off the floor, go and do your own debating, that is fair enough. But on the issue of whether or not the legislative branch of Government is prepared to handle its end of this system, may I point out to you that we have just gotten through an exercise where many felt we created an imperial Presidency and it was time that Congress exercised its prerogatives. Now, how to do that inadequately staffed, as, indeed, how can a minority effectively go against a majority unless it is properly staffed? It cannot.

Maybe we would like to have the President once again do everything for us so that there does not have to be congressional oversight.

How do we oversee? As in the old days of Johnson, Nixon, by sitting and rubberstamping. Or by careful looks, both in terms of evaluating and in terms of initiating, ideas, and situations that will make this a better government?

Yes. We have to have staff to do that job.

Then the opponents look back with nostalgia and fondness on when there were only a few Senators and staff here in Washington.

Gentlemen, the population of the country is 250 million. It has not gotten better, because of wacky ideas of Senators.

The Government of this Nation is its people. People have asked for and de-

manded a more sensitive government—not just Senators.

Obviously, Government is more complex, because the demands, the aspirations are more complex. It would be great to go back 200 years, environmentally. But certainly not in terms of the human condition that existed in this Nation.

I am fed up about hearing about big government as if it were something self-created. It did not drop from on high. It is not here by force of arms.

I am my constituency. My response to the name callers that say all politicians are inept, all are crooks, all are lazy, all are sex maniacs is if I am so are you.

Well, such is not the case, as far as the Nation is concerned. You, me, we are decent, honest people, hardworking, and not ripping each other off.

That holds for the Senate of the United States and the House of Representatives, for those in the executive branch, the media, business, labor, whatever. I have great pride as to what it is we are all about.

I am not going to participate in demagoguery to cheapen this institution, because when that happens the end of it is not far off.

The PRESIDING OFFICER. (Mr. BRADLEY). The Senator's time has expired.

Mr. WEICKER. One more minute.

Mr. JOHNSTON. Yes.

Mr. WEICKER. I will stand up and vote for exactly what the Senator from Louisiana is proposing, because it is the best and my constituency will have pride in it.

Nobody is talking about restaurants for Senators. The public cannot eat right now. They have to eat breakfast at 10 o'clock in the morning and lunch at 3 o'clock.

Nobody is talking about luxurious facilities. The reason why the paneling is included is because it is cheaper than it is to paint the walls every year.

In the final analysis it is not just a matter of this building. It is the whole business of politics and what we stand for in this country.

We are not an entertainment for the American people and we are not forever a target of opportunity for the media of this Nation.

What we have created has been created, because we never accepted second best either as to ideas, buildings or programs.

Just because today's opposition brings a little political limelight to some of our colleagues, I am not prepared to cave in to second best.

The PRESIDING OFFICER. Who yields time?

If no one yields time——

Mr. JOHNSTON. Mr. President, how much time is left on each side?

The PRESIDING OFFICER. The Senator from Louisiana has 8½ minutes. The Senator from Rhode Island has 3 minutes and 37 seconds.

Mr. JOHNSTON. Mr. President, I think I am just about ready to yield back the remainder of my time.

The issue is quite clear, Mr. President. Our choice is not whether we should start a building from scratch and build a second Senate office building. Our choice is whether to leave a $70 million monument to nothing remaining on the landscape of the Senate, or whether to build for $142 million the space we need.

Mr. President, we have 1,700 employees now occupying facilities away from the Senate office buildings. They are substandard. In some cases they are dangerous.

We will make a tour for the press this afternoon at 3 o'clock. If any Senator wants to see those buildings or the new Senate office building this afternoon, please come. I invite them to come because it is dangerous. I think if we look at it closely, it is dangerous.

There are some people on the fourth floor of some of those buildings with a very slow elevator that cannot be used in case of fire, and no outside stairs.

That is dangerous, Mr. President, and that is what we are subjecting our Senate staff to. That, plus 65 square feet, and less, per employee when the GSA says we need 150 square feet.

The basic question is, Do we need the space? There is not any doubt about that, Mr. President. There is no doubt at all.

In 1967, 72 Senators testified to that effect and over 30 Senate committees passed resolutions to that effect.

Of course we need space. The distinguished Senator from Rhode Island said so yesterday, and I appreciated his being fair in that respect.

We do need space. This building is an answer to that space problem. It is the most stripped down, austere thing, with the exception of the 3 items, which I did not recommend, but which the Appropriations Committee recommended the addition of, 3 deductions out of some 20. Even with the restoration of those, it is still austere from a comparative basis.

It is still the most stripped down version we could have and still have full use of the office space. I hope the Senate will pass this amendment.

Mr. CHAFEE. Mr. President, we have had some interesting debate here today.

The opponents have been characterized as being idiotic. They have been characterized as being asinine. The latest characterization is that they all wish the limelight. There are some who suggest that those of us who oppose this building seek the publicity. Some people seem to have a monopoly on virtue around here, and others are on the other side.

I might say, I first opposed this building when it was a hole in the ground when there was nothing there. I was opposed to it then. I was opposed to it when the steel skeleton went up. I am opposed to it now.

Somehow, there seems to be a new virtue attached to those who are protecting the Senate, they are the ones who are on the side of right. Somehow it comes out in this topsy-turvy world, that here we are in an age of inflation, when this country is doing everything it can to fight inflation, the President imploring us, but not for us to join in it. Oh, no. The courageous ones, apparently, are those who want to spend the public's money. They are willing to stand up.

It sort of reminds me of George Orwell's "1984," the topsy-turvy world.

I remember the slogans in that, war is peace, and freedom is slavery, and ignorance is strength. Those are some of the Orwellian quotes.

Those who wanted to make this building fit for the American public, as they say, they had an opportunity in the Appropriations Committee to restore these 20 items. I did not hear anybody speak up then. I have not heard anybody on this floor seek to amend, to add these other facilities, to make it a building the American public will really be proud of. Not a word.

What we are debating here today. Mr. President, is what kind of example we are going to set for the American public. Are we willing to draw the line? Are we willing to say we will do our part and we want everybody else to do their part, too? Are we to say, "No, we are separate; we are different; we are going our own way"?

I think the issues are very clearly drawn, and I urge my colleagues to vote against this amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me a couple of minutes?

Mr. JOHNSTON. Yes.

Mr. CHAFEE. I reserve the remainder of my time.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may proceed for 2 minutes, without it being charged to either side.

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

EXPORT ADMINISTRATION ACT OF 1979—TIME AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 737, the Export Administration Act of 1979, is called up and made the pending business before the Senate, there will be a time agreement as follows thereon:

Two hours on the bill to be equally divided between Mr. STEVENS and Mr. HEINZ.

One hour, equally divided, on amendments in the first degree.

Thirty minutes, equally divided, on amendments in the second degree.

Twenty minutes, equally divided, on any debatable motion, appeal, or point of order, at the discretion of the Chair, if such is discussed by the Senate.

That the agreement be in the usual order, except that there be a total of 4 hours, equally divided between Senators STEVENS and RIEGLE, on an amendment or amendments to be offered by Mr. STEVENS on the subject of Alaskan oil. Senator STEVENS may divide the 2 hours under his control among three amendments, if he chooses to do so.

One hour on each of three amendments to be offered by Mr. HELMS on the subject of U.S. oil exports.

One hour on an amendment by Mr. MCCLURE on the subject of legislative veto on farm exports.

Mr. STEVENS. Mr. President, reserving the right to object, I know of no other amendments that have been discussed with the minority.

I believe this is a comprehensive agreement on the Export Control Administra-

tion bill, and it is acceptable from our point of view. I do not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader and all Senators who have cooperated in securing this agreement.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 737 (Order No. 181), a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce, debate on any amendment in the first degree (except on an amendment or amendments to be offered by Senator Stevens on Alaskan oil, on which there shall be a total of 4 hours, to be equally divided and controlled by Senators Stevens and Riegle, with Senator Stevens able to divide his 2 hours among 3 amendments if he so chooses; 3 amendments by Senator Helms on U.S. oil exports, on each of which there shall be 1 hour; and an amendment by Senator McClure on legislative vetoes on farm exports, on which there shall be 1 hour) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Illinois (Mr. Stevenson) and the Senator from Pennsylvania (Mr. Heinz): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(July 18, 1979).

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4388.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, a parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. The opponents have 1 minute and 2 seconds.

Mr. DANFORTH. I wonder if the manager for the opposition will yield that 1 minute and 2 seconds to me.

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. Fifty-five seconds.

Mr. DANFORTH. Mr. President, suddenly we have been told that those who oppose a $142 million boondoggle are demagogs. I think we spend enough time promoting ourselves as politicians that we also can be self-critical and critical of some of the wastes we engage in without being demagogs. It is honesty, not demogoguery.

The Senator from Connecticut stated that government is people, that the American people are identical with their Government. I wish the American people would believe that. But in point of fact, the American people are beginning to feel that their Government is different, that it is different, that it operates in a different world, that it is expensive, that it is extravagant, that it has lost control of what is going on. That is what the American people think of their Government.

We have a symbolic opportunity right now to do something about it.

Mr. JOHNSTON. Mr. President, I point out that most of those who call this the Taj Mahal and other names have not seen the plans of the new building and have not been in the new building. That is No. 1.

No. 2, most of those have never taken time to see how 1,700 Senate employees live in the various buildings—the Carroll Arms and the other buildings in which they are housed. I wish they would take a look.

It is a disgrace, Mr. President. It is unsafe. It is crowded. It is inefficient. It is unmanageable in terms of their relationship to the Senate, and I think it is inadmissible.

I wish to stress one point: When this building is occupied, as the Pell modification would indicate, we will vacate those buildings and be able to sell them or put them to other use, thereby diminishing the cost of this building.

Mr. President, we have a critical choice to make here. As I say, I did not ask for this job. If the Senate turns down these recommendations of the Committee on Appropriations, it is OK with me. I just want Senators to know that they are going to leave a $70 million monument to nothing other than the imbecility of the Senate—$70 million, unoccupied, unable to be used—while 1,700 employees languish in unsafe facilities, crowded, less than 65 square feet per person, about a third of what the GSA says is minimal.

If that is economy, I do not know what economy means.

If there is anybody in this body who thinks that you are going to finish off that building and have a $70 million monument that is going to stand there forever and never be occupied, I would be very surprised if anyone present believes that. I think every Member of this body believes that that building is going to be finished ultimately. I do not think there is any question about that.

The question is whether we finish it now or whether we come in at some other time. Senator CHAFEE says the time will be when the budget is balanced and times are good and unemployment has gone and all these other never-never land things happen. But everybody believes that ultimately we are going to be in that building.

The basic issue is, do you do it now or do you let costs accumulate at $700,000 a month? That is the issue. Do you want to spend $700,000 a month to make yourself feel good and say, "We are minimizing"? Do you want to hope you get past the next election and say, "I saved money on the Senate Office Building," while in the meantime you occupy unsafe, crowded conditions? Or do you want to do it now? That is our choice.

I do not say you can turn back the clock. I was not in the Senate when the legislation was passed in 1972 to commence this building. I was not even here, and I suspect that more than half of our colleagues were not here, either.

We are faced with a fait accompli. We are faced with a $70 million framework, steel and concrete, marble ordered, and I think it is time we finished it. It is the most prudent thing to do. It is the only prudent thing to do. It is the only economical thing to do.

The House delayed it last year, and maybe they will turn us down again, and it cost us $20 million—$20 million for 1 year's delay. I hope the Senate does not make that mistake today.

I urge the Senate to adopt the amendment.

● Mr. PERCY. Mr. President, I support the amendment offered by Senator JOHNSTON appropriating the final funds needed to complete the Hart Senate Office Building.

I recognize the importance of completing the Hart Senate Office Building, not only because I am convinced that additional office space is needed, but because a termination of the project at this late date would create a loss of a major investment by the taxpayers. This amendment, by appropriating an additional $57,480,700 in funds for the project with a ceiling of $142,627,700 on total construction and furnishing costs, will delete certain items from the building's design. I commend the Senate Office Building Commission and its distinguished chairman for this recommendation to reduce the cost of the Hart Building and eliminate the items in its design which are not absolutely necessary to the efficient operation of the Senate.

During debate on this matter last year, the Senate agreed to appropriate an additional $54.8 million for the Hart Building with a ceiling of $135 million on total construction and furnishing costs. That additional appropriation was then defeated in the House of Representatives, preventing the Architect of the Capitol from awarding the final contracts for the Hart Building. It was an expensive delay. If we were today considering the Hart Building appropriations without deleting any items from the project's design, the price tag would be $174,550,000, or an additional appropriation of $89,403,000. It is clear that we must act now to cut the cost of this project.

Last year, I introduced a resolution directing the Architect of the Capitol to make several deletions in the design of the Hart Building and I am pleased that all of them are included in Senator JOHNSTON's amendment. At that time, I pledged that I would not vote for any additional appropriations for the Hart Building until these items were deleted. The Commission has done an excellent job in cutting costs wherever possible.●

● Mr. ROTH. Mr. President, I concur in the statement offered by the Senator from Rhode Island.

Mr. President, the American people are tired of more costly Government and

constantly increasing governmental size. They have spoken out clearly in the last few months all across this Nation. In over 30 States this year, citizens' movements rose to force State and local governments to cut back on their spending and reduce the tax burdens shouldered by the American taxpayer. Thirty States have passed resolutions asking the Congress to call a constitutional convention for the purpose of formulating an amendment to the Constitution which would place limits on spending by the Federal Government.

Yet, we in the Congress refuse to recognize the demands of the American people. We have decided we need a new marble and bronze gilded castle so we can coddle ourselves and work in palatial surroundings. How can we expect labor, business, and all sectors of our economy to make sacrifices in the fight against inflation when we spend $142 million to add another building to the eight we already occupy? How can we expect the bureaucracy to cut back on wastetful spending when we spend lavishly on ourselves?

This proposed new building is an extravagant and unnecessary expense. It will contain more floor space than would be contained in 580 average American homes, based on the average size of all homes sold in the United States in 1977. The cost of the building when money was first appropriated in 1972 was $48 million. Present projections indicate it could cost well over $170 million when completed. And what of the many other uncalculated costs? Maintenance, police protection, utilities, and additional staff will all be expensive and their costs will undoubtedly rise over the years. And, it is not exaggeration to say that congressional staff will expand to fill the newly available space.

The Philip A. Hart Building—a designation that parodies the late Senator's unostentatious style—will be nine stories in height. It is to be crowned by a terraced rooftop restaurant and filled with 50 lavishly paneled offices for Senators.

I am aware that the Senator from Louisiana and the members of the Senate Office Building Commission recommended reductions in the cost of the new Senate domain. They proposed "savings" totaling nearly $37 million, although the Appropriations Committee added $4.8 million to that figure. Yet, even with these "savings" the office complex will still cost $142 million with no certainty that we may not have to raise the ante at some future date.

Mr. President, this is not the first time that I have spoken against the marble barn raising we are funding by plowing the taxpayers under. Last year, I supported Senator CHAFEE and others as we offered an amendment to remove funding proposed in a supplemental appropriation bill. I have opposed this project since its inception. We have made a mistake in beginning this edifice and it is time we admitted that. I oppose the amendment offered by the committee and urge my colleagues to do likewise.●

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

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

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, do I have a few seconds?

The PRESIDING OFFICER. The Senator's time has expired.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

Mr. CHAFEE. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 47, nays 47, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—47

Baucus	Exon	Muskie
Bayh	Ford	Nelson
Bellmon	Glenn	Nunn
Bentsen	Hollings	Pell
Biden	Huddleston	Percy
Boren	Inouye	Ribicoff
Bradley	Jackson	Riegle
Bumpers	Javits	Schmitt
Burdick	Johnston	Schweiker
Byrd, Robert C.	Kennedy	Stafford
Cannon	Levin	Stennis
Chiles	Mathias	Stevens
Cranston	Matsunaga	Weicker
Culver	McGovern	Williams
Durkin	Melcher	Young
Eagleton	Morgan	

NAYS—47

Armstrong	Hatfield	Pressler
Boschwitz	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Heflin	Pryor
Chafee	Heinz	Randolph
Church	Helms	Roth
Cochran	Humphrey	Sarbanes
Cohen	Jepsen	Simpson
Danforth	Kassebaum	Stewart
DeConcini	Laxalt	Stone
Dole	Leahy	Talmadge
Durenberger	Lugar	Thurmond
Garn	Magnuson	Tower
Goldwater	McClure	Tsongas
Hart	Metzenbaum	Wallop
Hatch	Moynihan	Warner
	Packwood	Zorinsky

NOT VOTING—6

Baker	Gravel	Sasser
Domenici	Long	Stevenson

So Mr. JOHNSTON'S amendment (No. 338), as amended, was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I ask for the yeas and nays.

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

Mr. President, a point of order. Can the Senator from Louisiana make that motion to reconsider when he was not on the prevailing side?

The PRESIDING OFFICER. The Senator from Louisiana voted "yea" and that is not the prevailing side. The point of order is well taken.

Mr. JOHNSTON. 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. JOHNSTON. 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. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. Mr. President, I move to lay that motion on the table, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent attending a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "yea."

Mr. CHAFEE. Regular order, Mr. President.

Several Senators voted.

Mr. JOHNSTON. Regular order, Mr. President.

Several Senators voted.

Mr. JOHNSTON. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. PRYOR). Are there other Senators in the Chamber who have not voted?

Mr. BAYH voted in the negative.

The PRESIDING OFFICER. The Senate will be in order.

The result was announced—yeas 45, nays 50, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—45

Armstrong	Hatfield	Proxmire
Boschwitz	Hayakawa	Randolph
Byrd, Harry F., Jr.	Heflin	Roth
Chafee	Heinz	Sarbanes
Church	Helms	Simpson
Cochran	Humphrey	Stewart
Cohen	Jepsen	Stone
Danforth	Kassebaum	Talmadge
DeConcini	Laxalt	Thurmond
Dole	Leahy	Tower
Durenberger	Lugar	Tsongas
Garn	Magnuson	Wallop
Goldwater	McClure	Warner
Hart	Moynihan	Zorinsky
Hatch	Packwood	
	Pressler	

NAYS—50

Baucus	Ford	Muskie
Bayh	Glenn	Nelson
Bellmon	Hollings	Nunn
Bentsen	Huddleston	Pell
Biden	Inouye	Percy
Boren	Jackson	Pryor
Bradley	Javits	Ribicoff
Bumpers	Johnston	Riegle
Burdick	Kennedy	Schmitt
Byrd, Robert C.	Levin	Schweiker
Cannon	Long	Stafford
Chiles	Mathias	Stennis
Cranston	Matsunaga	Stevens
Culver	McGovern	Weicker
Durkin	Melcher	Williams
Eagleton	Metzenbaum	Young
Exon	Morgan	

NOT VOTING—5

Baker	Gravel	Stevenson
Domenici	Sasser	

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question now recurs on the motion to reconsider.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays on the motion to reconsider.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time? Do the Senators yield back their time?

Mr. CHAFEE. Mr. President.

The PRESIDING OFFICER. The Senator from Kansas controls the time.

Mr. DOLE. Mr. President, I yield my time to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, what is the time situation? Each side has 10 minutes?

The PRESIDING OFFICER. There are 10 minutes on each side.

Mr. CHAFEE. Mr. President, I shall not take all my time. It seems to me this is a very,.very important vote. Here is a chance for the Senate of the United States to set an example for the rest of the country in a time of great inflation, a time when the President is calling on everyone to save, to do what they can to keep down escalating costs, to keep down spending. The Senate has voted to cut back on housing, we have cut back on innumerable programs. There have even been attempts to cut back on food. stamps.

Mr. President, the total cost of this building is one-sixth of a billion dollars. It seems to me that we have made different efforts to stop the building. We tried to stop it when it was a hole in the ground, we tried to stop it when it was a skeleton. Let us draw the line and stop it now. The building can be enclosed. When the country has balanced its budget, when inflation is more under control, then we can proceed. But by going ahead with this building, it is a clear indication to the rest of the Nation, Mr. President, that saving and concern about inflation are for those people out there, but not for us.

I think it would be a wonderful symbol to the Nation if we just stopped, if we voted "no" on proceeding with this building.

I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, this Senate office building was authorized before I ever got here. I did not ask for this job as chairman of the Senate Office Building Commission. But, Mr. President, it has been my duty, as I have been charged by the majority leader, to come up with the most sensible, economical plan that is possible.

I do not take a back seat to anybody in cutting the budget around here, on trying to save the Federal dollar. But, Mr. President, as chairman of the Commission, I have recommended a list of 20 deductions that save about $40 million from the total cost.

It is a stripped-down version. It fails to finish a lot of things that I would like to finish. But in the spirit of economy, I think we can spend it. I think we can afford to finish it at this time.

Mr. President, the choice is this: Spend $80 million for a 500-car parking garage in an enclosed shell that will take care of not one Senate employee—not one—or spend a total of $142 million, which is well less than the Rayburn House Office Building, about the same as the FBI Building—spend less than for the Rayburn House Office Building and put the Senate employees—1,700 of them, who now languish in four substandard buildings around the Capitol area—where they ought to be, in a Senate office building.

Mr. President, the square footage per Senate employee is less than 65 feet. That, in 1979, when GSA says that the necessary minimum is 150 square feet per employee. We make our employees do with about one-third of the space right now.

I ask the Members of this body: Is it sensible, when we have one-third the space that GSA says is the minimum, to have a monument out there, at a cost of $80 million, that we cannot use when we need the space? That does not make any sense. That is not economy.

If we are going to talk about economy, Mr. President, let us really cut some money where we can save. All this will do is, for every month that goes by that we do not complete it, add $7 million to the taxpayers' bill in this country. Our friends in the House last year killed this bill. Maybe they will do it this year. Do you know what it did to the taxpayers? It added $20 million, according to the Architect of the Capitol, to the cost of this building. I say, in the spirit of economy, let us complete this building in the most stripped-down, economical way we can. I think this amendment responds to that need. I hope we will pass it, Mr. President.

Mr. CHAFEE. Mr. President, the facts regarding the Rayburn Building are not as stated. The Rayburn Building was not more expensive than this building, even taking the escalated costs since then. The $20 million cost apparently suggested, that came from the House inaction last year, that figure came from the Architect of the Capitol's office. There is one thing consistent about his figures: They have been wrong right from the beginning, when he started saying this building would cost $46 million.

This talk about a stripped-down version—yes, this is a stripped-down version. The total cost of the building, not stripped down, they say, will be $174 million. I do not think anybody here thinks that that $174 million will not be reached.

Yesterday alone, the stripped-down version was presented at 10 o'clock in the morning. By 6 o'clock in the evening, five more million dollars had been added. The paneling was put back in, the restaurant was put back in, the central hearing room put back in. Every one of these features will be added in. So the building will be, at the minimum, at $174 million and a great deal more than that before we are through. One thing that is accurate is that their figures are so inaccurate, nobody can have confidence in them.

Furthermore, I do not think anyone will suggest that when this building is completed, they will not remodel the Dirksen and the Russell Office Buildings to make similar offices.

It seems to me this is a tremendously important, symbolic effort we are taking today. If this building can be stopped cold, we shall say to the American people, "We are serious about this inflation and we are willing to do our part."

I yield back the remainder of our time.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that a statement of the relative per square foot cost of the Hart, Rayburn, and Hoover Buildings be printed in the RECORD at this time.

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

CONSTRUCTION COST ANALYSIS—HART, RAYBURN, HOOVER—PHASE I, BUILDINGS

	Philip A. Hart Office Bldg.	Rayburn Office Bldg.	J. Edgar Hoover Bldg. (FBI)	Labor Department Bldg
1. Construction cost (present day value)	[1] $140,101,000	[2] $294,858,186	[3] $222,152,169	[4] $122,905,461
2. Total gross square feet	1,176,424	2,374,522	2,397,500	1,801,750
3. Cost per square foot	$119.09	$124.18	$92.66	$68.21
4. Total gross office space	949,124	1,189,137	2,056,518	1,400,000
5. Total gross garage space	227,300	1,185,385	340,982	400,000
6. Gross cost of garage space (assigning value of $30/sq. ft.)	$6,819,000	$35,561,500	$10,229,460	$12,000,000
7. Gross cost of office space (line 1 minus line 6)	$133,282,000	$259,296,686	$211,922,709	$110,905,461
8. Gross square foot cost of office space (line 7 divided by line 4)	$140.43	$218.05	$103.05	$79.00

[1] Projected construction cost through June 1981 (mid-construction date).
[2] Original 1964 construction cost of $79,476,600 escalated through June 1981.
[3] Original 1974 construction cost of $110,523,476 escalated through June 1981.
[4] Original 1975 construction cost of $77,445,155 escalated through June 1981.

Note: Escalation is based on W. F. Dodge Digest of Building Cost and Specifications, edition No. 26.

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

The PRESIDING OFFICER. All time having been yielded back, the question now is on agreeing to the motion to reconsider vote No. 181. 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 Tennessee (Mr. SASSER) and the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent attending a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

The PRESIDING OFFICER. Have all Senators who desire to vote cast their vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—49

Baucus	Ford	Muskie
Bayh	Glenn	Nelson
Bellmon	Gravel	Nunn
Bentsen	Hollings	Pell
Biden	Huddleston	Percy
Boren	Inouye	Ribicoff
Bradley	Jackson	Riegle
Bumpers	Javits	Schmitt
Burdick	Johnston	Schweiker
Byrd, Robert C.	Kennedy	Stafford
Cannon	Levin	Stennis
Chiles	Long	Stevens
Cranston	Mathias	Weicker
Culver	Matsunaga	Williams
Durkin	McGovern	Young
Eagleton	Melcher	
Exon	Morgan	

NAYS—47

Armstrong	Hatfield	Pressler
Boschwitz	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Heflin	Pryor
Chafee	Heinz	Randolph
Church	Helms	Roth
Cochran	Humphrey	Sarbanes
Cohen	Jepsen	Simpson
Danforth	Kassebaum	Stewart
DeConcini	Laxalt	Stone
Dole	Leahy	Talmadge
Durenberger	Lugar	Thurmond
Garn	Magnuson	Tower
Goldwater	McClure	Tsongas
Hart	Metzenbaum	Wallop
Hatch	Moynihan	Warner
	Packwood	Zorinsky

NOT VOTING—4

Baker	Sasser	Stevenson
Domenici		

So the motion to reconsider vote No. 181 was agreed to.

The PRESIDING OFFICER. The question now occurs on the amendment.

Mr. CHAFEE. I ask for the yeas and nays, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, the yeas and nays are automatic.

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays are automatic on this vote, there having been a rollcall vote on the amendment the first time it was voted on.

The question is on agreeing to the amendment. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

Mr. CHAFEE. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 46, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—49

Baucus	Glenn	Muskie
Bayh	Gravel	Nelson
Bellmon	Hollings	Nunn
Bentsen	Huddleston	Pell
Boren	Inouye	Percy
Bradley	Jackson	Ribicoff
Bumpers	Javits	Riegle
Burdick	Johnston	Schmitt
Byrd, Robert C.	Kennedy	Schweiker
Cannon	Levin	Stafford
Chiles	Long	Stennis
Cranston	Mathias	Stevens
Culver	Matsunaga	Weicker
Durkin	McGovern	Williams
Eagleton	Melcher	Young
Exon	Metzenbaum	
Ford	Morgan	

NAYS—46

Armstrong	Hatfield	Proxmire
Boschwitz	Hayakawa	Pryor
Byrd, Harry F., Jr.	Heflin	Randolph
Chafee	Heinz	Roth
Church	Helms	Sarbanes
Cochran	Humphrey	Simpson
Cohen	Jepsen	Stewart
Danforth	Kassebaum	Stone
DeConcini	Laxalt	Talmadge
Dole	Leahy	Thurmond
Durenberger	Lugar	Tower
Garn	Magnuson	Tsongas
Goldwater	McClure	Wallop
Hart	Moynihan	Warner
Hatch	Packwood	Zorinsky
	Pressler	

NOT VOTING—5

Baker	Domenici	Stevenson
Biden	Sasser	

So Mr. JOHNSTON'S amendment (No. 338, as modified), was agreed to.

Mr. JOHNSTON. 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 PRESIDING OFFICER. The motion to reconsider is not in order.

Mr. JOHNSTON. Mr. President, I think we are ready to move to third reading if no one else has any amendments.

Mr. STEVENS. 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.

Mr. ROBERT C. BYRD. Mr. President, I was listening on my squawk box and I understood that a Senator wanted to move to reconsider, and the Chair said that motion was not in order.

The motion is in order; am I correct?

The PRESIDING OFFICER. The Senator from West Virginia is entirely correct.

Mr. ROBERT C. BYRD. I would like to give any Senator who desires to make that motion an opportunity to do so, any Senator who qualifies.

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

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, we are awaiting a Senator who has one amendment to offer. I do not know what the time consideration is. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. What is the time situation now?

The PRESIDING OFFICER. The Senator from Oregon has 87 minutes and the Senator from Louisiana has 77 minutes remaining.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Louisiana yield me a couple of minutes?

Mr. JOHNSTON. I yield.

Mr. ROBERT C. BYRD. Mr. President, this was not a popular vote that was just completed, and I do not say what I am saying as being a reflection against any Senator or against either side. Some Senators in their own good conscience took one side, and other Senators in equally good conscience took the other side.

But it was a difficult position for the manager of the bill to advocate.

He came to the Senate with his facts. He presented them in a systematic way. He went about this job in a thorough and comprehensive way. He did not ask for the job as chairman of the Senate Building Commission. The majority leader asked him to take that job, and he took it out of a sense of duty.

He said at the time he did not want it. As to a new Senate office building, he realized that this was a difficult question, a controversial one, and one that could be easily misunderstood. But the Commission went about the matter in the right way. They asked the Architect to present new estimates. These estimates were prepared by Contractors/Managers, Inc., an independent consulting firm from Texas. The Commission held a public hearing. The chairman then presented the facts to the Appropriations Committee, and it was the opinion of most members of the Appropriations Committee that the amendment offered

by the distinguished chairman of the Commission deserved support.

I supported his position. I feel that the Senate has done the right thing, for the following reasons:

First. If funds are not appropriated and the project is stopped, it would cost $100 million to pay off the contractors and dismantle what has already been constructed.

Second. There is no question but that the space is needed. The whole matter has been the subject of extensive hearings dating back to 1967 when 72 Members of the Senate and 24 committees and subcommittees petitioned the Senate Public Works Committee for space.

Third. Subsequently, on September 13, 1972, the Senate voted 65 yeas to 17 nays on S. 3917 which authorized the construction of an addition to the New Senate Office Building (later named the Hart Building) under the direction of the Architect of the Capitol with the approval and review by the Senate Office Building Commission and the Senate Committee on Public Works.

Fourth. On October 12, 1972, the Senate voted 52 yeas to 7 nays and on October 14, 1972 the Senate voted 58 yeas to 0 nays for $47,925,000 to initiate the Hart Building.

Fifth. On December 12, 1973, the Senate voted 90 yeas to 0 nays for an additional amount of $20,900,000 for the Hart Building.

Sixth. On December 9, 1974, the Senate voted 80 yeas to 9 nays for an additional $16,322,000 for the Hart Building.

Seventh. On August 4, 1978, the Senate voted 65 yeas to 13 nays for a ceiling on the construction costs of the Hart Building. Unfortunately, the House of Representatives voted down this ceiling and the associated appropriation, and, as a consequence, has driven up the cost by $20,000,000.

Eighth. The funds are needed now. Each month of delay results in $700,000 in additional inflationary costs.

Ninth. A comprehensive study revealed that space occupancy by Senate employees averaged less than 65 square feet per person, less than half the General Services Administration's minimum standard of 150 square feet per person.

Tenth. To those who claim that the additional space will promote requests for ever larger staffs, it should be noted that Senate employees who are currently working in temporary facilties (old apartment houses and hotels) will be moved into the permanent complex when the Hart Building is completed. This is not space for additional staff. It is space for the staff who are on the payroll now and who now work in substandard facilities in which no file cabinets larger than two drawers are allowed because larger furniture may crash through the weak flooring.

Eleventh. The plan advocated today on the floor would allow completion of a barebones building at approximately $30 million below the cost for completion of the original design.

Twelfth. The Hart Building is designed to stand for 100 to 200 years. Yet it is no more expensive than commercial office buildings which are designed to last for a much shorter time, for example, A.T. & T. Long Lines Building, Bedminster, N.J., and the Underwood Headquarters Building, Westwood, Mass.

I yield the floor.

Mr. STEVENS. Mr. President, if the Senator is finished, I yield myself 5 minutes.

Mr. ROBERT C. BYRD. Yes, I yielded the floor.

Mr. STEVENS. This is a very difficult proposition we have just voted for. I am sure if Senator BAKER were here, he would commend Senator CHAFEE and Senator DANFORTH for the manner in which they presented their position.

I think it is important for every one to realize that this building actually was conceived in 1966. The first money was made available in 1972.

What makes it extremely difficult to face a problem like this is that more than 50 percent of the Members of the Senate have been here only 4½ years. This is the problem that we face, and it is a problem of some Senators feeling responsible for what was started and others legitimately having the right to question what we did before they came here

For myself, having been one of those who served on the committee at the time that the original funds were authorized I, too, commend the Senator from Louisiana for bringing this matter to the floor, and I hope that this time the House will understand the situation.

And I would hope that those who oppose the building will understand the situation. If there is a case to be made for watching the construction of new buildings, it is downtown. Each employee in those buildings we are building downtown is entitled to more space than eight of our own employees. By the regulations set by HEW, they have a specific amount of space which they must have. Rightly or wrongly, we have additional staff for the purpose of oversight of the executive branch, and in particular right now for our job of trying to be the watchdog of the Federal Treasury, trying to limit Federal expenditures, and ultimately to balance the budget.

I think this building is necessary. I thought it was necessary in the first instance, and I still think it is necessary. But I think that as we look at an issue like this, we must congratulate the Members on both sides of the argument who were willing to enter into a reasonable time agreement, and have presented the issue, I think, very succinctly for the public also to make up its mind as to what was right and what was wrong

Back in 1967, when the matter was discussed at that time, it was almost not debatable that there was not enough space here. Now, because of acceleration of costs, I can understand the feelings of those who have come to the Senate since the decision was made. It is one of the things we must watch, I think, in terms of the rapidity of change in the Senate The decisions that lead on into subsequent years and into subsequent terms.

I hope that we have learned a lesson from this. We should have appropriated the full amount for the building in the first instance, and had it built. It would have cost us a lot less money if we had done that, anyway.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. I want to congratulate Mr. DANFORTH and Mr. CHAFEE on the fine case that they made for their point of view. They could have raised a point of order; they decided to face the issue up or down on its merits, and not go the point of order route. I commend them for that.

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

Mr. STEVENS. Mr. President, may I inquire, does the Senator from Delaware wish to offer an amendment at this time? We have reserved time for it.

Mr. ROTH. Yes.

UP AMENDMENT NO. 374

Mr. ROTH. Mr. President, I send an unprinted 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 Delaware (Mr. ROTH) proposes an unprinted amendment numbered 374: On page 12 after line 21, insert the following new section:

Mr. ROTH. Mr. President, I ask unanmous 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 12, after line 21, insert the following new section:

SEC. 105. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Energy is hereby reduced in the amount of $6,880,000: *Provided*, That Congress intends that this reduction shall be achieved by a reduction in the use of all motor vehicles, including those owned by the Federal Government, commercial rental, leased trip and interagency motor pool vehicles as defined in the Federal Motor Vehicle Fleet Report dated September 1978, of the General Services Administration: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, this amendment will reduce the appropriation for the Department of Energy by $6,880,000. This figure represents 25 percent of the total costs associated with the use of motor vehicles by the Department of Energy in fiscal year 1978. It includes commercial rental vehicles, interagency motor pool and those motor vehicles owned through the Department of Energy.

This reduction is targeted at motor vehicle use in order to force the Department of Energy to curtail its consumption of gasoline and diesel fuel. According to U.S. News & World Report, the Department of Energy has used 29 percent more fuel for vehicles and equipment over the last 3 years than the agencies it was formed to replace. This record would certainly be an embarrassment for any agency. But it is inexcusable for

the Department of Energy and it is a record we must not permit to continue.

Mr. President, this amendment will serve as more than a reminder that the Department of Energy should lead the way in conserving energy, not in consuming it.

In the past few weeks, Americans have been forced to endure significant inconvenience to obtain gasoline. Getting enough gas to go to work has become an ordeal. Gas for leisure activities is even more unsure. The uncertainty has forced families to make sacrifices, change plans and, in many cases, to simply do without.

It is obvious we all must reduce our fuel consumption if we are to emerge from this period of strain and uncertainty. But thus far, the biggest gas guzzler of all, the Federal Government, has made very small sacrifices.

The Federal Government now has some 450,000 cars, trucks and buses in its civilian fleet, or 1 vehicle for every 6 employees. Three hundred thirty-eight million gallons of gasoline were consumed by the Federal Government in fiscal year 1977. The cost of this gasoline, used to operate the world's largest motor pool, was $700 million.

The number of gallons of gasoline used by the Federal Government is awesome. But even worse is the rate of increase in Government driving. Over the last 5 years, the Government has driven 21.2 percent more miles.

This compares with an overall 5-year increase of only 13.4 percent for the American public.

Mr. President, I submit that the Federal Government should not sacrifice as much as the American people; it should sacrifice more.

I believe, in view of the record of accelerating Government driving, that my proposal to cut 25 percent of the gasoline expenditure is in order.

Mr. President, I yield the floor.

Mr. JOHNSTON. Mr. President, I am very much tempted, on first blush, to accept any amendment that cuts gasoline use, but I wonder whethter this is the proper way to do it and whether we can afford to cut it in this manner.

I wonder if the Senator is aware that all the power administrations are included in the Department of Energy budget: The Alaska Power Administration, Bonneville, Southeastern, Southwestern, Western Power, Colorado Basin, and the Emergency Fund for the Western Area Power Administration.

Is the Senator aware that those are included in the Department of Energy, and does he mean to cut those as well?

Mr. ROTH. I would say to the Senator from Louisiana that we are only cutting 25 percent of the fuel for vehicles and equipment in the Department of Energy.

Mr. JOHNSTON. Well, those are included in the Department of Energy, and they have to—most of their fuel is for the policing, construction, operation and maintenance of the transmission lines and power facilities. They have broad areas of lines to police, and they must have power for that.

Is the Senator also aware that the Nevada test site and other weapons program activities are under the Department of Energy? Of course, this involves huge amounts of energy. Would that not be cut, too?

Mr. ROTH. I would just point out to the distinguished Senator that we are asking the American people, who have very real needs, to make sacrifices, to be more efficient. As I pointed out, we are unable to get a clear picture, but apparently the Department of Energy is using 29 percent more fuel for vehicles and equipment over the last 3 years than the agencies it was formed to replace.

I am sure we can find, as in any appropriation, areas where no exceptions should be made. But somehow, if we are going to persuade the American people that we are serious about this energy crisis, that they have to do a better job with less gasoline, they have the right to expect the Department of Energy to do so.

I would say if there is any specific agency where the Senator feels they should be expressly exempt, this Senator would have no objection to doing so. But somehow I do not see how we can say to the American people to do with less while we in Government use more.

Mr. JOHNSTON. I say to the Senator that I believe that most of the heavy driving is associated with work in the field, such as the power administrations and the weapons programs and not with just the messenger cars around Washington, D.C. That is a very small part of it.

The problem with this kind of an amendment is I might be inclined to accept it and say, "Yes, we want to cut energy," but then we will find out we cannot operate and maintain the electric transmission lines which carry thousands of megawatts of electricity via the Bonneville system down throughout the Pacific Northwest, down to California, and elsewhere, and if they could not carry on with their work on the lines perhaps there will be a foul-up in the lines with thousands of megawatts involved for the sake of a few gallons of gasoline.

I do not say that to oppose the Senator's amendment. I wonder if he might bring this kind of an amendment before the committee next year where I would be more than happy to cut everything we can find. We have tried to do that in this budget.

Mr. ROTH. The problem is we are always talking about making cuts next year when in fact we are telling the American people they have to do with less now. If there are, as I say, emergency situations where the distinguished Senator feels an exception should be made, we can either perfect the amendment now or do it in conference. But somehow I think it is of critical importance to tell the American people that we are putting pressure on the executive branch, on each department, to use as little gasoline as possible. I do not think they are going to be satisfied if we tell them to wait until next year.

Let me reiterate what the figures show for the Government as a whole. The Federal Government now has something like 450,000 cars, trucks, and buses in its civilian fleet. That is one vehicle for every six employees. Three hundred thirty-eight million gallons of gasoline were consumed by the Federal Government in fiscal year 1977. The cost of that gasoline was $700 million.

Mr. JOHNSTON. If the Senator will yield, I believe if the Senator is willing to have this matter considered in conference on the basis that we will save everything we can find there—we do not want to cut out the power administrations from building new lines, stringing new electric wires, or policing the ones they have, and we do not want to cut the weapons programs work unless there is waste—I would be willing to accept it on the basis that we will save as much as we can in conference. We will have to drop it in whole or in part in conference unless we can find a solid basis for it.

I will certainly join the Senator in trying to find the savings. Based upon that, I would be willing to accept the amendment.

Mr. ROTH. I would say this to the distinguished Senator. I know the particularity with which he works. I would assume that in accepting it a real effort would be made to substantially cut this. I think the Government employees have to expect to be hurt a little bit. When we are telling people back home, "Do not drive," they expect us to say the same thing to the Government. No one wants essential services to be eliminated. But as the Senator well knows, to be perfectly candid, every time one of us not on the committee brings up a revision or a cutback, Senators can always point to essential services that might be affected.

Mr. JOHNSTON. If the Senator will yield, we have not accepted any other amendment on the floor on the basis that we will drop it in conference. If we can substantiate it in whole or in part, I would be delighted to proceed. But I do believe we have a real responsibility to insure that the power administrations and the weapons programs, which are the principal users of the fuel in the Department of Energy, be protected. To cut back on wastes is our objective also.

Mr. ROTH. Can the Senator say what portion of the gasoline is consumed by them?

Mr. JOHNSTON. We think the bulk of it is, but I cannot give a percentage. I did not see the amendment before a few minutes ago and I have not had the chance to research it.

I am not trying to scuttle the amendment. If I were trying to scuttle it, I would not be willing to accept it.

Mr. ROTH. I understand the Senator's willingness to accept it. There will be opposition, I know, from the agencies, and they will try to make a strong case. I will be happy to have it accepted on that condition. I will say that we are concerned about the kind of leadership we give in Government. I think the American people have the right to see whether or not—as I am sure the Senator would agree—this is working in the conservation area. I appreciate the Senator's willingness to accept the amendment. I want to make this further request, that my staff will keep in contact with the Senator so we can determine exactly

what happens in this area and, if necessary, bring it up later.

Mr. JOHNSTON. I will be happy to be in contact with the staff and would be glad to have whatever facts the Senator can show in particular areas of waste. We will take it to conference on that basis.

Mr. MAGNUSON. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. MAGNUSON. I will say to the Senator from Delaware that the cause he is talking about is good. Where the amendment ought to come, or at least as a separate amendment, would be with regard to the General Services Administration, where they have control of these immense Government carpools. That is where the bulk of the cars are located, and all the agencies use them. But, as the Senator from Louisiana points out, a lot of these vehicles are used along powerlines, trucks and things like that, which are assigned directly to the energy agency. However, the big waste of gasoline it seems to me we should cut down is in the GSA, when that appropriation comes up, with their carpools. I hope the Senator will pursue his amendment at that point, or a similar amendment.

It seems to me that the Senator from Louisiana does take a good position.

I will say it is difficult where the vehicles are assigned to the agencies particularly out West, with all the powerlines and so forth, and the different uses where the cars are required. The carpools are really where the amendment should be directed.

Mr. ROTH. I appreciate the advice of the distinguished chairman and do intend to pursue it. I believe his point is very valid.

I am concerned, I will say to the distinguished Senator from Washington, when the figures show that we have one car for every six employees of the Federal Government. Unquestionably, many of those cars are essential and used in a business-like manner. At the same time, in the past the question of energy has not been the serious one it is today. I just think it is extraordinarily important if we are going to get the American people to do their utmost in this energy crisis to have them recognize that we are making real sacrifices and compromises of services that otherwise would have been satisfactory.

It may be that no one wants to hamstring any agency or any department in doing what is necessary. But I think most people feel, myself included, that when you look at the general figures of one car in six, under today's situation—that may have been all right 5 or 10 years ago, when we did not have that energy crisis, or at least, did not recognize it. But today, the situation has changed and we should make sure that we are taking a careful look, that vehicles are only used where absolutely essential.

With that understanding, I am happy to yield back the floor. I thank the distinguished Senator from Washington for his suggestion.

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

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSTON. I ask for third reading, Mr. President.

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 of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JOHNSTON. I yield such time, Mr. President, as he may want to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, the Senate is about to vote on H.R. 4388, the Energy and Water Development Appropriations bill for fiscal year 1980. As reported, the bill calls for budget authority of $10.8 billion and estimated outlays of $5.9 billion. In addition to the funds contained in this appropriations bill, it is anticipated that additional later requirements of at least $0.7 billion in budget authority and $0.5 billion in outlays will be necessary. Thus, H.R. 4388, along with anticipated later requirements, are projected to exceed first budget resolution targets by $0.4 billion in budget authority and $0.7 billion in outlays.

Mr. President, I realize that there have been major developments in the energy situation since the first budget resolution and that we may have to commit additional resources to encourage new energy supplies. President Carter is certainly correct when he says that we must give a high priority to solving the Nation's energy problems. Further energy initiatives will almost certainly result in new spending proposals which we will review during markup on the second budget resolution. A decision to make major new commitments to energy development, however, will require that Congress avoid unnecessary increases for low priority programs.

Unfortunately, Mr. President, it does not appear that this restraint is being exercised. Currently, it appears that the Appropriations Committee may actually exceed the amount allocated to it in the first budget resolution by up to $5.5 billion in budget authority and $4.6 billion in outlays when all regular appropriations bills and all fiscal year 1980 supplemental requirements are taken into account. This means that we now face the prospect that the fiscal year 1980 deficit may be increased by $5 to $6 billion. This fact, plus the expected economic slowdown, could result in a fiscal year 1980 deficit higher than fiscal year 1979. A deficit of this magnitude will fan the fires of inflation and further undermine public confidence in the ability of the Federal Government to develop sound fiscal policy.

Mr. President, I am certain that the chairman and members of the Appropriations Committee understand the need for fiscal restraint. It is not easy to resist strong pressures for increased spending, and I appreciate the efforts which the distinguished chairman (Mr. MAGNUSON) has made in an attempt to keep total funding levels within budget targets. The necessity for restraint will become even more important because of spending levels in this bill and the pressures which will be exerted to expand energy programs.

Failure to keep spending levels within first resolution targets will result in a reversal of the trend in the past 5 years of reducing the deficit and will virtually eliminate the possibility of the balanced budget in fiscal year 1981. I am certain that most Members of Congress, as well as the American public, would find such a situation totally unacceptable.

Mr. THURMOND. Mr. President, I rise in support of H.R. 4388, the Energy and Water appropriation bill for fiscal year 1980. I would especially like to thank the members of the Senate Appropriations Committee for their decision during deliberations on this bill to continue funding of the Barnwell nuclear fuel plant and a number of water projects in my State of South Carolina.

I particularly commend them for their wisdom and foresight in supporting the ongoing research activities at the Barnwell nuclear fuel plant. For the past 2 fiscal years, Congress has appropriated funds for research and development efforts at the Barnwell facility. I would like to assure my colleagues that money which Congress has given to talented technical staff has produced concrete results. For example, some very useful data has been provided to the Department of Energy for use in the 2-year international nuclear fuel cycle evaluation (INFCE). As a result of the fiscal year 1978 program, a plutonium heat spike concept was developed which would make plutonium in spent fuel less attractive for weapons purposes. Research has also been conducted on problems related to spent fuel receiving, handling, and storage.

Aside from these contributions in the research field, continued funding has so far prevented this very valuable facility from being prematurely "mothballed" before conclusions can be reached on the viability of alternative, proliferation-resistant fuel cycles and their possible applications to Barnwell. Mr. President, I continue to strongly favor commercial reprocessing at Barnwell and hope the present administration will ultimately see the wisdom of this course. However, even if this decision is not reversed, continued funding of Barnwell will facilitate development of alternative uses of the facility, such as safety training and military applications.

Furthermore, I would like to point out that the $11.5 million included in H.R. 4388 for the Barnwell plant represents a significant reduction from the fiscal year 1979 funding level of $18.5 million. This lower figure is in keeping with our efforts to reduce Federal spending, but it is sufficient to allow the BNFP staff to maintain the plant's capability and to contribute meaningful research and development results to the INFCE.

Mr. President, H.R. 4388 also contains funding for a number of Corps of Engineers' water projects in South Carolina. Construction projects, such as the Rich-

ard B. Russell Dam and the construction of a fifth power generation unit at Lake Hartwell, and the navigation projects in various rivers and harbors will be extremely beneficial to the continued economic growth of South Carolina and Georgia.

Mr. President, in addition to containing funding for a number of projects of special interest to the citizens of South Carolina, H.R. 4388 contains funds for a number of important programs in the Departments of Energy and Interior, as well as various independent agencies, including the Appalachian Regional Commission, Tennessee Valley Authority, Nuclear Regulatory Commission and others. The total amount appropriated is within the budget estimates, and, accordingly, I urge that the bill be passed.

● Mr. CRANSTON. Mr. President, I would like to ask the floor manager of the bill a question relating to the Bureau of Reclamation's feasibility study of the Mid-Valley Canal in California. As the floor manager knows, the President's fiscal year 1980 budget does not include any moneys for the Mid-Valley Canal. The Bureau of Reclamation recently suspended the study and is preparing a concluding report on the proposed Mid-Valley Canal because there is not presently an adequate supply of water for the project. The State of California and the farmers on the east side of the San Joaquin Valley want the Bureau of Reclamation to complete the feasibility study nevertheless. The Bureau has already invested $546,000 and 8 years in the study. I think that it makes little sense not to complete the study as additional water supplies may well be available in the future. Shasta Dam, for example, may be enlarged, thus providing the necessary water supply.

I understand that an appropriation of $150,000 in fiscal year 1980 would permit the Bureau of Reclamation to complete the Mid-Valley feasibility study. I have talked to the floor manager of the bill, and appreciate his concern about accepting any increases in this bill, regardless of the merit of the request. However, I understood the Senator from Louisiana to say that he would include funds for the Mid-Valley Canal study in the supplemental appropriations bill, or if there is no fiscal year 1980 supplemental, in the regular bill next year. Is that correct?

Mr. JOHNSTON. That is correct, based on the information that there are potential additional water supplies. In that case, we will fund the Mid-Valley Canal feasibility study in the next annual appropriations bill, either the fiscal year 1980 supplemental or the fiscal year 1981 bill, or possibly even a transfer of funds, or reprograming request.

Mr. CRANSTON. That being the case, would the Senator agree with me that the Bureau of Reclamation should resume the Mid-Valley study and not prepare the concluding report?

Mr. JOHNSTON. Yes, I agree with the Senator from California that the Bureau of Reclamation should keep the study open as we intend to follow up on this to see that the funds necessary to complete the Mid-Valley Canal feasibility study are made available.●

● Mr. MUSKIE. Mr. President, the Senate has before it H.R. 4388, the Energy and Water Development appropriation bill for fiscal year 1980.

The bill as reported provides $10.8 billion in new budget authority. Outlays associated with the bill total $5.9 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $11.1 billion in budget authority and $9.7 billion in outlays to the Energy and Water Development Subcommittee.

The funds provided by H.R. 4388 as reported, together with action completed or under way, plus possible later requirements known at this time put the subcommittee $0.4 billion above its budget authority allocation and $0.7 billion above its outlays allocation. This would not be consistent with the targets in the first budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be printed in the RECORD at this point.

H.R. 4388, Energy and water development appropriation bill, relationship to subcommittee's section 302(b) allocation

[$ in billions]

	Budget authority	Outlays
Subcommittee's section 302(b) allocation	11.1	9.7
Action completed or underway	—	4.1
H.R. 4388, as reported	10.8	5.9
Amount over (+) or under (−) subcommittee allocation	−0.3	+0.2
Possible later requirements:		
Energy supply	+0.5	+0.3
Water resources	+0.1	+0.1
October 1979 pay raises	+0.1	+0.1
Possible amount over (+) or under (−) subcommittee allocation	+0.4	+0.7

Even though this bill, together with possible later requirements will exceed the subcommittee's allocation, I support it. I realize, as I am sure my colleagues do, that events since the first budget resolution have developed a consensus in the Congress and in the country on broader based energy programs.

But, Mr. President, the Senate should be aware that there are serious pressures on the Appropriations Committee regarding the fiscal year 1980 budget. Unfortunately, there do not appear to be any compensating surpluses available in any other subcommittee allocations to make up for the overages in this bill. In fact, several other subcommittees may exceed their allocation when foreseeable supplemental requirements are taken into account.

It now appears that the Appropriations Committee may actually exceed the amount allocated to it in the budget resolution by up to $5.6 billion in budget authority and $4.7 billion in outlays when all the regular 1980 appropriation bills and all the 1980 supplemental requirements are taken into account.

We now face the prospect that these appropriations excesses may increase the 1980 deficit by as much as $5 to $6 billion. In fact, the combinations of these additional appropriations and the apparent economic slowdown threaten to drive the 1980 deficit higher than 1979. It now appears that the deficit for 1979 will be about $30 billion. Instead of the $23 billion figure we contemplated for the first resolution, it appears that the deficit for 1980 will rise by $6 billion. Taking into account the appropriation bill increases over the budget resolution, the deficit may rise to $34 or $35 billion, reversing the trend of the last 5 years and increasing the deficit to unacceptable levels.

Today, Mr. President, Senator BELLMON, the ranking Republican member of the Budget Committee, and I have written to the distinguished chairman of the Senate Appropriations Committee and his ranking member to discuss the total appropriations situation. In our letter we described the circumstances creating the pressures for these increases.

First, some other committees have failed to make about $1 billion in legislative savings contemplated in the budget resolution in appropriated programs.

Second, costs for some programs sanctioned by the resolution have risen unforeseeably.

Third, the President's new energy initiatives exceed those contemplated in the budget resolution by up to $2.9 billion in budget authority and $1.2 billion in outlays.

Fourth, for reasons apart from these first three causes, the Appropriations Committee itself has spent as much as $1.5 billion in budget authority and $1.2 billion in outlays above the budget resolution allocation to it.

In light of these increases, Mr. President, I hope that the Appropriations Committee will reduce other appropriations for fiscal year 1980 to make room for the supplemental needs now anticipated in the energy and Labor-HEW areas.

In the event that such reductions are not made, there will be no alternative but to support amendments to reduce appropriations which are not of compelling necessity at this time.

Finally, in the event floor amendments prove inadequate to reduce these increases for the first time a reconciliation instruction to the Appropriations Committee may be required in the second budget resolution.

Mr. President, support of the higher funding levels for the energy programs in this bill because of changed national priorities must not preclude close scrutiny of all future appropriations bills.

We will work with the Appropriations Committee and do everything possible to assure that the deficit for fiscal year 1980 remains below the fiscal year 1979 deficit.●

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays on passage.

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

The yeas and nays were ordered.

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

The PRESIDING OFFICER. Is all time yielded back?

Mr. BELLMON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Are there other Senators present desiring to vote?

Are there others present desiring to vote?

The result was announced—yeas 90, nays 6, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—90

Armstrong	Hart	Muskie
Baucus	Hatch	Nelson
Bayh	Hatfield	Nunn
Bellmon	Hayakawa	Packwood
Bentsen	Heflin	Pell
Boren	Heinz	Percy
Boschwitz	Hollings	Pressler
Bradley	Huddleston	Pryor
Bumpers	Humphrey	Randolph
Burdick	Inouye	Ribicoff
Byrd, Robert C.	Jackson	Riegle
Cannon	Javits	Sarbanes
Chiles	Jepsen	Schmitt
Church	Johnston	Schweiker
Cochran	Kassebaum	Simpson
Cohen	Kennedy	Stafford
Cranston	Laxalt	Stennis
Culver	Leahy	Stevens
Danforth	Levin	Stewart
DeConcini	Long	Stone
Dole	Lugar	Talmadge
Durenberger	Magnuson	Thurmond
Durkin	Mathias	Tower
Eagleton	Matsunaga	Tsongas
Exon	McClure	Wallop
Ford	McGovern	Warner
Garn	Melcher	Weicker
Glenn	Metzenbaum	Williams
Goldwater	Morgan	Young
Gravel	Moynihan	Zorinsky

NAYS—6

Biden	Chafee	Roth
Byrd, Harry F., Jr.	Helms	
	Proxmire	

NOT VOTING—4

Baker	Sasser	Stevenson
Domenici		

So the bill (H.R. 4388) was passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Messrs. JOHNSTON, STENNIS, MAGNUSON, ROBERT C. BYRD, HOLLINGS, HUDDLESTON, BURDICK, SASSER, DECONCINI, HATFIELD, YOUNG, SCHWEIKER, BELLMON, MCCLURE, GARN, and SCHMITT conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, for the third time today, I compliment Mr. JOHNSTON.

The Energy and Water Development appropriations bill, considered by the Senate today is a complex measure which contains vitally important projects. The distinguished Senator from Louisiana (Mr. JOHNSTON) has managed this bill admirably under trying circumstances. As chairman of the Energy and Water Subcommittee of the Appropriations Committee, he has overseen the formulation of this bill in great detail.

The distinguished Senator from Oregon (Mr. HATFIELD) has contributed in equal measure to the consideration of this bill. His long experience as ranking member of the subcommittee provided additional expertise to the Senate in its deliberations on the Energy and Water Development bill.

Two key areas of national policy are affected by this measure—energy research and development and improvement of our water resources. In many cases, these two issues are inseparable. Hydroelectric projects are the prime examples of that fact. Transportation of energy resources is facilitated by the improvements to navigable waterways included in the bill.

Basic science research carried out by the Department of Energy is funded at a level which will provide the maximum amount of benefit for each dollar. More advanced research into solar power is provided for in order for the United States to have as many energy options available as possible.

In short, the Energy and Water Development appropriations bill coupled with the Interior appropriations bill, which we will consider at a later point, provide a sound structure on which to shape our energy policy and promote the efficient use of our natural resources.

Once again, I commend the subcommittee for its fine work on this difficult matter.

Mr. JOHNSTON. I thank the majority leader.

Mr. President, I thank again the distinguished ranking majority member, Senator HATFIELD, and his excellent staff for the cooperation we have had throughout this bill. It really has been a team effort and a bipartisan effort.

I especially thank Proctor Jones, Dave Gwaltney, and Mrs. Gloria Butland, of the committee staff, who have worked day and night, literally, sometimes through the night, for days on end, to put together a very difficult bill.

I think we have an excellent bill here, one that has been well thought out.

I thank all those responsible for their help in getting the bill passed.

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

Mr. JOHNSTON. I yield.

Mr. MAGNUSON. Mr. President, as chairman of the Appropriations Committee, I congratulate the Senator for the fine work that has been done on this bill. I know how difficult it is. It is not necessarily the most complex bill. I will not give way to the HEW bill. It is next to the HEW bill in complexity.

Proctor and the others have done a tremendous amount of work. I do not know how many witnesses the committee heard this year. I recall that I used to hear 600 or 700 witnesses.

Mr. JOHNSTON. More than 2,000 appeared this year. We have large groups and delegations—and about 700 or 800 witnesses presented testimony.

Mr. MAGNUSON. It is a tremendous job, and I congratulate the Senator from Louisiana as well as the Senator from Oregon for the way the bill was handled on the floor.

Mr. JOHNSTON. I thank the distinguished chairman of the full committee, who has been a great help in getting this bill passed. He attended many of our committee meetings and has been a great help.

Also, the distinguished ranking minority member, Senator YOUNG, I believe, attended every meeting of the committee. He is an expert on water resource matters as well as an expert on energy, and he has been a great help with the bill.

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

Mr. JOHNSTON. I yield.

Mr. YOUNG. Mr. President, this bill has become much more complicated than it used to be. I would not want to be the ranking minority member on the subcommittee now.

The energy part of it is so vast and complicated now that I do not know how the committee can even deal with it. The excellent staff is most helpful.

I commend both the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Oregon (Mr. HATFIELD) for the fine job they have done and for the patience and understanding they have exhibited. I also commend the able staff members on both sides, especially Proctor Jones, who I consider one of the most able staff members in the Senate.

Mr. JOHNSTON. I thank the Senator, and I share the Senator's opinion of Proctor Jones.

EXPORT ADMINISTRATION ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 737, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 737) to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and

Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Export Administration Act of 1979".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.

(2) Exports contribute significantly to the balance of trade, employment, and production of the United States.

(3) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

(4) Exports of goods or technology without regard to whether they make a significant contribution to the miltary potential of individual countries or combinations of countries may adversely affect the national security of the United States.

(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

(6) Uncertainty of export control policy can curtail the efforts of American business to the detriment of the overall attempt to improve the trade balance of the United States and to decrease domestic unemployment.

(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

DECLARATION OF POLICY

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States to minimize uncertainties in export control policy and to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(2) It is the policy of the United States to restrict the ability to export only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to prevent the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States;

(B) to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and

(C) to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(3) It is the policy of the United States (A) to apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to encourage observance of a uniform export control policy by all nations with which the United States has defense treaty commitments.

(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States—

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person;

(B) to encourage and, in specified cases, require United States persons engaged in the export of goods and technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person; and

(C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular goods or technology or other information to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on exports from the United States. No action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.

(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States or to the security of those countries with which the United States has defense treaty commitments.

AUTHORITY

SEC. 4. (a)(1) To the extent necessary to carry out the policies set forth in section 3 of this Act, the President, by rule or regulation, may prohibit or curtail the export of any goods or technology, or for the purpose of section 5 information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. In curtailing exports to carry out the policy set forth in section 3(2)(C) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.

(2)(A) In administering export controls for national security purposes as prescribed in section 3(2)(A) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may deem appropriate. The President shall review not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence.

(B) Rules and regulations under this subsection to carry out the policy set forth in section 3(2)(A) of this Act may provide for denial of any request or application for authority to export goods or technology from the United States, its territories and possessions, which would make a significant contribution to the military potential of any nation or combination of nations theatening the national security of the United States if the President determines that their export could prove detrimental to the national security of the United States. In administering export controls for national security purposes as prescribed in section 3(2)(A) of this Act, priority shall be given to preventing the effective transfer to countries to which exports are controlled for national security purposes of goods and technology critical to the design, development, production, or use of military systems which would make a significant contribution to the military potential of any nation or nations which could prove detrimental to the national security of the United States. The Secretary of Commerce, in consultation with the Secretary of Defense, shall review and revise not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, export controls maintained for national security purposes pursuant to this Act for the purpose of insuring that such controls are limited, to the maximum extent possible consistent with the purposes of this Act, to such militarily critical goods and technologies and the mechanisms through which they may be effectively transferred.

(C) Export controls maintained for foreign policy purposes shall expire on December 31, 1979, or one year after imposition, whichever is later, unless extended by the President in accordance with this subparagraph and subparagraph (D). Any such extension and any subsequent extension shall not be for a period of more than one year. When imposing, increasing, or extending export controls for foreign policy purposes pursuant to the authority provided by this Act, the President shall consider—

(i) alternative means to further the foreign policy purposes in question;

(ii) the likelihood that foreign competitors will join the United States in effectively controlling such exports;

(iii) the probability that such controls will achieve the intended foreign policy purpose;

(iv) the effect of such controls on United States exports, employment, and production, and on the international reputation of the United States as a supplier of goods and technology;

(v) the reaction of other countries to the imposition or enlargement of such export controls by the United States; and

(vi) the foreign policy consequences of not imposing controls.

(D) Whenever the President imposes, increases, or extends export controls for foreign policy purposes pursuant to authority provided by this Act, he shall inform the Congress of his action within thirty days and, to the extent consistent with the national interest, make public a report specifying his conclusions with respect to each of the matters considered as provided in subparagraph (C) of this paragraph and indicating how such export controls will further significantly the foreign policy of the United States or fulfill its declared international obligations.

(E) The President shall not impose export controls for foreign policy or national security purposes on the export from the United States of goods or technology which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the foreign policy or national security of the United States. Where, in accordance with this paragraph, export controls are imposed for foreign policy or national security purposes notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability.

(b)(1) Except as otherwise provided in this Act, the Secretary of Commerce shall reorganize the Department of Commerce as necessary to effectuate the policies set forth in this Act. The Secretary of Commerce shall prepare and maintain a list of goods and technology the export of which from the United States, its territories and possessions, is prohibited or regulated pursuant to this Act. The Secretary shall review such list not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, in order to make promptly such changes and revisions as may be necessary or desirable in furtherance of the policies set forth in this Act. The Secretary shall include in each review an assessment of the availability from sources outside the United States, its territories and possessions, of goods and technology in significant quantities and comparable in quality to those items included on such list. In order to further effectuate the policies set forth in this Act, the Secretary shall establish within the Office of Export Administration a capability for monitoring and gathering information on the foreign availability of goods and technology subject to export control.

(2) The Secretary of Commerce shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging trade. The Secretary shall meet regularly with representatives of the business sector in order to obtain their views on export control policy and the foreign availability of goods and technology.

(c)(1)(A) To effectuate the policies set forth in this Act, the Secretary of Commerce shall establish at least the following three types of licenses in addition to such other types as the Secretary may deem appropriate:

(i) A validated license.

(ii) A qualified general license.

(iii) A general license.

(B) As used in this subsection—

(i) a "validated license" is a license authorizing the export of goods or technology pursuant to an application by an exporter in accordance with rules and regulations issued pursuant to this Act. A validated license may be required for the export of goods and technology subject to multilateral controls in which the United States participates or as determined pursuant to paragraph (2) of this subsection;

(ii) a "qualified general license" is a license authorizing the export to any destination of goods or technology, or a class of goods or technology, subject to the conditions contained in rules and regulations issued pursuant to this Act, including conditions pertaining to approval of the particular consignee and end-use of the goods or technology. The goods and technology subject to control by qualified general license shall be determined pursuant to paragraph (2) of this subsection; and

(iii) a "general license" is a license authorizing the export of a class of goods or technology without specific approval if the export is effected in accordance with the conditions contained in rules and regulations issued pursuant to this Act.

(2) To effectuate the policies set forth in section 3 of this Act, it is the intent of Congress that the use of validated licenses be limited to the greatest extent possible to the control of the export of goods and technology which are subject to multilateral controls in which the United States participates. To the extent that the President determines that the policies set forth in section 3 of this Act require the control of the export of other goods and technology, or more stringent controls than the multilateral controls, he will report to the Congress not later than six months after the date of enactment of this Act, and thereafter in each annual report, the reasons for the need to impose, or to continue to impose, such controls. It is further the intent of Congress that export controls which exceed the multilateral controls shall be effected to the greatest extent possible consistent with the purposes of this Act by means of qualified general licenses.

(3) Not later than sixty days after the date of enactment of this Act, the Secretary of Commerce shall establish procedures for the approval of goods and technology that may be exported pursuant to a qualified general license.

(d)(1)(A) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this subsection.

(B) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

(C) To the extent necessary, the Secretary shall seek information and recommendations from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. These departments and agencies shall cooperate fully in rendering such information and recommendations.

(2) Within ten days after the date on which any export license application is received, the Secretary shall—

(A) send the applicant an acknowledgement of the receipt of the application and the date of the receipt;

(B) submit to the applicant a written description of the procedures required by this subsection, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

(C) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this subsection;

(D) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred; and

(E) determine whether it is necessary to submit the application to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, if so, inform the applicant of this requirement.

(3) In each case in which the Secretary determines that it is not necessary to submit an application to any other agency for its information and recommendations, a license shall be formally issued or denied within ninety days of the receipt of a properly completed application, unless additional time is required and the applicant specifically requests an extension.

(4) In each case in which the Secretary determines that it is necessary to submit an application to any other agency for its information and recommendations, the Secretary shall, within thirty days of the receipt of a properly completed application—

(A) submit the application together with all necessary analysis and recommendations of the Department of Commerce concurrently to other appropriate agencies; and

(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation to be submitted to such other agencies with respect to such application for the purpose of describing the export in question in order to determine whether such documentation accurately describes the proposed export.

(5)(A) Any agency to which an application is submitted pursuant to paragraph (4) shall submit to the Secretary, within thirty days after its receipt of the application, the information or recommendations requested with respect to such application. Except as provided in subparagraph (B), any such agency which does not submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the Secretary to have no objection to the approval of such application.

(B) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in subparagraph (A) for submission of its recommendations that more time is required for review by such agency, such agency shall have an additional thirty-day period to submit its recommendations to the Secretary. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the Secretary to have no objection to the approval of such application.

(6)(A) Within ninety days after receipt of other agency recommendations, as provided for in paragraph (5), the Secretary shall formally issue or deny a license, unless additional time is required and the applicant

specifically requests an extension. In deciding whether to issue or deny a license, the Secretary shall take into account any recommendation of an agency advising on the application in question. In cases where the Secretary receives conflicting recommendations, the Secretary shall, within the ninety days provided for in this subsection, take such action as may be necessary to resolve such conflicting recommendations.

(B) In cases where the Secretary receives questions or negative considerations or recommendations from other agencies advising on an application, the Secretary shall, to the maximum extent consistent with the national security or foreign policy of the United States, inform the applicant of the specific questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

(C) In cases where the Secretary has determined that an application should be denied, at the time of the formal denial, the applicant shall be informed, to the maximum extent consistent with the national security or foreign policy of the United States, of the specific reasons for such denial.

(7)(A) Notwithstanding any other provision of this subsection, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to recommend to the President that such export be disapproved,

(B) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the Secretary, and confirm in writing the types and categories of transactions which should be received by him in order to make a determination referred to in subparagraph (A). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the Secretary shall notify the Secretary of Defense of such request, and the Secretary may not issue any license or other authority pursuant to such request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subparagraph and, not later than thirty days after notification of the request, shall—

(i) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

(ii) notify the Secretary that he would recommend approval subject to specified conditions; or

(iii) recommend to the Secretary that the export of goods or technology be approved.

If the President notifies the Secretary, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

(C) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this paragraph, and, to the extent applicable in accordance with the time periods and procedures otherwise set forth in this subsection.

(8) In any case in which an application, which has been finally approved under paragraph (4), (7), or (8) of this subsection, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such paragraphs, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the Secretary subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review.

(9) The Secretary and any agency to which any application is referred under this subsection shall keep accurate records with respect to all applications considered by the Secretary or by any such agency.

(e)(1) To effectuate the policy set forth in section 3(2)(C) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any goods (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy, any sector thereof, or any industry or substantial segment thereof. Such monitoring shall commence at a time adequate to insure that data will be available which is sufficient to permit achievement of the policies of this Act, and shall include the gathering of data concerning the volume of exports indicated under all contracts providing for the export of such goods following the date of the filing of the petition under section 7(a)(1). Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection and in the last two sentences of section 10(c) of this Act.

(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each item monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(f) In imposing export controls to effectuate the policy stated in section 3(2)(C) of this Act, the President's authority shall include but not be limited to, the imposition of export license fees.

(g)(1) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), no domestically produced crude oil transported by pipeline over right-of-way granted pursuant to the requirements of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653) (except any such crude oil which (A) is exported, for the purpose of effectuating an exchange in which the crude oil is exported to an adjacent foreign state to be refined and consumed therein, in exchange for the same quantity of crude oil being exported from that state to the United States; such exchange must result through convenience or increased efficiency of transportation in lower prices for consumers of petroleum products in the United States as described in paragraph (2)(A)(ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) the President makes and publishes an express finding that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity or quality of petroleum refined within, stored within, or legally committed to be transported to and sold within the United States;

(ii) will, within three months following the initiation of such exports or exchanges, result in (a) acquisition costs to the refiners being lower than the acquisition costs such refiners would have to pay for the domestically produced crude oil in the absence of such an export of exchange and (b) that not less than 75 per centum of the savings shall be reflected in reduced wholesale and retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contract which may be terminted if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are clearly necessary to protect the national interest; and

(v) are in accordance with the provisions of this Act; and

(B) the President reports such finding to the Congress and the Congress within sixty days thereafter passes a concurrent resolution of approval.

(3) Notwithstanding the foregoing provisions of this subsection or any other provision of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil otherwise subject to this subsection to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act, provided, that the President promptly notifies Congress of each such agreement.

(h) Petroleum products refined in United States Foreign Trade Zones, or in the United States Territory of Guam, from foreign crude oil shall be excluded from any quantitative restrictions imposed pursuant to section 3(2)(C) of this Act, except that, if the Secretary of Commerce finds that a product is in short supply, the Secretary of Commerce may issue such rules and regulations as may be necessary to limit exports.

(i)(1) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in sections 3(2)(A) or (B) of this Act. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity unless he has (i) given full consideration to the alternative of using the Commodity Credit Corporation to purchase such commodity and arrange sales to foreign governments in accordance with the provisions of the Commodity Credit Corporation Charter Act so as to stabilize markets and maximize returns to agricultural producers, and (ii) determined that export controls are preferable to such use of the au-

thority granted by the Commodity Credit Corporation Charter Act.

(2) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(C) of this Act subsequent to such approval. The Secretary of Commerce may not grant approval hereunder unless he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds (A) that such commodities will eventually be exported, (B) that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, (C) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and (D) that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.

(j) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.

(k) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate, except that no authority under this Act may be delegated to, or exercised by, any official of any department or agency the head of which is not appointed by and with the advice and consent of the Senate.

(l)(1) Any United States firm, enterprise, or other nongovernmental entity which, for commercial purposes, enters into an agreement with an agency of a government in another country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary of Commerce.

(2) The provisions of this subsection shall not apply to colleges, universities, or other educational institutions.

(3) The Secretary of Commerce is authorized to issue such rules and regulations as are necessary to implement the provisions of this subsection.

(m) The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for negotiations with other countries regarding their cooperation in restricting the export of goods and technologies whose export should be restricted pursuant to section 3(9) of this Act, as authorized under section 4(a)(1) of this Act, including negotiations on the basis of approved administration positions as to which goods and technologies should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

(n) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee (hereinafter in this subsection referred to as the "Committee") with a view toward reaching—

(A) an agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such list, and all changes thereto;

(B) an agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of providing guidance on export control policy issues to the Committee;

(C) an agreement to modify the scope of the export controls imposed by agreement of the Committee to a level accepted and enforced by all governments participating in the Committee; and

(D) an agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

(o) In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (b)(1) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other Government agency objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list. Consideration shall also be given by the Secretary, where appropriate, to removing site visitation requirements for goods and technology which are removed from the above-mentioned list unless objections described in this subsection are raised.

(p)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horse with respect to which a waiver has been granted under paragraph (2) of this subsection.

(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.

FOREIGN BOYCOTTS

SEC. 5. (a)(1) For the purpose of implementing the policies set forth in section 3(5)(A) and (B), the President shall issue rules and regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of rules and regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary of Commerce.

(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) Rules and regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms on or after June 22, 1978, other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with

export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regardng requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations.

(3) Rules and regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) Rules and regulations pursuant to this subsection shall be issued not later than ninety days after the date of enactment of this section and shall be issued in final form and become effective not later than one hundred and twenty days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than one year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to a written contract or other agreement entered into on or before May 16, 1977. Such grace period shall end on December 31, 1978, except that the Secretary of Commerce may extend the grace period for not to exceed one additional year in any case in which the Secretary finds that good faith efforts are being made to renegotiate the contract or agreement in order to eliminate the provisions which are inconsistent with the rules and regulations issued pursuant to paragraph (1).

(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b)(1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(a) of this Act shall implement the policies set forth in section 3(5).

(2) Such rules and regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 3(5) shall report that fact to the Secretary of Commerce, together with such other information concerning such request as the Secretary may require for such action as he may deem appropriate for carrying out the policies of that section. Such person shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any goods or technology to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem appropriate for carrying out the policies set forth in section 3(5) of this Act.

(c) The provisions of this section and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental sudivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

SEC. 6 (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

(b) Not later than thirty days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary deems appropriate.

(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

(1) whether denial would cause a unique hardship to the petitioner which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

(B) potential serious financial loss to the applicant if not granted an exception;

(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity; and

(2) the effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the petitioner.

PETITIONS FOR MONITORING OR CONTROLS

SEC. 7. (a)(1) Any entity, including a trade association, firm, or certified or recognized union or group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or commodity may transmit a written petition to the Secretary of Commerce requesting the imposition of export controls, or the monitoring of exports, or both, with respect to such material or commodity.

(2) Each petition shall be in such form as the Secretary of Commerce shall prescribe and shall contain information in support of the action requested.

(b) Within fifteen days of receipt of any petition described in subsection (a), the Secretary of Commerce shall cause to be published a notice in the Federal Register. The notice shall include (1) the name of the material or commodity which is the subject of the petition, (2) the Schedule B number of the material or commodity as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (3) whether the petitioners is requested that control or monitoring, or both, be imposed with respect to the exportation of such material or commodity, and (4) provide that interested persons shall have a period of thirty days commencing with the date of publication of such notice to submit to the Secretary of Commerce written data, views, or arguments, with or without opportunity for oral presentation. At the request of any person, the Secretary shall conduct public hearings with respect to the subject of the petition, in which event the thirty-day period shall be extended to forty-five days.

(c) Within thirty days after the end of the thirty-day or forty-five-day period described in subsection (b), the Secretary of Commerce shall—

(1) determine whether to impose monitoring or controls or both on the exportation of such material or commodity; or

(2) publish in the Federal Register a detailed statement of the reasons for such determination.

(d) Within fifteen days following a decision under subsection (c) to impose monitoring or controls on the exportation of a material or commodity, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within thirty days following the publication of such notice, and after considering any public comments, the Secretary shall publish and implement final regulations.

(e) The procedures and time limits set forth in this section shall take precedence over any review undertaken at the initiative of the Secretary.

(f) The Secretary shall have the authority to impose monitoring or controls on a temporary basis during the period following the filing of a petition under subsection (a)(1) and his determination under subsection (c) if he deems such action to be necessary to

effectuate the policy set forth in section 3(2)(C) of this Act.

(g) The authority under this section shall not be construed to affect the authority of the Secretary of Commerce under any other provision of this Act.

CONSULTATION AND STANDARDS

SEC. 8. (a) In determining what shall be controlled or monitored under this Act, and in determining the extent to which exports shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Such departments and agencies shall fully cooperate in rendering such advice and information. Consistent with considerations of national security, the President shall seek information and advice from various segments of private industry in connection with the making of these determinations. In addition, the Secretary of Commerce shall consult with the Secretary of Energy to determine whether, in order to effectuate the policy stated in section 3(2)(C) of this Act, monitoring or controls are necessary with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels.

(b)(1) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

(2) Upon imposing quantitative restrictions on exports of any goods to carry out the policy stated in section 3(2)(C) of this Act, the Secretary of Commerce shall include in the notice published in the Federal Register an invitation to all interested parties to submit written comments within fifteen days from the date of publication of the impact of such restrictions and the method of licensing used to implement them.

(c)(1) Upon written request by representatives of a substantial segment of any industry which produces goods or technology which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, or whenever he deems appropriate to further the purposes of this Act, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such goods or technology which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and government, including the Departments of Commerce, Defense, and State, and, when appropriate, other Government departments and agencies. No person serving on any such committee who is representative of industry shall serve on such committee for more than four consecutive years.

(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(e) with respect to actions designed to carry out the policy set forth in section 3 of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees.

(3) Upon request of any member of any such committee, the Secretary may, if he determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by him in connection with his duties as a member.

(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee.

(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security and foreign policy, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of goods or technology with respect to which that committee furnishes advice.

(6) Whenever a technical advisory committee certifies to the Secretary of Commerce that goods or technology are available in fact from sources outside the United States in sufficient quantity and of comparable quality so as to render United States export controls ineffective in achieving the purposes of this Act, and provides adequate documentation for such certification, the Secretary of Commerce shall investigate and report to the technical advisory committee on whether the Secretary concurs with the certification. If the Secretary concurs, the Secretary shall submit a recommendation to the President who shall act in accordance with section 4(a)(2)(E) of this Act.

VIOLATIONS

SEC. 9. (a) Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both.

(b) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned not more than ten years, or both.

(c)(1) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed $10,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(2)(A) The authority under this Act to suspend or revoke the authority of any United States person to export goods or technology may be used with respect to any violation of the rules and regulations issued pursuant to section 5(a) of this Act.

(B) Any admininstrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 5(a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the rules and regulations issued pursuant to section 5(a) of this Act shall be made available for public inspection and copying.

(d) The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

(e) Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within two years after payment, on the ground of a material error of fact or law in the imposition. Notwithstanding section 1346(a) of title 28, United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues neecssary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Nothing in subsection (c), (d), or (f) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;

(2) the authority to compromise and settle administrative proceedings brought with re-

spect to violations of this Act, or any regulation, order, or license issued under this Act; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

SEC. 10. (a) To the extent necessary or appropriate to the enforcement of this Act or to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443; 49 U.S.C. 46) shall apply with respect to any individual who specifically claims such privilege.

(c) Except as otherwise provided by the third sentence of section 5(b)(2) and by section 9(c)(2)(C) of this Act, information obtained under this Act, which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552(b)(3)(B) of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary of Commerce determines that the withholding thereof is contrary to the national interest. Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under section 4(b), shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.

(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 11. (a) Except as provided in section 9(c)(2), the functions exercised under this Act are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(b) It is the intent of Congress that, to the extent practicable, all regulations imposing controls on exports under this Act be issued in proposed form with meaningful opportunity for public comment before taking effect. In cases where a regulation imposing controls under this Act is issued with immediate effect, it is the intent of Congress that meaningful opportunity for public comment also be provided and that the regulation be reissued in final form after public comments have been fully considered. The Secretary shall include in the annual report required by this Act a detailed accounting of the issuance of regulations under the authority of this Act, including an explanation of each case in which regulations were not issued in accordance with the first sentence of this subsection.

ANNUAL REPORT

SEC. 12. (a) The Secretary of Commerce shall make an annual report to the President and to the Congress on the implementation of this Act.

(b) Each annual report shall include an accounting of—

(1) actions taken by the President and the Secretary of Commerce to effect the anti-boycott polices set forth in section 3(5) of this Act;

(2) organizational and procedural changes instituted and any reviews undertaken in furtherance of the policies set forth in this Act;

(3) efforts to keep the business sector of the Nation informed about policies and procedures adopted under this Act;

(4) any changes in the exercise of the authorities of section 4(a) of this Act;

(5) the results of review of United States policy toward individual countries called for in section 4(a)(2)(A);

(6) the results, in as much detail as may be included consistent with the national security and the need to maintain the confidentiality of proprietary information, of the actions, including reviews and revisions of export controls maintained for national security purposes, required by section 4(a)(2)(B);

(7) actions taken pursuant to section 4(b)(1), including changes made in control lists and assessments of foreign availability;

(8) evidence demonstrating a need to impose export controls for national security or foreign policy purposes in the face of foreign availability as set forth in section 4(a)(2)(E);

(9) the information contained in the reports required by section 4(e)(2) of this Act, together with an analysis of—

(A) the impact on the economy and world trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;

(B) the worldwide supply of such commodities; and

(C) actions being taken by other nations in response to such shortages or increased prices;

(10) delegations of authority by the President as provided for under section 4(k) of this Act;

(11) the progress of negotiations under section 4(n) of this Act;

(12) the number and disposition of export license applications taking more than 90 days to process pursuant to section 4(d) of this Act;

(13) consultations undertaken with technical advisory committees pursuant to section 8(c) of this Act, the use made of advice given, and the contribution such committees made in carrying out the policies of this Act;

(14) violations of the provisions of this Act and penalties imposed pursuant to this Act; and

(15) any revisions to reporting requirements prescribed in section 10(d).

(c) The heads of other involved departments and agencies shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce to complete the annual reports.

DEFINITIONS

SEC. 13. As used in this Act—

(1) the term "person" includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof;

(2) the term "United States person" means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President;

(3) the term "goods" means any article, material, supply or manufactured product, including inspection and test equipment, and excluding technical data; and

(4) the term "technology" means the information and know-how that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data, but not the goods themselves.

EFFECTS ON OTHER ACTS

SEC. 14. (a) The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tinplate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with the authority exercised under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) On October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (22 U.S.C. 1611–1613d), is superseded.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1980, unless previously and specifically authorized by legislation.

(b) There are authorized to be appropriated to the Department of Commerce $8,000,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs) for fiscal year 1980 to carry out the purposes of this Act, of which $1,250,000 shall be available only for purposes of establishing and maintaining the capability to make foreign availability assessments called for by section 4(b)(1).

EFFECTIVE DATE

SEC. 16. (a) This Act takes effect upon the expiration of the Export Administration Act of 1969.

(b) All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 or section 6 of the Act of July 2, 1940 (54 Stat. 714), or the Export Administration Act of 1969 shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 17. The authority granted by this Act terminates on September 30, 1983, or upon any prior date which the President by proclamation may designate.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, S. 737 will be set aside, and the Senate will proceed to the consideration of H.R. 4387, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I ask unanimous consent that Andrew Jacobs, of the Agriculture Appropriations Subcommittee staff, be granted the privilege of the floor during the consideration of H.R. 4387.

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

Mr. EAGLETON. Mr. President, after I deliver my opening statement, I will yield to the Senator from Oklahoma (Mr. BELLMON). I must then leave the floor temporarily to introduce a witness at a confirmation hearing, and I will be absent during Senator BELLMON's statement.

Mr. President, the 1980 agriculture appropriations bill includes $16,840,597,000 in budget authority, plus $1,831,086,000 in section 32 transfers and $84,726,000 in other transfers, for total obligational authority of $18,756,409,000.

In gross terms, the bill is $1,482,937,000 less than the President's request in budget authority, and $1,278,208,000 less than the total obligational authority requested in the budget, but these figures mask the real totals because of the food stamp authorization ceiling which has resulted in an unrealistically low food stamp figure in the bill. As I explained earlier, this could require some $2.4 billion more than is included in the bill.

Making adjustments for food stamps, section 32 receipts which were higher than estimated in the President's budget, and the home ownership assistance program, which is unusual in that it is a 33-year housing program, the bill before the Senate, according to the calculations of the committee staff, is actually $189 million more than the President's budget in new budget authority. This is shown on table I attached.

Mr. President, review of this bill has been a difficult task this year, given the competing pressures of fiscal tightness in overall budget and the many requests from both outside groups and Members of the Congress as well. Outside witnesses appearing before the committee requested total add-ons to the budget of $2.9 billion in budget authority. Senators appearing before the committee or communicating their views to us, requested add-ons to the budget of about $700 million. We have tried to fashion a reasonable bill that adds in the items that are of most merit, but keeps these add-ons to a minimum.

The committee report contains a section on pages 7 and 8 that summarizes major changes to the House bill, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

Now, I would like to summarize what is in the bill by title.

Title I, agricultural programs, includes:

The sum of $859,515,000 for the Science and Education Administration, including $370,679,000 for agricultural research in-house, $198,484,000 for cooperative research, and $274,767,000 for extension. The grand total for all SEA programs is $59.8 million above the budget and $16.9 million above the House allowance. Included here are many restorations of items cut in the budget, and funding for the competitive grants progam as well as formula grant programs.

The sum of $248,241,000 for the Animal and Plant Health Inspection Service, a figure which is $27,265,000 above the budget and $10,658,000 above the House figure. Included here are funds for plant and animal disease and pest control, including a significant increase to fund a 10-year brucellosis eradication program.

The sum of $278,430,000 for activities of the Food Safety and Quality Service. This principally involves meat, poultry and egg inspection, as well as voluntary grading activities.

The sum of $334,935,000 including both appropriations and transfers, for salaries and expenses of the Agricultural Stabilization and Conservation Service, principally to run the farm price support programs.

The sum of $3,056,189,000 for reimbursements for net realized losses of the Commodity Credit Corporation for prior year price support and loan programs.

In title II, rural development programs, the bill provides $5 billion for loans and programs of the rural housing insurance fund. This includes various low, moderate and above-moderate income programs, as well as the new home ownership assistance program (HOAP).

This title also provides $2.7 billion for loans and programs of the agricultural credit insurance fund, including $870 million in authorizations for farm ownership and $875 million for farm operating loans.

For the rural development insurance fund, the bill includes a total authorization of $2.1 billion. This fund finances water and sewer facility loans, as well as business and industrial loans, which are authorized at the $1.1 billion level.

Grants for various rural development programs are also included in this title, totaling $377.7 million, and involving $300 million for water and waste disposal, section 111 rural development planning, business and industrial and other programs.

Salaries and expenses of the Farmers Home Administration total $228,278,000 in the bill. Also funded in this title are salaries and expenses for the Rural Electrification Administration for $26,045,000, along with loan authorizations of $850 million for electric loans and $250 million for telephone loans.

For the Soil Conservation Service, a total of $564,134,000 is included. This involves over $254 million for conservation operations and technical assistance, $162.5 million for watershed and flood prevention operations under Public Laws 566 and 534, $32 million to begin a 3-year closeout of the resource conservation and development program, and $75 million for a new rural clean water program.

The bill also includes $225 million for conservation programs of the ASCS, including $190 million for the agricultural conservation program.

For title III, domestic programs, the bill includes $8,528,987,000, funding all of the child nutrition programs, the special milk program, the special supplemental feeding programs, food stamps, food donations as well as the necessary food program administration of the Food and Nutrition Service.

For title IV, international programs, the bill includes $56,807,000 for the Foreign Agricultural Service for agricultural attaches and market development activities, plus authority for the various titles of food for peace, Public Law 480. Here, the committee recommends funding the budget request, using available unobligated balances.

Title V of the bill includes $353,534,000 to finance activities of the Food and Drug Administration and the Commodity Futures Trading Commission. Included in this title is $27 million to fund an urgently needed new laboratory building for the Food and Drug Administration.

Title VI includes various general provisions, most of which have previously appeared in agriculture appropriations acts. A new provision would mandate that whenever personnel ceilings result in savings of salaries and expense funding, these savings revert to the Treasury without rescission, instead of becoming available for expenditure for nonpersonnel costs.

There is one final matter concerning budgetary scorekeeping. Page 3 of the committee report on the bill includes a budgetary impact table that was prepared by CBO. This table is somewhat misleading, in that all amounts counted against the Agriculture Subcommittee's allocations are not shown thereon. I have included a table at the conclusion of my remarks, showing that the bill as reported is $1,633,000,000 under the subcommittee allocation for budget authority and $1,631,000,000 under the subcommittee allocation for outlays. Of course,

neither amount takes into account any future supplementals required, including food stamps which I discussed earlier.

Mr. President, I ask unanimous consent that pertinent material be printed in the RECORD.

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

HIGHLIGHTS OF MAJOR CHANGES RECOMMENDED TO HOUSE BILL

Highlights of major recommendations and changes to the House bill are:

Science and Education Administration (Agricultural Research).—The Committee concurs in the House action to retain in-house laboratory funding at the 1979 level, except for nonrecurring and completed projects. Other small adjustments have been made in numerous programs.

Science and Education Administration (Cooperative Research).—The Committee recommends an appropriation of $119,566,000 for Hatch Act grants, $4,500,000 more than the House allowance.

The Committee recommends funding a competitive grants program of $25,000,000, $5,000,000 below the budget request, but has also recommended deleting $20,000,000 of House-added special grants. Also included in the bill is $10,000,000 for formula grants for animal health and disease research.

Science and Education Administration (Extension).—The Committee added $5,000,000 to fully fund retirement costs as well as $9,500,000 for grants under the Smith-Lever Act, but deleted House-proposed increases for rural development, farm safety, urban gardening, and the expanded food and nutrition education program.

The Committee has included $3,000,000 in the bill for funding of the Bankhead-Jones Act (higher education) and stipulated in the bill that these funds are for agricultural education only.

Animal and Plant Health Inspection Service.—The Committee increased the House bill by $15,000,000 to place the Brucellosis eradication program on a 10-year schedule, and also added funds for noxious weeds, range caterpillar, diagnostic assistance, multiflora rose, and mediterranean fruit fly. House increases above the budget for the following programs were deleted or reduced: imported fire ant, Japanese beetle, tri-fly in Hawaii, West Indian sugarcane root borer, cattle ticks poultry diseases, scabies, screwworm, and tuberculosis.

Agricultural Stabilization and Conservation Service.—Reduces funds for county office staffing by $8,000,000 because of likely workload decreases resulting from better commodity prices and reduced loan activity.

Farmers Home Administration.—Generally concurs in House actions on Farmers Home programs, but does provide a 3,000 unit, $202,000,000 Home Ownership Assistance Program on a targeted, pilot basis. The House bill included no funding. Insured subsidized low-income housing loans as well as rental loans have been restored to the budget level.

Conservation.—Deletes $6,000,000 of the House allowance for new watershed planning starts because of large backlog, and incrementally funds 25 new Public Law 566 watersheds. Provides $32,000,000 for Resource Conservation and Development, the same as the House bill, but eliminates new area authorizations.

Rural clean water program.—Provides $75,000,000 to initiate a new agricultural conservation cost-sharing program to address non-point sources of water pollution as requested by the administration. The House bill did not fund this program.

Agricultural conservation program.—Provides $190,000,000 for the agricultural conservation program, the same as the House bill.

Feeding programs.—Deletes $8,000,000 of the House allowance for equipment assistance, and also reforms summer feeding, thus saving $47,000,000. Concurs in House bill and budget request for food donations and makes a nominal reduction for the food stamp program as discussed above. Funds the special supplemental feeding program (WIC) at $750,000,000 using available prior year unobligated balances plus new appropriations.

Public Law 480.—Provides $281,000,000 for titles I and III programs as requested in the budget, but finances part of the program with unobligated prior year balances.

Food and Drug Administration.—Deletes $10,500,000 from salaries and expenses, but adds $27,000,000 for first phase of new laboratory construction.

TABLE I.—H.R. 4387, 1980 AGRICULTURE APPROPRIATIONS

[In millions of dollars]

	President's request	House	Senate bill as reported
Total new budget authority	18,324	16,701	16,841
Homeownership assistance program	−1,015	0	−202
Sec. 32 transfers	−120	(1)	(1)
Food stamps	−6,927	−6,189	−6,188
Revised, President's budget	10,262	10,512	10,451
Comparison with President's budget	0	+250	+189

[1] Accepted.

TABLE II.—BUDGETARY IMPACT OF H.R. 4387

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in bill as reported with the committee allocation to the Agriculture Subcommittee of amounts in the First Concurrent Resolution for 1980	20,500	16,841	16,700	12,961
Permanent appropriations		2,026		298
Outlays from prior year budget authority				1,701
Outlays from H.R. 4289, fiscal year 1979 supplemental (conference agreement)				109
Total of above	20,500	18,867	16,700	15,069
Amount under allocation		1,633		1,631

Mr. EAGLETON. Mr. President, I am pleased at this time to yield to my distinguished colleague, Senator BELLMON.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, before he leaves, I wish to compliment the distinguished chairman of the subcommittee for the excellent job he has done in perfecting and managing what is really a very complicated and highly important bill. He has done a remarkable job under some difficult circumstances in screening and setting priorities, and I compliment him and his staff for the fine work they have done here.

Mr. President, the bill we have before the Senate, H.R. 4387, making appropriations for agriculture, rural development and related agencies for fiscal year 1980, is a broad ranging measure. In it are funds to assure a more adequate diet for Americans through the food stamp and child nutrition programs, and programs to safeguard the quality and safety of our food supply through the Food and Drug Administration and the Food Safety and Quality Service.

The Public Law 480 program, funded in this bill, aids in meeting food and development problems around the world and in the export of agricultural commodities to countries that otherwise could not afford to obtain needed food.

This bill also funds programs to assure the enhancement and protection of our soil and water resources and to protect our Nation's agricultural producers from pests and diseases. Research programs are necessary to improve the productivity of American agriculture, to combat inflation, and provide for a higher standard of living for all our people. These are also included in this bill.

This measure also assists in the development of rural America so that more of our citizens will have an opportunity to obtain adequate incomes, decent housing and public services, and will thereby be able to continue to live in rural areas if that is their preference.

Mr. President, it is largely due to the leadership, as I have said and hard work of the distinguished Senator from Missouri that this bill reflects and addresses these needs as well as it does. As chairman of the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, Senator EAGLETON did an outstanding job in exploring the issues in the bill and dedicated himself to the difficult task of determining priorities in the context of controlling Federal expenditures.

The bill, as reported, and as our subcommittee chairman has said, provides $16,840,597,000. This is $139,782,000 more than the House allowance but $1,482,937,000 less than the administration's request. But to back up what the chairman said, I note, however, that $739 million of the apparent $1.5 billion reduction from the President's budget request relates to the fact that the fiscal year 1980 authorization ceiling for the food stamp program has not yet been lifted as it inevitably will be and the other $800 million is due to the failure of the committee to fully fund a new and presently unfunded program initiative, the homeownership assistance program, otherwise known as HOAP. I am deeply disturbed by the decision of the committee to provide $200 million for initial HOAP funding and I continue to be alarmed at the spiraling cost of food stamps.

I am concernned that, despite our continuing attempts to hold down Federal expenditures, we are far too ready to fund new and untested programs like HOAP at a time when the costs of existing Federal programs like food stamps are increasing rapidly and threaten the budgetary targets contained in the first concurrent budget resolution and also our efforts to balance our Federal budget. I intend to offer two amendments to this bill to reduce appropriations for HOAP and the special milk program.

I hope these amendments will be approved and I hope we will resist efforts to add any additional amounts to this bill.

As I have noted earlier the bill, as recommended by the Appropriations Committee, attempts to address the highest priority needs within its jurisdiction. The distinguished Senator from Missouri has already outlined the major actions of the committee and I wish to talk on only a few items of special concern.

The committee has recommended an increase of $46 million over the budget request for agricultural research. I point out this is $46 million additional over the President's request for agricultural research. While this may appear to some to be a generous increase, it is less than 10 percent, which is less than the rate of inflation, over the amount provided in fiscal year 1979.

So, Mr. President, in real terms we are not increasing funds for agricultural research; we are merely trying to hold it at the same level.

American agricultural exports will contribute an estimated $30 billion to our Nation's balance of trade in fiscal year 1979, and that is a conservative figure. It represents one of the few sectors of our economy which is holding its own in an increasingly competitive world market.

These exports thus generate urgently needed foreign exchange to pay for petroleum and other products our country must import. Only by investing wisely in agricultural research will continued agricultural progress and leadership be possible for future years.

To keep these markets for our agricultural commodities, we must help provide our producers with the technology needed to maintain and improve their operations, reduce energy consumption and meet environmental concerns. The bill restores many of the reductions proposed by the President in vital agricultural research programs which have contributed so much toward making American agriculture the world leader in productivity.

Another issue that I would like to briefly comment on is soil and water conservation. It has often been said that farmers were our Nation's earliest and still are its most important conservationists. This is true because farmers know from firsthand knowledge that the long-term productivity of their land is directly dependent on how these natural resources are protected and enhanced.

Economic stress and conservation efforts that are only marginally related to agricultural production have expanded the role of the Federal Government in this area. Through cost-sharing programs, such as the Great Plains conservation program and the agricultural conservation program, farmers have been encouraged to adopt conservation practices to reduce soil and water runoff. Two years ago, Congress enacted the rural clean water program—a cost-sharing program to address nonpoint sources of water pollution. This year, the administration proposed that funds be appropriated to implement this program, but also recommended that the Great Plains program and ACP be consolidated and reduced.

The House rejected this proposal and simply restored the two programs. The committee agrees with the House action that these two programs are of continuing value and should be maintained. However, the committee also concurs with the administration that the rural clean water program should be funded and this bill contains a $75 million appropriation for this program.

I would also like to address the funding levels for Federal pest management programs. The U.S. Department of Agriculture operates a number of quarantine and control programs to combat plant and animal pests. These problems cannot be effectively controlled by individual private action alone and generally return many times their cost to the consumers of our country. Because of budgetary constraints, the administration held down funding for many of these activities to levels which would be counterproductive or ineffective.

One such activity was the brucellosis eradication program. Costing $65.2 million annually, this is the largest disease control program operated by the Department. I might add parenthetically this effort to control brucellosis has now been going on for over 40 years, and we are so far not close to eradication. No increase was requestetd in the fiscal year 1980 budget despite clear indication that an expansion of this effort would yield a highly favorable benefit/cost ratio as well as reduce total Federal costs through the accelerated eradication of this disease which is a serious threat to humans as well as livestock.

So, Mr. President, what we are trying to do here is to step up the spending to a level that will make it possible to eradicate brucellosis over the next 10 years and not merely go on spending a large sum of money into the indefinite future. What we have done is to recommend an increase of $20 million for this program. This will allow the Department to move toward a 10-year eradication schedule rather than merely perpetuate the current inadequate effort to control this important disease which, as I have said, is already being supported at a cost of $65.2 million a year.

In other pest and disease control programs, budgetary constraints have required that we not proceed with an optimal level of funding, and in some cases, the entire elimination of otherwise worthwhile programs.

Although this bill furthers goals that many of my colleagues in the Senate and I have long supported, our progress is not without cost. The level of funding in H.R. 4387 will leave very little budget room for supplemental appropriations requests if the subcommittee is to remain within its allocation. Moreover, there are indications the other appropriations bills may also be in excess of the subcommittee allocations when future requirements are taken into account. Without offsetting reductions in appropriations bills which have yet to be reported—and these do not appear at the moment to be forthcoming—the Appropriations Committee may exceed its allocation under the budget resolution by as much as $5 billion. That is a figure that I hope will register on all Members. It looks like we are going to be over our target by some $5 billion. This is the first time in the 5-year history of the budget process that we have encountered such a problem. In the past, the Appropriations Committee has consistently developed bills well under the budget assumptions.

There are many reasons for this possible overage, some of which are outside of the control of the Appropriations Committee.

I would like to enumerate a few.

First, a number of authorizing committees have failed to make legislative savings. Second, the costs of some programs, like food stamps, have far exceeded the estimate reflected in the first budget resolution. Finally, the President's new energy initiatives were not foreseen at the time the spending targets for fiscal year 1980 were set. But perhaps the major reason we are having this new problem stems from the fact that the first budget resolution for fiscal year 1980 was the first really tight congressional budget we have had, at least in the 10 years or more, I have been here. The chairman of the Budget Committee (Mr. MUSKIE) and I warned the Senate before the budget resolution was adopted that it was a tough one and would require continuing rigid discipline. I am not persuaded that the Congress has, as yet, shown that it can implement the type of restraint it committed itself to in the budget resolution.

Let us look at the numbers. The Appropriations Committee allocated $20.5 billion in budget authority to the Agriculture Subcommittee, of which $16.8 billion is distributed by this bill. An addition of $2 billion is permanent appropriations for child nutrition programs. This leaves only $1.6 billion for future contingencies. These funds will be rapidly absorbed by increased funding requirements for food stamps and other nutrition programs. As a matter of fact, I understand that the Department of Agriculture already is concerned that the Public Law 480 appropriation contained in this bill is inadequate and that a $200 to $300 million supplemental appropriation may be necessary in order to maintain the present food shipment level which the Senate has supported frequently in the past.

If the kind of hardships we hear about around the world are as serious as they appear to be then even additional funds may be required.

Any supplemental like this would cause the Agriculture Subcommittee to exceed its allocation, place pressure for restraint on other subcommittees and funding priorities, and put the budget spending aggregates in jeopardy.

Under these circumstances, it is extremely important that the Congress seek to reduce or hold down spending every way possible. For this reason, I am introducing an amendment to delete funding for the homeownership assistance program. I find it impossible to justify funding a costly new program at this time. In addition, I will offer an amendment to reduce funding for the

special milk program for nonneedy children by $40 million. This is an example of duplication and poor program targeting which I have long opposed. I will discuss these amendments in detail in separate statements. I hope the Senate will support both amendments.

Mr. President, again I would like to thank the Senator from Missouri for his capable leadership during our consideration of this bill. I would also like to note the fine work of Dick Lieberman, Ken Auer, Irma Hanneman, and Andy Jacobs of the majority staff and Stephen Kohashi and Cathy O'Connor of the minority staff. This is an important and complex bill and it is only with the dedicated and informed assistance of these key staff members that we were able to bring it to the floor in good condition. I compliment them for the hard work they have done, for the very able counsel they have given to the committee, and I feel that the contribution they have made needs the attention and the commendation of the full Senate.

Mr. President, it is my hope that my colleagues in the Senate will join in supporting this bill, hopefully after it has been amended as I have mentioned.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, no point of order shall be waived by reason of the agreement to this request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments, as agreed to, are as follows:

On page 2, line 6, strike "$4,400,000" and insert "$4,534,000";

On page 2, line 16, strike "$2,757,400" and insert "$3,196,000";

On page 2, line 17, strike "$2,622,900; for";

On page 2, line 19, strike "$5,831,700" and insert "$6,455,000";

On page 2, line 22, strike "$8,397,000" and insert "$8,072,000";

On page 2, line 23, strike "$19,609,000" and insert "$19,723,000";

On page 3, line 15, after "(7 U.S.C. 2225)" insert a colon and the following:

Provided further, That no part of this or any other appropriation contained in this Act may be used to reimburse the General Services Administration in excess of $750,000 for publications distributed by the Consumer Information Center.

On page 3, line 24, strike "$24,727,000" and insert "$25,527,000";

On page 4, line 10, strike "$10,786,000" and insert "$11,136,000";

On page 4, line 18, strike "$22,872,000" and insert "$23,372,000";

On page 5, line 16, strike "$363,142,000" and insert "$370,679,000";

On page 6, line 13, after "California" insert a comma and "construction of a greenhouse/headhouse at Stillwater, Oklahoma, construction of a laboratory at West Lafayette, Indiana, construction of a feedmill at El Reno, Oklahoma";

On page 7, line 4, strike "director," and insert "Director, Science and Education Administration";

On page 8, line 7, strike "$115,066,000" and insert "$119,566,000";

On page 8, line 16, strike "$9,500,000" and insert "$10,165,000";

On page 8, line 20, strike "$17,260,000" and insert "$17,934,000";

On page 9, line 2, strike "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1979, as amended (7 U.S.C. 2661–2668), including administrative expense;" and insert "$38,023,000";

On page 9, line 7, after "(7 U.S.C. 4501)" insert "of which $13,023,000 is for special research grants, and $25,000,000 is for competitive research grants, including administrative expenses; $500,000 for grants in accordance with section 1419 of Public Law 95–113; $800,000 for research authorized by the Native Latex Commercialization and Economic Development Act of 1978; $10,000,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95–113,";

On page 9, line 21, strike "$177,527,000" and insert "$198,484,000";

On page 9, line 22, after the period, strike through and including line 24;

On page 10, line 12, strike "$185,831,000" and insert "$195,331,000";

On page 10, line 12, after the semicolon, strike through and including the semicolon in line 17;

On page 10, line 18, strike "$6,435,000" and insert "$5,935,000";

On page 10, line 19, strike "payments for the farm safety program under section 3(d) of the Act, $1,020,000;";

On page 10, line 22, strike "payments for the nonpoint source pollution program under section 3(d) of the Act, $1,300,000;";

On page 10, line 25, after the semicolon, insert "payments for the food and human nutrition education program under section 1425 of Public Law 95–113, $50,560,000;";

On page 11, line 3, strike "$2,500,000 for Rural Development Education as authorized under the Rural Development Education as authorized under the Rural Development Act of 1972 (7 U.S.C. 2661–2668);";

On page 11, line 12, after "(7 U.S.C. 329)" strike through and including "$1,250,000" in line 15 and insert in lieu thereof "$3,000,000 to be used only in support of agricultural education";

On page 11, line 17, strike "$279,044,000" and insert "$268,224,000";

On page 12, line 8, strike "$6,791,000" and insert "$6,543,000";

On page 13, line 1, strike "$237,583,000" and insert "$248,241,000";

On page 13, line 10, beginning with "That" strike through and including the comma in line 13;

On page 17, line 5, strike "$86,050,000" and insert "$86,090,000";

On page 18, line 21, beginning with the comma, strike through and including "States" in line 22;

On page 18, line 25, strike "$48,302,000" and insert "$45,586,000";

On page 18, line 25, beginning with the semicolon, strike through and including page 19, the word "Program" in line 2;

On page 19, beginning with line 8, strike through and including line 12;

On page 20, line 8, strike "$190,586,000" and insert "$182,546,000";

On page 20, line 13, strike "$342,975,000" and insert "$334,935,000";

On page 21, line 7, strike "AND BEEKEEPER INDEMNITY PROGRAMS" and insert "INDEMNITY PROGRAM";

On page 22, line 1, beginning with "and" strike through and including "$3,290,000" in line 4, and insert "$400,000";

On page 23, line 2, strike "$16,500,000" and insert "$16,480,000";

On page 23, line 12, strike "$50,700,000" and insert "$50,690,000";

On page 24, line 19, after "hereof" insert a colon and the following:

Provided further, That none of the funds in the Act may be used to carry out a program of loan guarantees by the Corporation for production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products in excess of $100,000,000.

On page 25, line 10, strike "$4,059,000,000" and insert "$3,766,000,000";

On page 25, line 11, strike "$3,150,000,000" and insert "$2,857,000,000";

On page 26, line 9, strike "an additional amount" and insert "additional amounts";

On page 26, line 12, after "program" insert "and a special home ownership assistance program";

On page 26, line 13, strike "section" and insert "sections 521(a)(1)(C) and";

On page 26, beginning with line 15, insert the following:

During fiscal year 1980, no more than 3,000 units may be assisted under the special home ownership assistance program pursuant to authority under section 521(a)(1)(C) of the Housing Act of 1949, as amended, and the total obligations incurred over the life of the applicable agreements and any renewals thereof, shall not exceed $195,692,000.

On page 27, line 25, after the semicolon, insert "guaranteed";

On page 28, line 1, beginning with "of" strike through and including "loans" in line 3;

On page 29, line 6, strike "$5,000,000" and insert "$9,000,000";

On page 29, line 10, strike "2,500,000" and insert "$1,200,000";

On page 29, line 15, strike "U.S.C" and insert "U.S.C.";

On page 30, line 3, strike "$232,318,000" and insert "$228,278,000";

On page 32, line 20, strike "$259,747,000" and insert "$254,097,000";

On page 33, line 25, strike "$17,061,000" and insert "$15,801,000";

On page 34, line 10, strike "$12,293,000" and insert "$6,023,000";

On page 34, line 24, strike "$172,524,000" and insert "$162,524,000";

On page 34, line 25, strike "$23,500,000" and insert "$13,500,000";

On page 36, line 1, after "$32,000,000" strike through and including "1979" in line 5;

On page 36, line 12, after "3109" insert a colon and the following:

Provided further, That this appropriation shall be used solely to meet current project commitments of the United States Government in authorized Reserve Conservation and Development areas.

On page 36, beginning with line 23, insert the following:

RURAL CLEAN WATER PROGRAM

For necessary expenses for carrying out Section 35 of the Clean Water Act of December 27, 1977 (33 U.S.C. 1251; 1288), and, in accordance with the provisions of the Federal Water Pollution Control Act of October 18, 1972, as amended, for application and cost-sharing of water quality measures incorporating best management practices to control nonpoint source pollution for improved water quality, $75,000,000 to remain available until expended.

On page 37, line 24, after "except" insert "where the participants have entered into long-term agreements or";

On page 40, line 22, strike "$20,000,000" and insert "$10,000,000";

On page 41, line 8, strike "$3,165,301,000" and insert "$3,110,301,000";

On page 41, line 9, after "which" insert "$1,275,215,000 is hereby appropriated,";

On page 41, line 17, strike "$24,000,000" and insert "$16,000,000";

On page 41, line 21, after "amended" insert a colon and the following:

Provided further, That only claims for reimbursement for meals served during fiscal year 1980 submitted to State agencies prior to January 1, 1981, shall be eligible for reim-

bursement: Provided further, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966, as amended, shall be allocated among the States but the distribution of such funds to an individual State is contingent upon the State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act, as amended, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: Provided further, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act, as amended, or the Child Nutrition Act of 1966, as amended (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966, as amended, and under section 13(k)(1) of the National School Lunch Act, as amended; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: Provided further, That no part of the funds appropriated in this Act shall be available to provide direct Federal administration of summer food service operations in States: Provided further, That no part of the funds appropriated in this Act for the summer food service program shall be available for payments other than to: (1) public service institutions, (2) private nonprofit service institutions including residential camps which use self-preparation facilities to prepare meals or obtain meals from a public facility, such as a school district, public hospital, or State university, (3) private nonprofit schools including colleges and universities, (4) private nonprofit migrant farmworker organizations including those that purchase meals from a food service management company, and (5) private nonprofit service institutions which serve not more than 500 children daily at not more than three sites and which purchase meals from a food service management company.

On page 44, line 1, after "$771,500,000," insert "of which $748,500,000 is hereby appropriated and $22,000,000 is to be derived from prior year balances,";

On page 44, line 3, after "1981" insert a colon and the following:

Provided, That section 17(g) of the Child Nutrition Act of 1966, as amended, is hereby amended by striking out the numeral "800,000,000" and inserting in lieu thereof, "750,000,000".

On page 44, line 9, strike "$6,188,600,000" and insert "$6,187,600,000";

On page 44, line 11, strike "1981" and insert "1980";

On page 44, line 20, strike "entitlement" and insert "amount";

On page 45, line 8, after "$90,290,000" insert a comma and "to remain available until September 30, 1981";

On page 45, line 12, beginning with "$80,000,000" strike through and including "law" in line 17, and insert "$84,382,000";

On page 46, line 7, strike "$56,129,000" and insert "$56,807,000";

On page 46, line 19, strike "$2,964,000" and insert "$1,864,000";

On page 47, line 1, after "(22 U.S.C. 2392)" insert a colon and the following:

Provided, That of the amount appropriated herein, $150,000 shall be available for the International Science and Education Council to effectuate the policies authorized in section 1458 of Public Law 95-113.

On page 47, line 15, strike "$901,730,000" and insert "$843,004,000";

On page 47, line 15, strike "$280,776,000" and insert "$222,050,000";

On page 48, line 13, strike "$316,296,000" and insert "$307,796,000";

On page 48, line 18, strike "$4,372,000" and insert "$29,372,000";

On page 50, line 24, strike "Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees;";

Mr. BELLMON. Mr. President, I ask unanimous consent that the following members of the Budget Committee staff be granted the privileges of the floor during the consideration of H.R. 4387:

Majority staff: Karen Williams, Allen Mandel, Chuck Riemenschneider, and Rodger Schlickeisen.

Minority staff: Bob Boyd, Gail Shelp, Mark Bobseine, and Bob Fulton.

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

UP AMENDMENT NO. 375

(Purpose: To change the limitation on the use of Commodity Credit Corporation funds for making loan guarantees for gasohol projects)

Mr. TALMADGE. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE, Mr. LUGAR, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HART). The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE), for himself, Mr. DOLE, and Mr. LUGAR, proposes an unprinted amendment numbered 375:

On page 24, line 24, strike out "$100,000,000" and insert "$500,000,000" in lieu thereof.

Mr. TALMADGE. Mr. President, this amendment would change language in the bill placing a $100 million restriction on the amount of Commodity Credit Corporation loan guarantees that may be used to stimulate the production of industrial hydrocarbons and alcohols from agricultural and forest products. Under the amendment, the Commodity Credit Corporation could make loan guarantees for alcohol pilot plants up to a total of $500 million.

I have been a longtime supporter of gasohol—a blend of gasoline and alcohol that is used for motor fuel. During consideration of the Food and Agriculture Act of 1977, the Senate included a requirement that the Secretary of Agriculture provide for four pilot projects for production of gasohol from agricultural and forest products through Commodity Credit loan guarantees of up to $60 million. The Department of Agriculture received 30 formal applications for these four pilot projects—demonstrating willingness in the private sector to use private resources to make alcohol for blending with gasoline.

Since the passage of the 1977 act, I have received many inquiries from persons in Georgia and other States who are vitally interested in alcohol production for fuel and have come up with innovative plans for energy conversion utilizing farm and forest products.

In Georgia, which is a major forestry State, we are particularly interested in greater use of forest products for energy. There is an enormous potential in converting energy from wood waste from other forest-based industries such as paper and lumber. While the Department of Agriculture has processed and tentatively approved the four pilot projects involving a total of $42.7 million in loan guarantees, other imaginative and feasible proposals go begging for the Federal Government to help share some of the risks in developing these new technologies. This seems a shame since the Department of Agriculture has already promulgated the necessary regulations and established an approval process, and could guarantee several more projects without major administrative expense.

Given the interest from the private sector in additional loan guarantees for alcohol production, the Senate Committee on Agriculture, Nutrition, and Forestry responded by bringing a bill, S. 892, to the floor of the Senate. That bill authorized an additional $180 million in loan guarantees for alcohol production.

On June 14, 1979, when the Senate considered S. 892, an amendment was offered by Senator LUGAR to increase this amount to $500 million. The amendment also, first, restricted the amount of loan guarantees for any project to $30 million; second, required that no less than 25 percent of these loan guarantees be made available to small-volume producers; third, mandated that priority be given to projects that use Government price-supported commodities as a feedstock; fourth, stipulated that proper consideration be given to projects that propose to use new and innovative technologies in the production of alcohols and industrial hydrocarbons; and fifth, urged that such loan guarantees be approved by no later than December 31, 1980. It did not change, however, the requirement that no alcohol loan guarantees be made unless they would have a positive net energy balance. This amendment was approved overwhelmingly by a vote of 82 to 10, which indicates that the Senate overwhelmingly supports action of this type.

Now, we are going to import energy this year in the amount of about $60 billion from non-American producers. I do not know of any way on Earth we can afford the dollars to pay for that amount of imported energy. It is absolutely essential that this country develop alternative sources of energy.

The President made a very full statement the other evening indicating that this Nation was going forward in an economic war to develop alternative sources of energy. This is a very minor part of that program.

We have tremendous amounts of waste wood, urban waste products, packing house byproducts, manure, and other things that can be converted to energy.

While S. 892 has not been considered by the House, it is my understanding that the chances are good that a similar bill will eventually be approved this year by that body of Congress. Given the President's great desire to increase our production of synthetic fuels, it seems very likely that S. 892 could become law before the year's end.

These are some of the reasons why I

cannot understand why the Appropriations Committee has recommended a $100 million limit on this urgently needed energy loan guarantee program. The restriction is unnecessary and contrary to prudent public policy. Just a few weeks ago, the full Senate strongly endorsed a rapid expansion of alcohol production through the adoption of S. 892, which provides pilot project loan guarantees of up to $500 million.

I know there are many skeptics about feasibility of gasohol—both on economic and net energy gain considerations. I am not sure who is right or wrong on these questions, but I do know we are now facing a severe energy crisis—a crisis that will only grow worse unless this Nation develops new renewable sources of energy that are not owned and controlled by OPEC.

I also know that the sale of gasohol in service stations throughout the Nation is increasing rapidly when and where it is available. It is clean burning, high-octane fuel that works well in cars. Car manufacturers apparently have no reservation about gasohol, for they have recently extended new car warranties to cover those who use it.

Mr. President, the vital role that alcohol can play in meeting our Nation's energy needs is well stated in a policy review study just published by the Department of Energy.

Alcohol fuels—both ethanol and methanol—can contribute to U.S. energy resources by using domestic, renewable resources and coal to extend supplies of high-quality liquid fuels, the study reports.

I would like to point out, Mr. President, that methanol is produced from wood as well as from coal.

The Energy Department study goes on to say:

> Indeed, ethanol is the only alternative fuel commercially available now, and the only one likely to be available in quantity before 1985. Methanol can be made from coal using commercially available technology, and could be produced in large quantities in the mid-to-late 1980's, when plants—if begun soon—could be completed and begin operating. Maximizing ethanol's contribution will require minimizing the use of oil and gas in producing feedstocks and converting them to alcohol.

Reading further from the study:

> It is important to note that no one energy source can solve our national energy problems. Though alcohol fuels cannot be a total, or in the near term, even a major solution to our national energy needs, they do represent an important energy component and building block for the longer term. Our national energy needs must be met by actively conserving and by aggressively developing contributions from a large number of energy supplies, building on the nation's abundant resources. Alcohol fuels represent important supplies based on the American agricultural system and on the potential of U.S. coal.

Mr. President, at the present time, most of the alcohol used in blending with gasoline is produced from the alcohol industry's unused plant capacity. Thus, gasohol is now available only on a limited basis. Before private industry will build new plants for greatly expanded alcohol production to make gasohol available nationwide, new technologies must be developed and tested in order to prove that this fuel is competitive economically and is energy efficient.

Alcohol production from farm commodities and forest products is one of many alternatives that we must pursue as a Nation. It is one of the synthetic fuels that can be most quickly developed. The immediate need is for the Federal Government to share risks with the private sector in perfecting existing alcohol technologies, using a number of different feedstocks.

I am convinced that an expanded loan guarantee program is the best and most cost-effective way the Federal Government can stimulate gasohol production and use. Under the loan guarantee program, private capital is used to finance the pilot projects. The Federal Government only guarantees such loans against default. Thus, a $500 million gasohol project loan guarantee program may cost the Government little or nothing if only those projects with demonstrated potential are approved. S. 892, as passed by the Senate, assures that only those projects with such potential will be approved.

The results of this loan guarantee program would be to stimulate private investment in developing new techniques that could lead to greater availability and increased use of gasohol on a nationwide basis. It would assist significantly in reducing our dependence on foreign oil—the goal that President Carter has now set as the highest national priority. But there would also be direct benefits to farmers, consumers, and taxpayers with the development of new markets for farm and forest products, lower costs of Government price support programs for agricultural commodities converted to energy, and increased motor fuel supplies.

This program has a unique potential for meeting the energy needs of American agriculture. It would encourage the development of alcohol fuel production from small plants especially adapted to supply energy needs for essential farm purposes. We may well see the development of on-farm energy production on a major scale as a result of the pilot plants that could be built under this program.

I submit, Mr. President, that it would be extremely shortsighted to place undue limitations on the alcohol pilot plant program. I believe it is in the highest national interest that we move forward vigorously, aggressively, and boldly with this program at the full funding level already endorsed by the Senate.

This program is entirely consistent and fully compatible with the President's declaration of war for energy independence.

We are not dealing with a new program. We are proposing to expand a promising, existing program. The basic administrative machinery is already in place.

The Congress ought to expand and expedite this existing program even as the President's vast new energy scheme is being assembled, enacted, and implemented. The alcohol pilot plan program can be incorporated into the overall energy plan at a later time if this appears to be the best policy and course.

But the time to act on national energy independence is now. The opportunity is here.

My amendment provides the Senate with a means to give force and meaning to our determination to achieve energy independence from OPEC.

I hope the managers of the bill will accept this amendment, and it will be in conference with the House. I think it is much needed, and that this country must move forward to develop alternative sources of energy.

Mr. President, I yield 5 minutes to the distinguished Senator from Indiana, who is the author of the amendment increasing the amount to $500 million, which was agreed to on the floor of the Senate, by a vote of 82 to 10.

Mr. LUGAR. Mr. President, I rise in support of the amendment by the distinguished chairman of the Agriculture Committee. Essentially, the activity of the Appropriations Committee was to cut back the extent of loan guarantees from $500 million, which my amendment provided for, to $100 million.

It occurs to me that at the time when we debated this, and it did have extensive debate on June 14 this year on this floor, and it was approved by a vote of 82 to 10, that there was considerable enthusiasm for loan guarantees for the production of gasohol from various agricultural products that could be used to produce ethanol. This is an idea clearly expressed with enthusiasm by the President of the United States no later than last Sunday. The purpose of attempting to introduce it into the procedures now is that applications have been received by the U.S. Department of Agriculture, at least 30 of them, many with great promise.

The Food and Agriculture Act of 1977, as our chairman has mentioned, limited us to four, and these proposals have great promise in the judgment of many who have followed this technology. Very clearly, ethanol has a market; the loan guarantees have relatively limited risk.

For the moment, in this country, all of the ethanol that is available is being taken up by farm bureau groups and others who are mixing it in a 90–10 ratio to produce gasohol. In my State, at least 73 outlets are available through farm bureau cooperatives now. I have in fact visited the refineries and mixing plants in Indiana, and filled up with a tankful of gasohol. It works. It is available now. It was the response of June 14 that it was seen as urgent by the Senate. It is no less urgent now.

I regret that we must have this debate. I appreciate the fiscal prudence of the Appropriations Committee and their desire not to obligate the Federal Government with years of loan guarantees that, in their judgment, might appear to be more dubious than they do to me, but I applaud the initiative taken by the Senator from Georgia (Mr. TALMADGE), who has essentially given the Appropriations Committee the opportunity for a conferenceable item.

It is a step in the right direction, one that I support, and I appreciate the initiative taken by the distinguished senior Senator from Georgia.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I would like my name to be added as a cosponsor of the amendment.

Mr. TALMADGE. The Senator is already a cosponsor.

Mr. DOLE. Mr. President, I just want to point out that this is an effort that is being focused on by many Members of this body on both sides of the aisle.

I certainly endorse what has been stated by the distinguished chairman of our committee and by the Senator from Indiana (Mr. LUGAR).

I think it is probably well to know that we are having a second meeting today of the National Alcohol Fuels Commission, of which the Senator from Kansas is proud to be a member, along with the senior Senator from Indiana and the senior Senator from Oregon. We are discussing at this very moment how we can properly address this question so that it will be effective and cost effective, and will not in any way hold out hope that is not justified for so-called gasohol.

Mr. President, I am glad to join as a cosponsor of the amendment offered by the distinguished chairman of the Agriculture Committee, Senator TALMADGE.

In May of this year, I introduced a bill to increase the number of pilot energy projects that could be guaranteed by the U.S. Department of Agriculture. My bill initiated the movement toward increasing the efforts by the USDA to finance pilot energy products.

On May 3, I offered my bill as an amendment to S. 892, which was being considered by the full Senate Agriculture Committee. My amendment was expanded by the committee to include an additional $180 million for pilot projects. The $180 million was later expanded to $500 million by the full Senate when S. 892 was adopted by the full Senate. The amendment was approved overwhelmingly by a vote of 82 to 10.

Broad support exists in the Agriculture Committee and in the Senate to explore alternative fuels made from agricultural commodities and forest products. I believe the Agriculture Committee and the Senate agreed that by expanding the pilot energy program this country can more effectively derive viable energy solutions through alternative, nontraditional sources. This program provides further incentives for the production of gasohol and other fuels made from the production of industrial hydrocarbons.

Mr. President, the Senate has acted responsibly during the authorization process on the issue of energy pilot programs for alcohol production and we should not act irresponsibly now during the appropriation process. It is totally unreasonable that the Appropriations Committee has recommended a $100 million limit on these energy loan guarantee programs. The production of gasohol is still in its embryonic stages and we must not act precipitously to deny the proper funding level.

Mr. President, there is no question that alcohol fuels will in the future play an important role in our energy independence. As a member of the Alcohol Fuels Commission I can honestly say that these programs are not only vital but timely in terms of our current energy situation. Although alcohol fuels are available today on a limited basis we have the opportunity to increase this availability considerably. Leadtime is needed for the construction of alcohol fuels production plants, new technologies must continue to be explored, developed, and tested, and these loan guarantees are the best, most efficient manner in which to achieve these goals.

Mr. President, our energy crisis is not going to be resolved by more and more governmental interference in the areas of energy production. The private actor must be the focal point for any national energy policy. I am convinced that loan guarantees, such as these that aid to stimulate private sector activity in the energy production field, need to be encouraged and should not be discarded. The Congress must continue to help expand the opportunity for private sector activity. It will be good for farmers, consumers, and all Americans.

Mr. President, I would just like to reemphasize that the pilot program is not a grant program, but uses only guaranteed loans from the Commodity Credit Corporation. Each project must show that the total energy content of the products and by-products manufactured will exceed the total energy input from fossil fuels used in the manufacturing process. Another requirement is that the projects must be economically viable in order to qualify.

I do not believe now, in a period of energy unrest, is the best time to be cutting back on the Government's support of alternative energy projects.

I believe, in light of the events of the past 2 months, it would be short-sighted to cut back on this program. Energy independence must be one of our Nation's top domestic priorities. This amendment gives us the opportunity to act positively on the energy independence question.

Mr. President, I strongly urge the Senate to adopt the amendment offered by Senator TALMADGE and myself to restore funding at the $500 million level.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from New York (Mr. JAVITS) be added as a cosponsor of the amendment.

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

Mr. TALMADGE. I have discussed this matter with the distinguished chairman of the subcommittee. I understand he is agreeable to taking it, and I hope the distinguished senior Senator from Oklahoma (Mr. BELLMON) feels likewise, though he has not indicated that he did.

I reserve the remainder of my time.

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

Mr. EAGLETON. I yield the Senator from Oklahoma 3 minutes.

Mr. BELLMON. Mr. President, I do not wish to take the time of the Senate on this matter. I am not going to oppose the amendment, though I have to admit that I am less than enthusiastic about it.

There is going to be, hopefully, very shortly a package of energy legislation coming from the White House, and it is my understanding that the question of gasohol will be a part of the proposals the President will make.

I am also a member of the Gasohol Commission the Senator from Kansas talked about; and in studying documents from that Commission, I was astounded to find out that gasohol is not energy efficient, that it actually takes 30 percent more Btu's to produce than you get from it when it is burned.

I question whether we should commit ourselves to $500 million for a program that needs to be carefully analyzed and studied. I hope between now and the time we get to conference with the House, we can look into this more carefully and be better advised and informed as to whether or not this is a wise commitment of the taxpayers' resources.

It is true that this is a loan guarantee program, and that loan guarantees sometimes have to be paid off. When that happens, it becomes an expenditure. I think we ought not to be careless in committing taxpayers' dollars to such a cause. So, while I am not going to oppose the amendment, I am going to look at it carefully, and I hope be able to deal better with it when we get to conference.

Mr. EAGLETON. Mr. President, I think Senator BELLMON has summed up the situation rather well. If we accept the amendment, the entire matter will be in conference. It will not go to conference until, probably, some time in September, at which time the President's entire energy program will be before Congress, including, perhaps, an energy supplemental; and matters pertaining to gasohol, the use of alcohol, et cetera, will undoubtedly be a part of that package, and we can then, depending on what is in that energy supplemental, make adjustments as between that bill and this agriculture appropriations bill.

So I am willing to accept the amendment and take the matter to conference.

Mr. TALMADGE. Mr. President, I thank my distinguished friend from Missouri and also my distinguished friend from Oklahoma.

I would point out that the amendment that was offered by Senator LUGAR on the floor on June 14 did not change the requirement that no alcohol loan guarantees be made by the Commodity Credit Corporation unless they have a positive net energy balance. That was the amendment that was approved by a vote of 82 to 10.

There are many types of gasohol, Mr. President. There are two forms of alcohol, methanol and ethanol. Methanol is now produced almost entirely from natural gas. It may also be produced from coal, wood, and urban wastes. Ethanol is produced from grain and other agricultural waste products, such as sugarcane bagasse, which is an absolute waste product.

There are many of these items that I think are economically feasible, and I think we must do whatever we can to get

as much energy as we can, at the lowest cost, from American products, that will give jobs to American people, that wi' keep dollars in America rather than sending them to the shieks in Saudi Arabia and other places.

Mr. President, I yield back the remainder of my time and I am ready to vote.

The PRESIDING OFFICER. Is all time yielded back?

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

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

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

Mr. EAGLETON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 376

(Purpose: To make a technical correction in the summer feeding limitation)

Mr. EAGLETON. Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 376.

On page 43, line 2, insert the following: "to service institutions" after the word "payments".

Mr. EAGLETON. Mr. President, this is merely a technical amendment which has been cleared on both sides of the aisle. I yield back the remainder of my time.

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

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

The amendment was agreed to.

UP AMENDMENT NO. 377

(Purpose: To delete $200 million in FY 1980 funding for the special home ownership assistance program)

Mr. BELLMON. Mr. President, I have an amendment at the desk offered on behalf of Mr. MUSKIE, Mr. PROXMIRE, Mr. GARN, Mr. CHILES, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) for himself, Mr. MUSKIE, Mr. PROXMIRE, Mr. GARN, and Mr. CHILES proposes an unprinted amendment numbered 377.

Mr. BELLMON. 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 26, lines 9–10, strike "additional amounts" and insert "an additional amount".

On page 26, lines 12–13, strike "and a special home ownership assistance program".

On page 26, line 13, strike "sections 521 (a)(1)(c) and insert "section".

On page 26, strike lines 15 through 20.

The PRESIDING OFFICER. The Chair wishes to know whether this is the amendment on which there is a 2-hour time limitation.

Mr. BELLMON. This is the amendment, Mr. President. I yield myself 5 minutes.

Mr. President, I offer this amendment because I feel at a time when fiscal restraint is so clearly needed, it is inconceivable for the Senate and for the Congress to initiate funding for a costly new and totally untested program.

There is no question in my mind—and I am not critical of those who support HOAP, that HOAP has attractive goals—attempting to provide homeownership to very low-income families in rural areas where alternate forms of housing, such as rental housing, is limited.

But let us look at the cost: Even though the Appropriations Committee describes the program as only a pilot-demonstration program, the first year appropriations level is $200 million. But this is merely the tip of the iceberg. Since the HOAP subsidy would be an add-on to the existing section 502 mortgage interest subsidy program, we must add the two together to measure the total budget impact. Thus the total fiscal year 1980 cost for a "pilot program" would be $370 million. Had the program been fully funded at the administration request of $1.0 billion, the total cost of the program would have been a whopping $1.8 billion the first year.

The outyear costs of the program are especially disturbing. The $370 million is understated because there was no adjustment for inflation in the original cost estimate. Because the contracts run for 33 years, future inflation will drive costs considerably higher. I am sorry to say we will have inflation in the future. The true cost of HOAP may be 40–50 percent, or even more, higher than the original $370 million for initial funding. This is a tremendously high cost for a program to assist 3,000 families. Three thousand families is, frankly, a drop in the bucket. If we add 3,000 more families a year, the costs will grow proportionately. And, if the program is ever expanded to serve a significant percentage of the people eligible for it, the costs will literally be astronomical.

I think we have to face the fact that there are some things Government simply cannot afford to do in times like these, and trying to meet the total housing needs of this segment of our population I consider to be one of those things.

There are still more costs. Because of the complexity of administering the program, a bureaucracy of FmHA personnel would be needed to check eligibility, to monitor the necessary separate reserve accounts for maintenance, insurance and taxes, and to administer the recapture provision. The recapture provision is touted as a selling point of HOAP, but it will operate only if the property is sold to a noneligible, unsubsidized buyer. This, of course, would leave fewer housing units available to low-income people.

Furthermore, I do not believe that the proposed initiation of HOAP adequately takes into account the efforts already being made under other Federal programs on the housing problems of low-income people living in rural areas. For example, FmHA's section 504 very low-income housing repair grant and loan program provides grants and loans to low-income people to make essential repairs to homes to correct health and safety hazards. The self-help housing program assists groups of families in building homes through so-called "sweat equity."

Although this program originally was targeted to families with incomes of less than $5,000, it is now primarily assisting families with incomes ranging from $7,000 to $11,000. We probably need to rework this program so that it assists the people for whom it was originally targeted, although $7,000 to $11,000 is certainly low income by most standards. FmHA also administers a portion of the section 8 rental assistance program. Under that authority, FmHA will make commitments next year for 10,000 units of newly constructed housing which will cost $1.5 billion or more over the next 40 years.

Modification or expansion of these ongoing programs would be a preferable way of assisting additional lower-income people without producing the budgetary nightmare that HOAP will bring. In addition, various welfare programs provide substantial amounts of money which help low income people pay housing and other living costs. So it simply is inaccurate to suggest that the Federal Government is not doing anything to help house the rural poor.

I believe that even the pilot program, as conceived by the Appropriations Committee, threatens fiscal trouble. The authorization in the housing act is for a fully operational program of $1 billion per year and I fear it would only be a matter of time before the program reached an even higher level.

This year's pilot program will inevitably become next year's full-fledged ongoing program. Moreover, this year's rural homeownership program will inevitably become next year's urban homeownership program.

So what we are starting here, Mr. President, is a vastly expensive new approach to housing which I feel the country can ill afford.

We have already witnessed the disaster of HUD's section 236 program which had to be suspended after only 5 years of operation in 1973. Even though section 235 was later reactivated, the program was substantially revised and subsidies are not nearly as deep as HOAP. We simply cannot allow ourselves to repeat our past mistakes.

If FmHA is allowed to start the HOAP program, Mr. President, I think it is safe to predict that we will soon have costs of $5 billion per year, or even more. Even at that spending level, the program would still reach only a small fraction of those who would qualify. The program would also undoubtedly cause resent-

ment and bitterness on the part of people just above the income limitations. We would have very low income people living in housing substantially better than people with higher incomes can afford.

Congress is simply going to have to accept the fact that there are limitations on how much money we can spend—on how many new programs we can start—and on how many good things we can try to do. It is to this end that I am joining in offering this amendment to the agriculture appropriations bill to delete appropriations for HOAP. I trust that the Senate will join us in defeating funding for this program, and not launch us into this expensive new endeavor.

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

The PRESIDING OFFICER. Who yields time?

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

Mr. BELLMON. Mr. President, I yield whatever time the Senator may require to the distinguished Senator from Maine.

Mr. MUSKIE. I thank my friend from Oklahoma.

Mr. President, I join my good friend and colleague, the ranking minority member of the Committee on the Budget, in support of his amendment. The bill that we have before us, the Agriculture, Rural Development, and related agencies appropriations bill for fiscal 1980, in its present form, is such that I must oppose it as reported and support the Bellmon amendment, which I believe will improve its budgetary impact. Before I discuss the amendment, however, I should like to commend briefly on the relationship of the bill to the overall budget targets.

To begin with, the bill as reported provides $16.8 billion in new budget authority. Outlays associated with the bill total $13 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. Technically, H.R. 4387 is within this allocation. However, this is of little-consequence at this point, for it is now clear that pressures for increased spending are projected to force the full Appropriations Committee well above its total budget allocation.

Mr. President, we confront a very difficult and dangerous situation. On May 23, when the Senate passed the first budget resolution by a vote of 72 to 17, I took this as a sign that the Senate was prepared to meet the two major fiscal challenges of controlling inflation and balancing the budget. Yet today, I must report to the Senate that the total of regular and supplemental appropriation bills expected to be reported exceed the targets of the first budget resolution by more than $5 billion.

If enacted, these appropriations will result in the fiscal year 1980 deficit rising to a level higher than the fiscal year 1979 deficit. Clearly such an outcome—coming at a time when the Congress is attempting to shrink and eventually eliminate the Federal budget deficit—is unacceptable.

In this situation, I feel I have no alternative but to support those who seek reductions in appropriations which are not of compelling necessity. Therefore, I shall vote for the Bellmon amendment to eliminate from H.R. 4387 $196 million in startup appropriations for a new homeownership assistance program—commonly referred to by its acronym as HOAP.

By way of background, it should be recalled that this new program was first authorized in the Housing and Community Development Amendments of 1978, as a supplement to the existing section 502 interest credit program of the Farmers Home Administration.

The section 502 program subsidizes down to 1 percent the mortgage interest rates paid by participating low-income rural homeowners. For rural dwellers whose incomes are too low to enable them to use the section 502 program, HOAP would provide supplementary grants. Eligible rural families would pay 25 percent of their adjusted incomes toward mortgage principal and interest payments, taxes, insurance, utilities and maintenance, with the Federal Government paying the remainder. Commitments would run for up to 33 years.

Mr. President, although H.R. 4387 provides appropriations of only $196 million to begin funding for HOAP, once begun, the program is expected to require continuing appropriations of nearly $1 billion per year. Thus this appropriation now before us represents only the opening wedge. Make no mistake about it, once funded, HOAP will become a permanent and enormously expensive addition to the Federal budget.

Mr. President, as I have just noted, the projected cost of HOAP itself is nearly $1 billion per year. However, since the HOAP subsidy would be an add-on to the section 502 interest credit subsidy, it is necessary to add the two together in order to measure the total budget impact involved.

According to FmHA figures, the section 502 subsidy would be expected to require appropriations of $860 million. Therefore, the total fiscal year 1980 cost of section 502 and HOAP together would be $1.8 billion.

Mr. President, it appears likely that even this does not state the true long-term cost of the two programs. Analysis by Senate Budget Committee staff indicates that even this $1.8 billion-per-year cost projection seriously understates the Government's financial exposure at the 16,000 units per year program level intended. This is because these projections do not make any allowance for inflation. Since contracts will run for up to 33 years, inflation must be factored into cost calculations if those calculations are to have any meaning.

Using very conservative assumptions—that both incomes and the variable cost, nonmortgage components of the HOAP subsidy grow at an average annual rate of 6 percent over the next 33 years—it turns out that assistance for 16,000 additional units per year would be expected to cost an average of $2.6 billion per year, or 40 percent more than the $1.8 billion which has been estimated.

Mr. President, even if there were no other problems with HOAP, initial appropriations should not be provided until the program's budgetary implications are fully understood and appreciated, and until something is done to reduce its expected cost. Unfortunately, however, there are other problems with HOAP in addition to those I have already mentioned.

To begin with, it appears that HOAP would be extremely expensive and complex to administer. For each housing until assisted, FmHA personnel could be required to establish and monitor income levels, set up and run separate reserve accounts for maintenance and for insurance and taxes, calculate and make periodic payments of utility allowances, and make sure that the property is well maintained. Because the program is so labor-intensive, staff increases could be required, further adding to the cost.

In addition, one of the major selling points of the program is its so-called recapture provision, under which FmHA would be expected to recover a portion of its subsidy payments from the appreciation in any assisted property's value when that property is sold. However, for the recapture provision to work, the property must be sold to an unsubsidized buyer. Such a sale Mr. President, would reduce the number of housing units available to low-income people, and force the Government to subsidize additional low-income housing units.

Questions have also been raised, Mr. President, about the need for this expensive new program, when we already have so many existing programs providing for various rural housing needs. For example, according to Administration figures, 44 percent of rural people living in substandard housing units are over 60 years of age. Both the section 202 and public housing programs provide subsidized housing for elderly people. In many other cases, substandard rural housing can be brought up to code with the assistance of the section 504 program that makes loans and grants to repair or construct additions to existing housing. And for people whose incomes are so low that costs must be reduced still further if they are to be able to afford decent, safe, and sanitary housing, creative use can be made of a combination of the section 502 interest credit program, the section 504 program providing grants and loans to repair or construct additions to houses, and the mutual and self-help housing program under which groups of 6 to 10 families build their own homes by mutually exchanging labor.

Finally, Mr. President, if the Government begins a major program subsidizing mortgage principal, interest, taxes, insurance, utilities, and maintenance payments for low-income rural people, it will be difficult if not impossible to resist extension of such subsidies to all low-income individuals. The potential cost and budgetary impact of such an extension, which would undermine

our efforts to balance the Federal budget, must be considered in deciding whether to fund this new program.

We do have real and significant rural housing needs in this country, Mr. President, and I have always supported efforts to meet those needs through sound well-planned programs. Unfortunately, HOAP does not appear to be such a program, and therefore I oppose its funding. If it is funded, I fear that its enormous cost, combined with the other problems I have cited, would make it that much more difficult for rural housing supporters to convince the Executive and the Congress to give rural housing its fair share of funds. Thus, I believe that in the long run such a poorly designed program would harm, rather than help in the battle to provide decent housing in rural areas.

In conclusion, Mr. President, I would say simply to my colleagues that we face a very serious problem. If we are not careful, at a time when we are seeking to shrink the deficit, we are going to enlarge it instead. Surely we must all find this an extraordinarily unattractive prospect.

We knew at the time we enacted the first budget resolution that there was no room for starting an expensive new program such as this. And since that time the budget targets have become much tighter, not looser. We cannot preach budget balance and inflation fighting when that is good politics—at budget resolution time—and then practice profligate spending when that appears to offer some momentary advantage—at appropriations time—as though the budget and appropriations processes bear no relation to one another.

Mr. President, we just cannot conduct the Nation's fiscal business in that fashion. Rather, we must begin today to demonstrate restraint, or there will be no balanced budget in the foreseeable future, and there will be no fiscal restraint against inflation.

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

(During the preceding remarks, Senator MORGAN assumed the chair.)

Mr. PROXMIRE. Will the Senator from Oklahoma yield 3 minutes?

Mr. BELLMON. I will be happy to yield to the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs.

But before that, Mr. President, I ask unanimous consent that a "Dear Colleague" letter signed by the distinguished Senator from Wisconsin, the distinguished Senator from Maine, the distinguished Senator from Utah, and myself, be printed in the RECORD.

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

U. S. SENATE,
Washington, D.C., July 17, 1979.

DEAR COLLEAGUE: We confront a very difficult situation. At the present rate—when all the regular and foreseeable supplemental appropriation bills are taken into account—the Appropriations Committee may exceed the funds allocated to it under the Budget Resolution by as much as $5.6 billion in budget authority and $4.7 billion in outlays, contributing to a deficit for 1980 which may actually be higher than the deficit for 1979. Clearly such an outcome—coming at a time when the Congress is attempting to shrink and eventually eliminate the Federal budget deficit—is unacceptable.

In this situation, we feel we have no alternative but to seek reductions in appropriations which are not of compelling necessity at this time. Therefore, we are requesting your support for an amendment that we shall offer to H.R. 4387, the Agriculture Appropriations Bill, to eliminate funding for a new Homeownership Assistance Program (HOAP).

H.R. 4387 contains a $196 million appropriation to provide start-up funding for HOAP. Once begun, this new program is projected to require continuing appropriations of $1 billion per year. Under HOAP, eligible low-income homeowners would pay 25% of their adjusted incomes toward mortgage principal and interest payments, taxes, insurance, utilities and maintenance, with the Government paying the remainder.

As was made clear during Senate consideration of the First Budget Resolution, and again last week during debate on the Rural Housing Amendments (S. 1064), the Congressionally approved budget assumes no funding for this program. Further, the House Agriculture Appropriations Bill provides no funding for the program, and it was included in the Senate bill only on the basis of a razor thin, 14 to 13 vote.

We believe funding for HOAP to be undesirable for the following reasons:

In this tight-budget year, there is no room for this expensive and unnecessary new program. Our scarce resources should be allocated to higher priority uses.

Existing Federal programs already provide for the entire range of rural housing needs, at a cost of well over $5 billion per year.

The $196 million included in the Agriculture Appropriations Bill is merely a foot in the door. Once begun, HOAP itself would cost at least $1 billion per year, and together with the additional costs of the "Section 502" program it supplements, would result in total program housing subsidies of $2.6 billion per year.

Even this estimate in all likelihood understates the effects of inflation since HOAP costs include utilities, which are likely to increase much faster than the average rate of inflation. The subsidy for utility payments, therefore, could become a runaway cost element.

The program would be extremely expensive and complex to administer.

A major selling point of the program, the recapture provision, would require units to be sold to unsubsidized purchasers. This would reduce the number of units occupied by low-income families, and force the government to build additional low-income housing units merely to stay even.

Before the Government begins a major new program subsidizing homeownership costs, the potential costs and budgetary impact, which could undermine our efforts to balance the Federal budget, should be considered in deciding whether to fund this new program.

We agree that there are real and significant rural housing needs, and we support efforts to meet those needs through sound, well-planned programs. Unfortunately, HOAP is not such a program. If funded, its enormous cost, combined with the numerous other problems we have cited could make it more difficult in the future for rural housing supporters to secure a fair share of funds for rural housing.

We ask you to join with us in voting to eliminate the proposed appropriation to begin funding for this expensive and ill-conceived program.

Sincerely,

HENRY BELLMON,
Ranking Minority Member, Committee on the Budget.

JAKE GARN,
Ranking Minority Member, Committee, on Banking, Housing, and Urban Affairs.

EDMUND S. MUSKIE,
Chairman, Committee on the Budget.

WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs.

Mr. BELLMON. Does the Senator want 3 minutes?

Mr. PROXMIRE. Three minutes.

Mr. BELLMON. I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Oklahoma.

Mr. President, I rise in support of the amendment. Adoption of this amendment is a crucial test of whether or not the Senate is prepared to live by the discipline established by the first budget resolution.

Mr. President, in today's world, combating inflation is our most critical economic priority. Congress must contribute its share to this struggle, and this means we must hold down Federal spending and move toward a balanced budget.

If we are to meet the test of fiscal restraint, we simply cannot afford to ignore the first budget resolution. Unfortunately, with respect to the homeownership assistance program, the bill, as reported by the committee, does just that. The congressionally approved budget assumes no funding for this new program. Thus, the entire $196 million contained in the bill represents an increase above the budget resolution.

Further, it must be stressed that the homeownership assistance program is a new program and the $196 million appropriation contained in the bill is intended merely to provide startup funding. It is anticipated that once the program is in operation, it would cost at least $1 billion a year.

Mr. President, the Nation does have very serious rural housing needs, and we must continue to work to meet these needs. We have substantial existing programs to meet these needs, and the pending amendment would not affect these existing programs. Given the reality of today, I say that now, of all times, is emphatically not the time to begin a new and costly program such as the homeownership assistance program. I urge the Senate to favorably consider the amendment.

Mr. President, I am glad to join in support of the amendment by the Senator from Oklahoma and the Senator from Maine. I think this amendment is essential.

I do so with a heavy heart, though, recognizing how hard the distinguished chairman of the subcommittee (Mr.

EAGLETON) has worked on this bill to try to hold down the cost, conscientiously. He is right about the great need for rural housing.

The occupant of the chair (Mr. MORGAN) has done a fine job on our committee in that respect. But the need is far from met.

The fact is, however, that rural housing is available in the section 502 interest credit program, which subsidizes homeowner mortgage interest payments down to 1 percent. For those who cannot afford that there is public housing, the section 8 program, the Farmers Home Administration rural rental assistance program, and others.

The difficulty, Mr. President, is that we are proposing a new program. The cost of the program in this present bill is one of great concern because, of course, it does exceed the budget resolution.

Therefore, on that ground alone, it would be very hard to support.

But as other Senators pointed out, this is a new program, a startup program, and the potential is perfectly enormous.

As I understand it, the analysis by the staff of the Budget Committee indicates that by 1982, at the program levels intended by the administration, the program could require $3.5 billion in budget authority. After 5 years of operation, the program would require annual outlays of over $400 million.

As I say, we do have other programs to help those who need housing. They are not adequate. We wish they could be. But under present circumstances, we simply have to say "no" and draw the line.

I think the Senator from Maine and the Senator from Oklahoma are exactly right in arguing that if we mean business in standing by the resolution which this body passed only a few short months ago, 2 or 3 months ago, we simply have to adopt this amendment and knock out a program which otherwise would indicate we are on the road to more spending, more deficits, more inflation.

For that reason, Mr. President, I support the amendment.

I recognize, as I say, that the Senator from Missouri and others have worked very hard on it, and have done a fine job on the subcommittee.

Mr. President, I thank my friend for yielding.

Mr. STEWART. Will the Senator yield?

Mr. EAGLETON. I yield 5 minutes to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. STEWART. Mr. President, I support, and I urge my Senate colleagues to support the recommendation of the Committee on Appropriations to fund a limited rural homeownership assistance program (HOAP) in 1980. I urge my colleagues to reject the amendment to eliminate the program proposed by the Senator from Maine.

Rural Americans have sought a homeownership assistance program for lower income families since early in this decade. After much deliberation, Congress enacted the program in the Housing Act of 1978. In January of this year, the administration requested that the program be started with funding for some 15,000 units. The authorizing legislation was introduced and has already been passed. For the Senate now to reverse the recommendation of its Committee on Appropriations to fund a limited program of only 3,000 units and to eliminate the program, would be a betrayal of rural America, and a vote of no confidence in the Farmers Home Administration. I do not believe the Senate would knowingly turn its back on rural Americans, or indicate that it has lost confidence in the Farmers Home Administration.

The Farmers Home Administration has, since the enactment of the Housing Act of 1949, aided more than 1.3 million American families living in smaller communities and rural areas to become homeowners. This achievement has been realized at relatively little cost to the American taxpayer. It is clear, however, that the FmHA can no longer in this period of escalating housing prices reach many rural families who need housing.

Of 4 million rural families now living in substandard housing, 3 million cannot qualify for mortgage loans under present FmHA home ownership programs. Nor can they generally find decent rental housing in their communities.

It was for this group that the Farmers Home Administration, together with concerned rural housing groups, designed the homeownership assistance program which is now part of the national housing law. The program was designed not only to target Federal funds to lower income familiies in desperate need of housing, but to assure, at the same time, that Federal funds would be prudently used. Homeownership counseling, regular accounting, and maintenance activities, and a special recapture provision, under which subsidies paid out would be returned to the Treasury at the time of the resale of the house, were built into the program.

Through such statutory requirements, the HOAP should protect and minimize the Federal investment.

Mr. President, I believe it is important that the Senate uphold the recommendation of the Committee on Appropriations. I urge the Senate to reject the amendment and to approve the recommended funding for rural homeownership assistance in fiscal year 1980.

It has been argued by those who would amend the bill that the rural homeownership assistance program "is not of compelling necessity at this time."

I would like to know what is more compelling than the facts of rural poverty and the substandard housing conditions that low income rural families are forced to accept today. What can be more compelling, at a time when most Americans are being told they consume too much oil, too much meat, too much of everything, what can be more compelling than the picture of small children being reared in a shack with a slanting front porch roof and windows that are rotting out. What can be more compelling than the picture of an industrious couple that have worked the land for many long years, paid their bills regularly, and find that they cannot afford or find decent housing.

Mr. President, rural America has, for too, long, waited for help from Washington.

Mr. President, I should also like to speak to a question that was raised by people in the housing industry. Some concern was expressed by homebuilders in my State—and other Members of the Senate might have heard from homebuilders in their States—who are concerned that the program we are now discussing would take funds away from the critically needed moderate-income home loan program administered by the Farmers Home Administration.

I want to report, after having heard from Mr. Vandal Guarlee, president of the National Homebuilders Association, who comes from my State, that this concern is no longer held by him or the homebuilders of this country.

Both the Senate and the House appropriation bills have restored funds for the moderate-income housing program that were cut in the administration's budget. Both bills authorize $800 million in loans, the figure thought by the National Association of Homebuilders to meet the demands they saw in that particular program in this country.

In light of this, I am glad to report that the National Association of Homebuilders, according to their president, support the recommended appropriations for this particular program as recommended by the Appropriations Committee.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. EAGLETON. I yield the Senator 2 additional minutes.

Mr. STEWART. I thank the Senator.

Mr. President, I suggest to those who are arguing against this particular amendment that in times of difficulties economically, we often forget those who need our help the most at the national level. I can think of no group of people who need our help more, particularly with regard to housing, than those in the rural communities of this country.

This is a model program. It will not reach all the needs there are, but it is a beginning; and I urge my colleagues to vote with us in opposition to this amendment.

Mr. EAGLETON. I yield myself such time as I may consume.

Mr. President, during 1978, the administration asked Congress to enact legislation and provide funding to complement existing programs to assist low-income rural Americans in need of decent housing. The authorizing legislation was included in the Housing and Community Development Amendments of 1978, but the program has not been funded. I am asking that the Senate provide a limited appropriation to start and test this program.

The deplorable housing situation in the more remote sections of rural America continues to represent a major failure in what we like to think of as our highly developed modern society.

Studies tell us that some 4 million families in rural areas are deprived of adequate housing; one of the most basic

ingredients in the quality of life that the rest of us take for granted.

Last year, a study conducted by the Office of Management and Budget, the Department of Agriculture, and the Department of Housing and Urban Development showed that: One out of six families in rural areas live in deficient housing; 1.9 million rural housing units either lack complete plumbing or are physically deteriorating; another 780,000 rural homes are overcrowded; 1.2 million households are paying rents which exceed 25 percent of their income, thus creating an untenable economic burden.

Over 75 percent of families living in substandard rural housing have incomes of less than $7,000 a year. Two-thirds have less than a $5,000 income and 40 percent exist on under $3,000.

Three-fourths of the substandard rural housing is in communities with less than 2,500 population.

People over 60 years old occupy over 40 percent of the deficient housing.

This situation is morally and socially unacceptable.

Current Federal housing programs have been criticized for their failure to serve people on the lower level of the economic scale. Inflation is one of the major culprits in foiling attempts to serve the poor. Families, who may have been able to afford at least a 1-percent interest rate a few years ago, now find themselves priced completely out of the housing market. In 1970, the average cost of homes built by the Farmers Home Administration under its 502 low-income housing program was $12,990. By 1978, that figure rose to $27,947. Undoubtedly the average cost of these moderate homes has increased substantially in the intervening months.

The housing study cited earlier shows that FmHA programs have accounted for about 10 percent of the reduction of substandard rural housing. Although that is commendable, it falls far short of the goal of serving rural residents who need it the most.

The minimum practical eligibility requirement for the existing FmHA home ownership program is $7,000 annual income. That is considered to be the lowest income at which a household can afford home ownership with a 1-percent interest rate. As has been noted, over 75 percent of substandard housing in rural areas is occupied by households having less income than needed to qualify for this program.

The home ownership assistance program (HOAP), which has been provided limited funding in H.R. 4387, is intended to help those most in need obtain decent, safe, and sanitary housing. The program is designed for those unable to afford housing, even at 1 percent interest. It will operate only in areas where assisted rental housing is not available or suitable. Thus it provides a chance for families living in the least populated rural areas who generally exist on incomes of $7,000 per year or less to obtain decent housing.

Some of my colleagues, of course, have some doubts about HOAP, and they have been expressed. They are justifiably concerned over failures in some previous Federal programs and believe the costs will impact the budget to a far greater degree than projected by the administration. I intend to allay those concerns.

The administration's budget authorization request is lower than would be requested for a comparable rental subsidy program. FmHA cites the history of its section 502 program where the average family receiving interest subsidy has moved to an unsubsidized status in 7½ years, and where the average borrower leaves the program in 12 to 14 years. FmHA sees current inflation and interest rates lengthening both average periods, but maintains that few if any families will remain in the HOAP program for the full 33-year life of the loan.

There is little likelihood that funding HOAP will trigger a similar program in urban areas. The law expressly limits HOAP to rural areas where assisted rental housing cannot meet low-income family needs. FmHA provides rental housing loans in many rural communities, as do HUD and the State housing finance agencies. There is no doubt at all that rental housing is economically feasible and available in urban areas.

Mr. President, the Agriculture Appropriations Subcommittee, considered the HOAP proposal in full cognizance of housing needs in relation to the need for economic restraints. The HOAP program contains features which will help obtain a socioeconomic balance. FmHA will build in a priority for existing housing that does or will meet standards. This requirement and HOAP limitation to smaller communities will tend to eliminate the possibility for large concentrations of families receiving this assistance.

Concern has been expressed about the ability of low-income families to manage home maintenance. A number of steps will be taken to assure that HOAP homes will be kept up. Maintenance allowance schedules will be developed for differing house types, sizes, and ages by FmHA in each State and used to guide the agency in counseling with families in the program.

A long-term and extraordinary maintenance reserve will be developed to assure that HOAP families are not left without the capability to pay for major repairs and replacements. Finally, the recapture program, of which I will say more, has been designed to provide financial incentives for families that occupy and keep their homes in good condition. FmHA supervisors will make at least one inspection and counseling visit per year to the homes of HOAP recipients.

FmHA has had some delinquency problems in its regular section 502 home ownership program, which, after all, serves families unable to obtain other credit. Two problem areas which have contributed significantly to these problems have been the absence of tax and insurance escrowing and the effect of rapidly increasing heat and utility costs. There will be escrowing in HOAP and a utility allowance will be included. In addition, FmHA has implemented new and much higher thermal standards which were designed to help keep utility costs down.

Mr. President, a unique feature in the HOAP legislation is the subsidy recapture provision. Under this concept, which is already in force for interest subsidy in the section 502 program, the Government lays claim to a part of the appreciated value of the home when it is sold.

The administration recognized that housing low-income people is expensive. It searched for lesser costing remedies than HOAP and found none. They also recognized the demands on public funds and the need for fiscal integrity. Subsidy recapture was the local answer, wherein low-income families agree to return a portion of their potential appreciation for the opportunity to receive necessary subsidies. FmHA projections indicate that the HOAP subsidies can be funded, even at the administration's requested level, within the recapture of interest subsidy in the existing program.

The rate of recapture depends on a number of factors including the rate of appreciation, the number of years assistance is provided before the borrower graduates into higher categories, the amount of subsidy granted and the number of years that recipients occupy their homes. FmHA estimates that it will recapture over 50 percent of the combined HOAP and interest subsidies. Their estimates were reinforced by a May 1979 limited spot survey of section 502 sales in 20 States where the annual appreciation rate approached 10½ percent.

It is somewhat ironic that the 1980 budget message recognizes almost $20 billion in housing subsidies through tax exemptions, most of which go to middle- and upper-income families, and none of which is recoverable.

Mr. President, I can summarize by noting that HOAP is a well-thought out approach to a severe problem. It counters the necessity for larger subsidy costs with the means to share appreciation. Problems will not go away, because we refuse to look any further than the need to curtail spending.

This spending has been most carefully programed by the administration, and the Committee on Appropriations has limited the targeted pilot demonstration program to very, very limited dimensions.

I think, Mr. President, that HOAP deserves the chance to be tested and I believe it will succeed. I urge my colleagues to vote against the Bellmon amendment.

Mr. President, I ask unanimous consent, on behalf of Senator MOYNIHAN, that Mr. Ted Blanton be accorded the privilege of the floor during the pendancy of this bill.

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

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on the Bellmon amendment.

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

The yeas and nays were ordered.

● Mr. McGOVERN. Mr. President, H.R. 4387 which provides appropriations for the Department of Agriculture is of ma-

jor importance to our Nation in general and rural America in particular. I urge passage of the bill as reported by the full Appropriations Committee. A special note of gratitude is due to the subcommittee and its distinguished chairman, Senator EAGLETON, for a fine job under difficult circumstances.

Few of the programs of the USDA are more important than those administered by the Farmers Home Administration (FmHA). The FmHA is the lender of last resort for farmers, families, and communities. The agency has had a remarkable record of service over the years and deserves high commendation. I wish, Mr. President, to address myself to one small program funded for the first time in this bill. This is the homeownership assistance program, known as HOAP.

Few things are as important to people as a decent place to live. As a nation, we have attached special recognition to this fact by making it a matter of national commitment. As a matter of fact, Mr. President, this is the 30th anniversary of that commitment made first in the National Housing Act of 1949 and renewed periodically since then. I want to say that we have made much progress toward that goal and commitment. Unfortunately, we still have a way to go.

There are still millions of Americans who continue to live under terrible conditions having escaped the progress achieved since 1949. Unfortunately, all too many of these Americans live in our Nation's rural communities. These include Indians on reservations, people who live in small midwestern communities, blacks in the South and Chicanos in the Southwest. This is a situation which concerns us all and which the FmHA programs address.

Until this year, however, it was not possible for the FmHA with its authority to deal with all situations in rural America. Large numbers of the rural people who live in substandard housing are very poor and live in the most rural communities. FmHA estimates that in 1975 over 75 percent of the substandard housing was in nonmetropolitan communities of 2,500 or less and most of this was occupied by people who had incomes under $7,000 annually.

These families often live where there are few active housing authorities, developers, or entrepreneurs. Banks and savings and loans do not abound in such areas. The lack of such institutions prevent the delivery of most housing resources. Rising costs made many of these rural people unable to use the section 502 homeownership program, even with full interest credit program. The enactment of HOAP into law in the final days of the 95th Congress was an attempt to deal with this problem. The authority was requested by the administration as were appropriations for fiscal years 1979 and 1980.

The Agriculture Appropriations Subcommittee, acting with a balance which recognizes both the housing needs of rural people and the pressure for fiscal restraint, has recommended a modest amount of money to conduct a highly restricted demonstration program. Some 3,000 families will be provided assistance in fiscal year 1980 to get out of substandard housing and achieve homeownership. Given the fact that there are more than 2 million families living in substandard housing in small rural communities, this is a modest beginning, indeed.

It is incumbent on us to provide the wherewithall to the FmHA to serve those most in need in rural America. HOAP deserves the overwhelming support of this Congress. This is an important program to make it possible for decent housing to be available for all Americans and to maintain viable rural communities.●

Mr. MORGAN. Mr. President, will the Senator yield 5 minutes?

Mr. EAGLETON. I yield 5 minutes to the Senator from North Carolina.

Mr. MORGAN. Mr. President, I urge my colleagues to support the recommendations of the Committee on Appropriations which call for the funding of a limited homeownership assistance program in rural areas in fiscal year 1980. I oppose the amendment offered by the Senators from Maine and Oklahoma, and would like to address some of the concerns they have raised in their remarks.

I say in the beginning, Mr. President, that there are no Members of this Senate for whom I have higher regard than those who are offering and supporting this amendment and especially their concern for a balanced budget. I share the same concern. But it is a question of priorities. Because we have operated at a deficit and because we are trying to balance the budget does not mean that we must or should eliminate meaningful programs that will alleviate problems of great magnitude in this country. And this is one of those programs that I think will assist.

The homeownership assistance program, enacted by Congress in 1978, is an important program for rural America. It fills a gap that has developed in recent years in the services which the Farmers Home Administration provides families in rural areas. Over the years, FmHA has developed programs to assist all families to secure decent housing in areas of the country where mortgage credit is not available. It has a guaranteed loan program to help families with above-moderate income purchase homes. It has a basic homeowners loan program to aid moderate income families in obtaining mortgage credit. It has an interest-credit loan program for families unable to afford a mortgage loan at the Government's borrowing rate. And, since the Housing Act of 1978, it has a low-income homeownership assistance program for families whose incomes are too low now to support even an interest-credit loan.

Studies have shown that there are many low income rural families living in substandard housing in areas where there is no alternative rental housing available. These families are stable, and credit worthy, but cannot afford even an interest credit loan under the inflation that now grips the economy of this country. The homeownership assistance program would enable these credit worthy families to become homebuyers with regular payments of 25 percent of their income. The program has unique requirements to assure that it will work and will minimize Federal outlays. It is targeted by law to aid low income families only when there is no alternative rental housing available. The program will make use of existing housing where it is available. The program will include counseling services, regular housing inspections and income reviews, escrow accounts for the payment of taxes and insurance, and similar measures to assure program effectiveness. In order to reduce Federal outlays, the program provides for the recapture of Federal subsidies from the profits at the time the house is sold.

The homeownership program has been called a budget buster. It is not in my opinion. The homeownership program was included by the administration in its 1980 budget. The budget provided for 15,000 units of homeownership assistance. The Senate authorizing bill, passed last week, contains the administration request. The comparable House bill also authorizes the program, but at a reduced level of some 7,500 units. The first budget resolution also includes the rural homeownership program, as a result of a compromise between the Senate and House positions.

It has been said that the homeownership program understates its real cost. In fact, it probably overstates them. As you know the budget authority for the program in fiscal year 1980 is based on the maximum financial exposure that may be encountered over the 33 year term of the mortgage. The real cost of the program is not however—is not likely to approach the maximum figure used by the budgeteers:

First. The recapture of subsidies provided by statute is very likely to reduce very significantly the Federal outlay.

Second. Most of the families to be benefited by the program can be expected to pay not only the starting 25 percent payment, but an increased amount as their incomes increase. Some families will over a period of years graduate entirely off the subsidy list.

Third. Few families will retain ownership and receive subsidies over the 33 year term of the mortgage.

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

Mr. MORGAN. Mr. President, will the Senator yield 3 additional minutes?

Mr. EAGLETON. I yield 3 additional minutes to the Senator from North Carolina.

Mr. MORGAN. Mr. President, under existing FmHA programs, the average term of a mortgage is less than 15 years. It is well that we consider the maximum financial exposure of the Treasury when we consider authorizing a program. But we also should take into account the probability of that occurrence. The budget facts, based on experience and on the statutory requirements of the homeownership program, suggest that the real costs of the program to the Treasury are not likely to equal the costs as presented in the budget.

It has also been said that the rural homeownership assistance program is likely to suffer the same faults that befell

the section 235 program administered by HUD.

There are substantial differences between the section 235 program and the rural howeownership program. Section 235 was an urban program, carried out on a large scale and introduced hastily in 1969. It suffered the consequences of mass production with poor quality control.

There were widespread frauds in certain cities. And there were large scale defaults that resulted from the closing of military bases and defense plants in communities where large scale developments of section 235 housing were located. How different this experience with section 235 is from that being planned for the rural homeownership program.

Under the rural program, there will be no large-scale development of assisted housing. There will be no mass production with poor quality control, or fraud on the scale that occurred in Detroit and Philadelphia. There will be no closing of military bases or aircraft plants such as occurred in Columbus, Ga., or Seattle, Wash., to create the conditions for large numbers of defaults. Mr. President, under the Farmers Home Administration, homeownership assistance will be provided on a small scale, on a demonstration basis. Farmers Home programs still operate on a very local and personal basis. The tradition of the county agent and the extension service is very unlike the mass production psychology that dominated Washington during the early days of HUD's section 235 program. The analogy that has been drawn between the two programs of homeownership assistance is flawed.

Mr. President, the Appropriations Committee has recommended that a program of 3,000 units be authorized for the rural homeownership assistance program during fiscal year 1980. This is only one-fifth of the program recommended in the administration's budget and in the Senate's recently passed housing bill. I would not call this a budget-busting recommendation. I would call it modest and prudent. And I would say that this program is needed now—not 10 years from now.

I urge my colleagues in the Senate once again, to support the committee's recommendation and to reject the proposed amendment.

I thank the Chair and my distinguished colleague from Missouri.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 3 minutes.

I have been interested in the comments by the distinguished Senator from North Carolina, but I cannot really understand how he can conclude that HOAP is basically much different from section 235 or other housing programs that have sort of a dismal track record.

As I understand HOAP, it will be a deeper subsidy than any other housing program that has been undertaken; that it will likely prove to be over the term of the program even more expensive than any other program because this subsidy includes not only the cost of housing but also the cost of utilities, maintenance, and insurance, and no other program at this time does that.

So I think what we are launching here is a program on an admittedly relatively small scale in the rural areas, but once there are citizens who live in the cities who find out they are not being as well treated as their rural cousins, the pressure to spread the program nationwide will become enormous.

If I understand the arithmetic appropriately—and I welcome the Senator from North Carolina straightening me out in that if my arithmetic is wrong—we are providing about $370 million to take care of 3,000 units. So this figures out to be about $120,000 per unit. I realize that is over a 33-year life of the program, but I would say that the Members ought to realize that we are providing what is, in effect, an enormous subsidy, and if we do undertake to provide that subsidy for the full million households that are eligible, then the cost becomes about $100 billion.

So I think we ought to realize this is a huge step we are about to take and that we ought to take it fully aware of what the ultimate costs may be.

● Mr. MATHIAS. Mr. President, during its 94th session, Congress passed legislation which authorized the homeownership assistance program (HOAP).

HOAP is a homeownership program of the Farmers Home Administration for lower income residents of rural areas. The program fills a gap in meeting the housing needs of rural residents in the $3,000–$7,000 range who are unable to take advantage of other farmers home housing programs. I am here to support my colleague, Senator EAGLETON, the chairman of the Agricultural Appropriations Subcommittee, in recommending modest funding for fiscal year 1980.

Over the years, some progress has been made in improving rural housing, but we have tended to ignore the brutal effects of inflation on housing opportunities for low-income people. Old programs no longer reach the lowest income people whom they were intended to serve. HOAP is intended to do just that. And in the long term, providing homeownership opportunities rather than renting will prove less costly. HOAP provides a Federal subsidy for mortgage payments, taxes, utilities, insurance and maintenance in excess of 25 percent of the participating family's income. This subsidy will be recaptured over time as the family's income rises.

HOAP has been carefully limited by Congress to those who cannot utilize other assisted housing programs, and to areas where rental programs are not available or suitable. The Farmers Home Administration, which developed and will administer the program, has designed HOAP to cope with the problems normally attributed to low-income housing. They will use utility allowances, a long-term reserve for home maintenance, and escrows for taxes and insurance. FmHA county supervisors will provide regular inspection and counseling activities.

Mr. President, we all know the need exists. Year after year, Congress receives a flood of statistics substantiating this great need, and large backlogs of applications for Federal housing programs continue. National administrations, Democratic and Republican alike, faced with the necessity for curtailing spending, annually recommend far lower levels of Federal funding than are needed, and Congress usually responds somewhat in kind.

This program, however, squarely faces reality. It deserves our attention and support. We cannot continue to say one thing in the oversight and authorization processes, and then ignore our own remonstrations when it is time to appropriate. The fact that low-income housing advocates have supported recapture of subsidy is evidence that the legislation was developed as a serious compromise to effect solutions for a most difficult problem.

The Committee on Appropriations has provided in H.R. 4387 a means by which we can test HOAP before making a decision on expanded use. This makes sense to me. We should agree to the 3,000 unit $6 million outlay program. The committee bill provides limited funding, and places the responsibility for proving the program on FmHA, which developed it.

Mr. President, I urge the Senate to support the homeownership assistance program.●

● Mr. GARN. Mr. President, I rise in support of the Bellmon/Muskie amendment to H.R. 4387, the agriculture appropriations bill, to eliminate funding for the homeownership assistance program (HOAP).

No one is more aware of the need for us to reduce Federal expenditures than I am. But, I am also painfully aware of the serious need to provide housing in our rural areas. Thus, we are confronted with a difficult situation.

Unfortunately, HOAP comes before us at a time when there are simply not enough dollars to go around.

I propose that we work closely with the Department of Agriculture and see if we can resolve some of the unanswered questions and consider funding a demonstration program in fiscal year 1981.

I personally feel that helping the very poor in rural areas where rental housing does not exist is a concept which merits attention, but we need to refine our approach before we start up an expensive demonstration program.

I should remind my colleagues that when this program was first authorized the Congress placed a limitation of $440 million on the total amount of loans that could be made. In the rural housing bill we passed last week, we had language that changed that limitation to $440 million per year. This means that by not appropriating funds this year in light of the budget demands and questions surrounding the HOAP program, we could still come back next year and even consider an accelerated funding schedule after we have had time to carefully review our priorities.

This is one time when the Congress should take the additional time to rethink our goals and priorities versus rushing in with a lot of Federal dollars

to start an expensive and not clearly directed new deep subsidy program.●

Mr. LEAHY. Mr. President, I rise to underscore the urgent need for the homeownership assistance program so eloquently stated by my colleague from Missouri (Mr. EAGLETON).

First, I outline some very basic facts of housing the poor in rural America. After reviewing these facts, I believe a very clear argument for the need for the homeownership assistance program will have been made.

Fact, over 2 million rural families live in what the bureaucrats euphamistically call substandard housing. These drafty shacks and hovels of rural America represent virtually one-half of this Nation's substandard housing.

Fact, rural America has a disproportionate share of the poor, the elderly, the sickly, the transportation deprived, and the uneducated citizens of this Nation. Poor housing contributes enormously to many of these ills which plague and hamper rural development.

Fact, the Farmers Home Administration, the primary Federal agency serving the needs of rural America, cannot now meet the housing needs of its poorest clientele.

Fact, we in Congress have the responsibility to give the Farmers Home Administration the tools it needs to serve the poorest of the poor in rural America.

Mr. President, the issue here is clear, the options obvious, the need for action imperative. The facts are plain, we in Congress must act to affirm the President's request to fund the homeownership assistance program.

Today, some of my colleagues will argue that rental housing or the section 502 program is sufficient and appropriate to meet rural America's pressing housing needs. I say to these critics that they understand neither the clientele of the section 502 program nor the housing problems in rural America.

Rental housing is simply not a viable alternative in many small rural communities. And, since the homeownership assistance program will be used only in areas where assisted rental housing is not available, we are talking about assisting people who do not enjoy the luxury of choice.

Moreover, Mr. President, the section 502 program while playing an extremely valuable role in rural housing, now carries an average mortgage loan level of $27,947. In Vermont the average loan is even higher at $31,845. My colleagues in the Senate must recognize that even at a 1-percent interest rate payable over a generous amortization period, many of the rural poor still cannot afford decent housing under section 502. However, the President and Senator EAGLETON are convinced that the homeownership assistance program can meet the rural poor's housing needs, and so am I.

Mr. President, opponents of the homeownership assistance program will argue that the apparent failure of earlier homeownership programs bode poorly for this new Farmers Home Administration program. This is a debatable point. However, past failures should not stop us from seeking new solutions, solutions which build upon and learn from past experiences. The homeownership assistance program is such a solution.

With the homeownership assistance program a family will pay 25 percent of its adjusted income toward principal, interest, taxes, insurance, utilities, and maintenance. Farmers Home Administration will pay the balance, as long as is necessary.

If section 502's delinquency and default rates can be attributed to poor planning for tax payments or rising utility costs, then the homeownership assistance program has been formulated with these pitfalls in mind. To avoid these past mistakes there are escrowing of taxes, insurance, and a consumption based allowance for utilities. Also the new program addresses the maintenance problem through counseling, inspection and a long-term reserve. Finally, the program provides a direct relationship between shelter costs and family income, a feature lacking in most low income housing programs.

Mr. President, I strongly urge my colleagues to retain funding for the Farmers Home Administration homeownership assistance program. It is a program based on experience and guided by a desire to place the poorest rural residents in decent housing. The worthiness of this goal cannot be challenged, and I am confident that the means are equally safe from reasoned attack.

Mr. President, the homeownership assistance program should be given a chance by this Congress, for by appropriating funds here we are giving the poorest of rural Americans the opportunity to secure a decent home for themselves and their family.

Mr. BELLMON. Mr. President, I have no further comments and am willing to yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All the time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER) and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Kansas (Mrs. KASSEBAUM) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 60, nays 36, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—60

Armstrong	Chafee	Hart
Baucus	Chiles	Hatch
Bellmon	Church	Hayakawa
Bentsen	Cochran	Heinz
Biden	Danforth	Helms
Boren	DeConcini	Humphrey
Boschwitz	Dole	Jackson
Bradley	Domenici	Jepsen
Bumpers	Exon	Johnston
Byrd, Harry F., Jr.	Garn	Laxalt
Cannon	Glenn	Lugar
	Goldwater	Magnuson
McClure	Ribicoff	Talmadge
Muskie	Roth	Thurmond
Nelson	Schmitt	Tower
Nunn	Schweiker	Wallop
Packwood	Simpson	Warner
Pell	Stafford	Young
Percy	Stennis	Zorinsky
Proxmire	Stevens	
Pryor	Stone	

NAYS—36

Bayh	Heflin	Melcher
Burdick	Hollings	Metzenbaum
Byrd, Robert C.	Huddleston	Morgan
Cohen	Inouye	Moynihan
Cranston	Javits	Pressler
Culver	Kennedy	Randolph
Durenberger	Leahy	Riegle
Durkin	Levin	Sarbanes
Eagleton	Long	Stewart
Ford	Mathias	Tsongas
Gravel	Matsunaga	Weicker
Hatfield	McGovern	Williams

NOT VOTING—4

Baker	Sasser	Stevenson
Kassebaum		

So Mr. BELLMON's amendment (No. UP-377) was agreed to.

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

Mr. EAGLETON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. HEINZ. Mr. President, I ask unanimous consent that on rollcall No. 186, on the Bellmon amendment on the homeownership program, I be recorded as voting "yea" instead of "nay."

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

ORDER OF PROCEDURE

Mr. DECONCINI was recognized.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield without losing his right to the floor?

Mr. DECONCINI. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BIDEN be allowed to speak for 1 minute and that he be followed by Mr. DOLE for not to exceed 2 minutes, which has been cleared on the other side of the aisle, without the Senator from Arizona's losing his right to the floor and without the time being charged to the Senator from Arizona.

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

CONGRATULATIONS TO THE EUROPEAN PARLIAMENT

Mr. BIDEN. Mr. President, today the first directly elected European Parliament convenes, and I think it fitting that the Senate take note of this historic occasion. I therefore ask unanimous consent that the Senate turn to the consideration of a concurrent resolution expressing the congratulations of the Congress to the 410 European parliamentarians who were elected last month, and to the institution of which they are now a part.

The House of Representatives has already passed an identical resolution, and a Representative from the House, Mr.

SAM GIBBONS of Florida, is in Strasburg for the opening ceremonies today, where he will present the resolution as a gesture of interparliamentary good will. I think it fitting that the Senate lend its vice to this expression of friendship toward our West European parliamentary counterparts.

Mr. President, I ask unanimous consent that there be placed in the RECORD at this point three articles—all from Europe, the magazine of the European Community—concerning the newly elected European Parliament and its prospective significance.

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

WHAT THE ELECTIONS MEAN

(By Flora Lewis)

Four hundred and ten European politicians—there will be 435 when Greece takes part in 1981—have just won new jobs with high pay, about one week's work a month, and an impressive title: Member of the European Assembly. The first European elections, on June 7–10, were of course not intended to serve as unemployment relief. But the campaigns fell so far short of the original goal of stimulating broad new public interest in the Community and giving it a direct, democratic flavor that the first result does seem to be a new kind of patronage. This less than inspiring aspect has been further tarnished by the way many prominent politicians have lent their names to candidates' lists for the sake of their party, but let it be known they do not really intend to shift the focus of their activity from their national parliaments to the European one.

Therefore, the outcome of the elections is not in itself a measure of the level of the new Parliament. It establishes the number of seats each group will hold, but except for Britain, which stuck by its traditional single-member constituency system, it does not reveal who will actually sit in Strasbourg and Luxembourg—the alternate Assembly sites. The Treaty of Rome not only provided for the move from nominated to elected Assembly members; it also said they should all be elected under the same system, but that was one of the provisions cast aside in the long negotiations and compromises which finally led to the actual elections. Each country worked out its own procedure, mostly proportional representation on the basis of regional—but in France and Holland, national—districts. Each decided for itself whether members of the national parliament could also represent voters in Europe. And in most cases the elected candidates reserved the right to step down, to be replaced by lesser personages on their party list, so as to concentrate on national politics.

Willy Brandt of Germany and Simone Veil of France are among those few stars who have committed themselves to serve Europe. The stature of individuals who do take their places in the Assembly was projected as a key measure of its future importance. How many active leaders choose to do so remains to be seen, but on this score, too, the approach to the first elections could only be rated a disappointment.

Basically, domestic politics remained the central arena everywhere. In Britain and Italy national elections shortly before the European vote overshadowed it. In France the 1981 Presidential campaign was the real stake in political maneuvering. Only in Denmark was a clearly European issue at the center of debate—and it was the fundamental question of Denmark's participation in the European Community that had been resolved by referendum six years ago and was presumably not to be reopened.

There are European issues, as commentators continually pointed out. They have to do with energy, environment, laws concerning multinational companies, relations with developing countries. Even what are perceived as national issues are truly common to Community members now, and responsible leaders know these issues cannot be effectively handled in a national context—inflation, unemployment, the painful transition from old, uncompetitive industries to the more advanced technology needed to keep Europe's factories fruitful. But the goal of demonstrating to the world's largest democratic electorate that these are the issues in which all European citizens have a common stake was lost in the personal and partisan campaign debates.

It means that the test of the Assembly's value has been postponed. The hope that it would emerge in the electoral process itself was not fulfilled, but the opportunity has not been foreclosed. Now, it will be a question of who goes there, how they work, how they organize caucuses and procedures, and finally, of course, what they do. The argument heard widely in Germany, Luxembourg, and elsewhere a year or so ago, that the mere fact of direct election would spur the Assembly to seek greater powers had to be played down in the debates. It would have boomeranged too sharply in countries such as France, Britain, and Denmark where vocal politicians are determined not to allow any expansion of supranational power. And given the mood of countries now, there is scarcely any likelihood of a revived federative dynamic. In fact, Europe is settling down to the "Europe of Nations" which the late French President Charles de Gaulle prescribed, with the Council of Ministers and the three-times-yearly summit as its fragmented chief executive.

But, there is another, less advertised area where the direct elections can after all lead to shifts back toward a more cooperative, Europe-wide attitude. That is precisely through the parties, which did demonstrate their central role during the campaign despite the feeling in country after country that they have driven national politics to a series of impotent impasses.

Even in the previous, appointive Assembly, party factions were organized across national lines. The Socialists were the largest group, but only because the conservatives could not get together, with French Gaullists and Britains Tories remaining on their own outside the bloc of Christian Democrats from other countries. Nobody paid much attention to what was going on in the debates. The reasoning behind the shift to direct elections was that constituents would watch the representatives they had chosen, and if it works that way at all, the representatives will feel the urge to introduce livelier issues.

To have a chance of passing resolutions, even though they have no legal force, the Assembly members will have to organize the most effective possible voting blocks. That means compromise and accommodation among national parties. The French, German, Dutch Socialists, for example, will have to find common positions on questions where they do not now see eye to eye. Then, when the questions come up in national legislatures, it will be more difficult for them to revert to their previous divergent stands.

An early test of the binding power of this political urge will come with the election of the Assembly's President, necessarily a more important position now. French President Valéry Giscard d'Estaing would like to see Simone Veil, his former Health Minister who heads the list supporting his policies, become the first President. Britain's new Prime Minister, Margaret Thatcher, said after visiting Giscard recently that her concern about the Assembly was to be sure the center-right will dominate. It won't unless it can organize at least as well as the Socialists and Communists.

Already the elections called into being, an embryonic form of European politics, Italy's Communist leader, Enrico Berlinguer, went to France to help the French Communists campaign in the southeast, where many people have Italian names. Francois Mitterrand, the French Socialist leader, organized a mammoth European rally in Paris with leaders from the Socialist parties of all Community members, and added those of prospective members—Greece, Spain, and Portgual. Once the Assembly starts to work, Europolitics are likely to develop further by the sheer momentum of procedural need and, as a result, to influence the stands parties adopt in their national contexts.

That is not going to add to the Assembly's minimal powers. Institutionally, there is no prospect for a revived effort toward greater union in the foreseeable future. But it could bring about the greater sense of political community that was supposed to be produced by the act of election itself, and was not.

The political blocs can also develop some muscle through the Assembly's committee systems, which can hold hearings, question EC Commissioners, and launch investigations. Whether they do remains to be seen, but the elections provide new incentive to use this function since it is one of the ways that European deputies can try to show constituents that they are doing a job.

The Commission has become a distant bureaucracy whose impact on people's daily lives is seldom perceived. Governments are warier than ever to make a sacrifice of national power for the greater good of Europe. The elected Assembly will still be a talk shop with no legislative prerogatives. But it could be that the politicians will be impelled by the circumstances of their work together to enhance the European dimension of the issues everyone faces. It will take a few years to find the trend. The second European elections are scheduled for 1984. Perhaps perceptions and habits will have reached the point where Europolitics can have a galvanizing impact.

ONE HUNDRED AND TEN ELECTED IN THE WORLD'S FIRST INTERNATIONAL PARLIAMENTARY ELECTION

(By James O. Goldsborough)

Critics and skeptics were hardly in short supply, but even they could not deny the single, salient fact: Never before had there been an election like the June popular vote for the European Parliament. There was simply no historical precedent for a group of sovereign nations setting up a supranational assembly with the power to take decisions affecting their destinies. To be sure, the powers of the Parliament were limited, but still there it was, sitting on the banks of the Rhine, in Alsace, which in other times was the symbol of European destruction and division, never of unity.

Some of Western Europe's most illustrious names are now headed for Strasbourg (and Luxembourg, the Parliament's alternate seat)—giving up national cabinet, legislative, and party posts to become members of the 410-strong first directly-elected European Parliament. Although the June vote was politically inconclusive in its results, and occasionally disappointing in its turnouts, few Europeans took it lightly. Even the strongest opponents of European unity made sure they would be represented in the Assembly. For there was an almost tangible feeling that, if initially powers of the Assembly would be limited and its influence weak, here, finally, was momentum.

The election almost never was—might not have been—and it was only by virtue of strong political will and considerable political risk that it was finally held. Although direct election was called for by the Treaty of Rome, the European Economic Community's constitution written 23 years ago, few Europeans held out much hope for it during the 1960's. As late as the EC summit meeting in the Hague in 1969, when the French

finally gave the go-ahead on British negotiations for Common Market entry, prospects were so dim for direct elections that the Benelux countries threatened to go ahead with a mini-vote of their own.

It was the new French President, Valery Giscard d'Estaing, who in December 1974 reversed the French position, even though it opened a breach in his own Government that eventually contributed to the disaffection of the strongly nationalist Gaullist Party. Giscard gave his assent as a quid pro quo for the other EC countries agreeing to set up the European Council, the periodic summit meetings of the nine member state leaders to set policy. With a strong executive, it was reasoned, a democratic parliament was needed as balanced. Negotiations began in Brussels that would drag on for three years before the Nine could agree on the size of the Assembly, voting procedure, and election dates. But behind those details lay the true issue that delayed the election almost five years since the compromise of 1974: The powers of the Parliament.

The Treaty of Rome limits the European Parliament's powers to those of consultation, approving part of the EC Commission's annual multi-billion dollar budget and firing the Commission if it is deemed inadequate for some reason. For these powers to be increased would take unanimous agreement by the European Council and possibly a Treaty change (requiring in turn national parliamentary ratification)—not likely at present given the hostility of Britain, Denmark, and France to an increase in powers. But even the Community's most avid opponents of unity and supranationality—men such as British Labourite Tony Benn and French Gaullist Michel Debré—understand that the new Assembly, with a popular mandate behind it, will try to push its powers beyond the limits. Debré, who led a fierce Gaullist nationalist campaign during the elections and was clearly disappointed with his party's mere 16 percent of the vote, called the Parliament, "a mortal danger for French sovereignty and unity." Said Benn during the campaign: "If we are not careful, we will find that fundamental national rights—such as our North Sea oil—will be taken away by this international body."

In none of the Community's four big nation's did an anti-Parliament campaign pay off. The British Labourites and French Gaullists were the big losers, and in Italy and Germany there is no serious opposition either to European unity or the European Parliament. The vote confirmed what the latest national votes also have demonstrated: a swing toward the center in Europe. For the moment, at least, the momentum of European Socialists, Social Democrats, and Communists has been checked. But this is certainly less because the left is more anti-European than the center, which is not always the case, than because of the uncertain economic times in the West today. Says French Socialist Leader François Mitterrand: "Recessions historically have helped the right."

Thwarted, at least temporarily, are the left's dreams of a majority in the European Parliament—which would have provided a check and balance on the more conservative legislatures in many of the national parliaments. Although the European Socialist Group will be the largest, it falls far short of a majority in the 410-seat body. Much of the blame for this was put on the British Labourites, whose lackluster performance in the election cost the European Socialist Group heavily. EC Commissioner Claude Cheysson, a French Socialist, was uncommonly blunt in his criticism of the British: "The British today seem to have a new specialty—missing the train," he said. "One might have thought that the introduction of more democracy into Community life would have interested them more."

This criticism illustrated an important new development: Once it was Community gospel not to criticize one's European partners. Now things will never be the same again. The performance of the British Labourites not only affected Britain, as would be the case in a national election, but affected the Socialists of the Continent, who saw their power in the new Assembly reduced. It was a strikingly new element in European life. The newly elected members will not go to the Assembly as national representatives, but rather as those of their political parties. It was precisely this new element of supranationality that led to the bitter campaigns of nationalists such as Debré.

There was a distinct problem for some of party affiliation. The French Gaullists don't regard themselves as close to either Europe's Christian Democrats or its Conservatives. Some members of former Health Minister Simone Veil's dominant French centrist group will sit with European Liberals, others with Christian Democrats, others as Independents. Socialists, Social Democrats, and Labourites will sit together, despite widely differing views on Europe. Italy will be represented by both Socialists and Social Democrats, who at home can agree on almost nothing. French and Italian Communists will sit together, though the French are deeply hostile to the European Community, while the Italians are favorable. Interestingly, nowhere did opponents of European unity boycott the elections: everybody wants to be present in the Parliament, if only for his nuisance value.

The voting turnout disappointed some Europeans, but not all. EC Commissioner Etienne Davignon of Belgium pointed out that the average turnout of over 60 per cent was better than in US national elections. Subtracting the 31 per cent British result, the turnout was almost 70 per cent of the European electorate—not bad considering that the vote was largely an exercise in abstraction, with no governments forming or falling, for a parliament whose powers at present are limited. For most voters it was a step into the unknown, but one, with exceptions for the voters of Britain and Denmark, apparently taken with faith in the future of Europe. The importance of the election should be seen as part of the long term construction of Europe. The newly elected Parliament will not bring changes overnight. But as part of a process, moving the Community beyond its largely economic aspect, it is important. Ironically, it was best summed up in the words of a French Gaullist, Edgar Faure, who deserted his own party to run with the Giscardian Minister Veil: "These elections," he said, "mark the passage of Europe beyond one that is purely economic to one that is economic, political, and social."

The new parliamentarians who have been christened MEP's, for Members of European Parliament, are elected for five years, with the President of the Assembly, who will yield considerable weight, for two. Some of the names being mentioned for the first Presidency of the popularly-elected Parliament were Germany's Willy Brandt, France's Veil, Italy's Emilio Colombo, Belgium's Leo Tindemans, and Luxembourg's Gaston Thorn.

COUNTRY-BY-COUNTRY RESULTS

Belgium

The small countries of the Community have traditionally been the most fervent Europeans. Belgians are required by law to vote, which helps explain the 82 per cent turnout for the European election, somewhat behind the 92 per cent figure in the national election last year. Final voting figures gave the Christian Democrats 10 seats; Socialists, seven; Liberals, four; and minor parties, three—figures that largely corresponded to the national vote. Once again, Belgian voters showed that they largely follow ethnic lines, with rural Flemish voters preferring the Flemish candidates of the Christian Democratic Party (called Social Democrats in Belgium), while the more dispersed French-speaking Walloons divided their vote among the three major parties. In all, 13 Flemish candidates were elected, and 11 Walloons—practically mirroring the 60–40 national vote favoring the Flemings.

The one exception to the voting rule was the election of former Premier Leo Tindemans, a Fleming, in Walloon-dominated Brussels, the capital. Tindemans had made himself immensely popular in Belgium and throughout Europe a few years ago through his work on what became known as the "Tindemans Report" on European unity. Though his blueprint for unity was largely blocked by the French Gaullists at the time, it did call for an early date for the first direct elections to the European Parliament, something that now has been achieved. Tindemans' thoroughness, his acceptability to both the Northern European and Southern European communities, his staunchly pro-European reputation, and the fact that he is from one of the smaller Community countries made him one of the favorites for the first Presidency of the European Parliament.

Denmark

The Danes, with the British, are the least pro-European of the Nine, and the June vote showed that, seven years after the Danish referendum on Community membership, a third of the Danish electorate still opposes membership. The Danes will send four out of 16 members to Parliament who ran on an anti-EC platform, calling for Danish withdrawal from the Community. Particularly hard hit in the election were the ruling Social Democrats, who, with only three seats, actually trail the anti-Community coalition. One of Denmark's seats, the one allocated to Greenland, was won by a local politician, Finn Lynge, pledged to holding a referendum on Greenland's withdrawal from the Community.

The irony is that Denmark is one of the Nine that has most benefited from the Community's budgetary and agriculture price support system. In 1978, over $1 billion was transferred from other EC members to Denmark, largely as revenues from supports of Danish dairy product exports. But there is little doubt that a large Danish minority believes that EC membership has been inflationary and that Denmark would be better off maintaining its historical links with other Scandinavian countries rather than working toward closer integration with the Europe to the south.

France

France opted for a proportional voting system for the European elections, compared with the two-round, majority system it uses for national elections to assure stable government majorities. Curiously, it was the Gaullist Party that had backed the European proportional vote—to avoid what Gaullists called the "regionalization of France"—and it was the Gaullists who emerged the big losers. Final figures gave them 15 seats, in fourth place behind Simone Veil's Giscardian centrists with 25, the Socialists with 22, and the Communists with 19. The disappointing Gaullist showing set off a minor power struggle within the party, with several older party members openly challenging party leader Jacques Chirac's anti-Community campaign during the elections, and forcing Chirac's two top political lieutenants to resign their posts.

The 61.2 percent voter turnout for France duplicated the 61.2 turnout for France's other European vote, the referendum on British EC entry in 1972, which was deemed a disap-

pointing showing. Still, the French parties waged an active campaign this time, and French voters, whether of the left or the center, had clear choices between enthusiastic European parties, the Giscardians and Socialists, and reluctant ones, the Gaullists and Communists. In each case, it was the enthusiasts who carried the day. The biggest winner of all was Veil, a political figure of immense appeal who ranks second only to Giscard d'Estaing in national popularity polls. She and two other Giscardian ministers, Jean-François Deniau and Pierre Mehaignerie were elected.

Germany

The German vote showed enough of a swing from the Social Democrats to the Christian Democratic opposition to send a shiver through Helmut Schmidt's ruling Government coalition. In an election night telecast, Willy Brandt, the Social Democratic chairman, laid most of the blame on the country's tiny ecologist movement, which won 3.2 per cent of the vote, about what the Social Democrats and its coalition partners, the Free Democrats, lost compared with the 1976 national elections. At 65.9 percent, the German voting turnout was well below the 91 per cent figure for the 1976 elections. In the new European Parliament the Christian Democrats will have 42 seats; the Social Democrats, 35; and the Free Democrats, four.

Brandt, an ardent partisan of European unity, probably will turn out to be too European (not to mention too Socialist) to be elected President of the Assembly. During the campaign he repeatedly called for an extention of the Parliament's powers, something favored by most Community members but opposed by the British, French, and Danes. The Germans also must guard against appearing to give Europe too German a cast. In France, two parties, the Gaullists and Communists, ran their campaigns largely on the theme that a united Europe would come under German tutelage and through it US domination. Kai-Uwe von Hassel, who will lead the Christian Democratic delegation to the Assembly, indicated that he would support France's Veil for the Presidency.

Ireland

Ireland, like Denmark, is a food-exporting nation that has done well in the Community since joining six years ago. Unlike the Danes, however, the Irish have always been enthusiastic members, though their 58 percent turnout for the European Parliament elections was a disappointment. It appeared that Irish voters, more than those of other nations, used the elections as a means of expressing disapproval of their own Government, in this case the Fianna Fail Government of Prime Minister Jack Lynch, which could barely win a third of Ireland's 15 European Parliament seats. The Irish Labour Party did better than expected. But the centrist Fine Gael emerged as the big winner. Most observers felt that the Government's poor showing was due to the present industrial turmoil and particularly the four-month-long postal workers' strike.

Italy

The Italians, required by law to vote, set the Community turnout record at 85.9 per cent—topping even tiny Luxembourg, which had 85.6. The European Parliament vote, which was proportional, largely mirrored the national vote of the preceding week, with the retreat of the two large parties, the Christian Democrats and Communists, and continued progression of the parties in between, the Socialists, Social Democrats, and the Liberals. Unlike Britain, which sent a list of almost totally unknown political figures to the new Parliament, Italy, like France, will send a plate of its top public figures, headed by Emilio Colombo, who was President of the outgoing old European Parliament.

Final figures gave the Christian Democrats 36.5 per cent of the vote (down from 38.3 in the nationals); the Communists, 29.6 per cent (down from 30.4); the Socialists, 11 per cent (up from 9.8); Social Democrats, 4.3 per cent; and the Liberals, 3.6 per cent. Since the Italians, unlike the Germans and French, did not have a minimum vote requirement of 5 per cent for election, the small parties will be represented in Strasbourg as well as the large. The final distribution gives the Christian Democrats 30 seats; the Communists, 24; Socialists, nine; Social Democrats and Neo-Fascist MSI, four each; Liberals and Radicals, three each, and the remaining four seats to even smaller parties.

Luxembourg

The main feature of the vote in Luxembourg was that citizens were voting at the same time for their national Government, and they brought it down. Consistent with the Europe-wide trend, the Liberal-Socialist coalition of Premier Gaston Thorn lost ground, and the big winner in both the national and European Parliament election was the Social Christian (Christian Democratic) Party of Pierre Werner. The Social Christians will have three seats in the European Parliament; the Liberals, two; and the Socialists, one. Werner is favored to become Prime Minister, and outgoing Prime Minister Thorn has been mentioned as a candidate for the European Parliament Presidency.

The Netherlands

The Dutch voting turnout of only 58 per cent was unusually low for a fervently pro-European nation that traditionally records 90 per cent in national elections. As in Britain, the abstentions hurt most the Labour Party, with its vote falling to 30.4 per cent compared with 33.8 per cent in the last national elections. The ruling Christian Democratic Party increased its score to 35.6 per cent from 31.9 per cent and won 10 of the country's 25 seats in the European Parliament.

The United Kingdom

The 31.3 turnout in Britain masked the reality. Latest polls show that 54 per cent of the British are favorable to the Community compared with only 36 per cent a year ago. The Community has taken roots in Britain; and if many of Labour's supporters stayed home during the European Parliament vote, it was largely because of lackluster campaigning by Labour candidates. Britain was the only Community nation to run slates of almost totally unknown figures; only one of them—Labour's Barbara Castle—known well outside the British Isles, and she won easily. In addition, the general election a month earlier left both voters and party machines politically tired.

The "peculiar" British voting system known as "first-past-the-post" effectively assured a crushing domination by the Conservative Party. The Tories will have 60 seats in the European Parliament, compared with 17 for Labour. The Liberal Party, which, with 13.1 per cent of the vote, did better than expected, did not win a single seat under the British system. Calling the voter turnout "disgraceful" and his party's shutout "unpardonable," Liberal Party Leader David Steel said that he would press for changes in the voting system before the next European Parliament election. Under a proportional system, the Liberals would have sent 10 MEP's to Strasbourg.

WHICH EUROPE?

(By Jacques Fauvet)

(NOTE.—On June 9, the day before the direct elections in France, the prestigious Paris daily, Le Monde, carried the following editorial, written by its publisher, Jacques Fauvet. His comments transcend the normal daily journalistic constraints of time and place, and thus are translated and reprinted with permission.)

The goal of the election in France is to appoint 81 representatives to the Assembly of the European Communities or European Parliament by direct universal suffrage. Its purpose is neither to broaden the powers, extend the scope nor to modify the proceedings of this Assembly and certainly not to revise the Treaty of Rome, signed in 1957, whose Article 138 provided for just such an election by an unspecified date.

In attempting to better grasp and to clarify this issue, which has only been further confused and blurred by a long campaign, it should neither be reduced to a mere political problem nor, on the other hand, attributed the stature of a doctrinal conflict.

Obviously, behind any election there is a domestic political issue at stake—in this case, both as a matter of fact, as well as in substance.

The choice of favorites, the constant confrontation between the right and left, the factional rivalries within the opposition as well as the majority, the economic and social issues raised by the campaign, and, last but not least, the approaching Presidential elections—all highlight the political or, better yet, partisan nature of the European elections.

In more basic terms, European politics essentially involves political choices on the domestic level as well. This was true back in 1958 and is still true in 1979. Twenty years ago, France would have been unable to even join, much less maintain its standing within, the Common Market without the dynamic effort to straighten out its finances and to put the nation back on the road toward economic recovery launched in the early days of the Fifth Republic. Today's continuing stagflation, combined with spiraling prices and unemployment, undermines France's position within the Community and the European Monetary System.

It's useless at this stage of the game to attempt to credit the Community with the prosperity of the Sixties or to blame it for aggravating the economic crisis of the Seventies. This brings to mind the partisan accusations levied against the Republic not so very long ago. To the Nation went the victories; to the Republic, the defeats. And, likewise, to Europe our failures, to France our successes.

If, from the standpoint of domestic politics, the issue is, after all, somewhat lackluster, it is because the economic and social situation implies that the basic domestic political choices are the same today as they were a full 12 months ago. Although divisions within the left and the majority may have weakened one of their factions, they have basically failed to shift the overall balance of power.

It may be tempting to underplay the extreme political orientation of the election by raising it to the level of a genuine doctrinal choice. But any such attempt would only be in vain. At this stage, we're no longer merely playing with words: confederation, federation, integration, supranationalism. Everyone's free to suggest their own definition and references. The truth of the matter is that there is no true precedent, either in the past or in the present, for European unity.

In any event, dialogue is impossible. Apparently, there are no longer any advocates of supranationalism among the "Four" They're all keeping silent, or perhaps have gone underground. They're neither to be seen nor heard. For all that, could they have changed their mind? Or are they simply skillfully taking every precaution to ensure that they are temporarily forgotten? No matter. There

can be no battle so long as there is no one around to fight.

It's true that the issue has resurfaced with the controversy over the possible broadening of the Assembly's powers. While legal in appearance, it is obviously and predominantly a political issue and the Gaullists were right all along. A move to broaden the Assembly's power, like any amendment to the Treaty, could result in further delegations by individual nations of their sovereign rights—in increasing supranationalism.

As in the past, sooner or later we will have to confront the problem of whether to extend the powers of the European Assembly for two reasons. First, most of the nine member countries currently advocate such a policy, and, among German Socialists and Italian Communists alike, we can easily find a majority willing to demand such a move. Secondly, an Assembly elected by universal suffrage will naturally tend to broaden its powers. Or, it will use the authority drawn from its election by the people to demand and obtain more extensive powers, even if it has failed to exercise all the powers with which it has been previously vested. Or perhaps it will do nothing and the public will soon lose interest. The voters will not be summoned twice to elect European representatives without political power.

Naturally, there's a hitch: The Treaty may be amended only by the unanimous vote of the Council of Ministers representing the nine member countries. And the French President wanted to add another condition, at least in regard to the French public. If broadening the powers of the European Assembly requires an amendment of the Constitution, then such an amendment would have to be submitted to popular vote in the form of a referendum. Although his intentions were to reassure opponents of broader Assembly power, particularly the Gaullists, he only succeeded in arousing new fears. For, in referring to a referendum, he was implying that the French Government had already approved this measure. Such a procedure would give him a means of avoiding opposition by the National Assembly. This dual problem has but a single political solution: provoke a crisis and, at just the right moment, elect a President opposed to any amendment of the Treaty.

But what exactly is the European Economic Community? It would take a smart cookie indeed to categorize it as just another national or international institution. It's a genuine "community"—in a class by itself—whose main organs (such as the Council of Ministers, the Community's executive and legislative arm, and the Commission, a supranational organ that limits itself to making proposals and decisions and then to enforcing such decisions) make it somewhat of a confederation. On the other hand, other aspects of the Community—its rules and regulations which apply to all member states; its Court of Justice; its common agricultural policy; the fact that trade agreements may no longer be negotiated by individual states, only by the Community itself—make it more of a federation, or an authority superior to that of the individual member states.

Now that we have outlined the institutional framework of the European Community, how can we define its present reality or predict its future?

What the Community is. From an operational standpoint, it is:

A common market that, while originally protected by a common import tariff, is gradually shedding its cloak of protectionism, tending toward a European free-trade zone within a universal free-trade area. But the operations of the Common Market thus far, or at least up to the crisis, have succeeded in opening up a vast market for European (and United States) industry and in breaking through the traditional protectionist barriers of the French economy;

A common agricultural policy (consuming three-quarters of the Community budget) which had been by and large highly advantageous to us here in France until the compensatory amounts and the increasingly powerful German agricultural presence changed, or, better yet, distorted, the effects of this policy;

The most sophisticated Third World policy in existence today even if, here again, the crisis has tended to cut back on price and export guarantees for the developing countries.

What the Community should be. The European Community is barely more than a commercial, not to say mercantile, community. The Six and, later, the Nine have failed to exploit the full scope of possibilities written into the Treaty.

The Community should be more democratic and less technocratic, and, in this sense, the direct elections should give the Community new impetus, while ensuring stricter Commission control and better institutional equilibrium. Being more democratic also means being more respectful of individual freedoms, which could suffer as a result of the creation of a "European judicial void."

The Community should be more social-oriented or, in other words, more just. While it is true that we cannot expect the Community to do what the countries, and particularly our own country, have failed to do for themselves, it is also true that our national economies are far too interdependent for them to attempt to adopt a series of incoherent measures with respect to employment or the number of work hours. The problem obviously stems from the fact that a social, if not socialist, Europe presupposes the simultaneous existence of governments in all nine countries which are determined to implement a more equitable, more progressive social policy.

The Community should be more just, not only from a social standpoint but from a geographic standpoint as well. Too much has already been said about the failure of the "North/South Dialogue." But the truth is that there is a North and a South within the European continent. In fact, most European countries have their own North and South which have been traditionally allotted unequal shares of wealth and resources. The Community's regional policy has failed. What's going to happen once it opens its ranks to three new poorer members, two of which are themselves divided into a North and a South—namely Spain and Greece?

The Community should be a community of cultures—of cultural respect but, at the same time, mutual awareness. It should transcend economic and social issues to demonstrate that a production-oriented society alone, despite its promises of physical or material progress, cannot assure a better quality of life, cannot free mankind from its state of alienation or provide a more humane social model. If the campaign had been more constructive in these respects, it might have indulged the people's hopes, and particularly those of the younger generation, in this unprecedented election of representatives to a European Assembly by universal suffrage, for the first time in history, in nine Old World countries.

What the Community cannot or should not be:

Europe must not play vassal to the United States, though it may very well already be—with its economic dependence rooted in the multinational firms; its political servitude resulting from its failure to invest the Community or its members with their own diplomacy, and its cultural submission resulting from its blind conformity to the "US model."

Europe cannot be a unified state. European history, the marked diversity of the languages, of mentalities, of traditions, and interests of the different countries sharing the European continent, to say nothing of the risks or simply the impossibility of mounting a common defense since, to be effective, this would mean the creation of a European deterrent force—all make the vision of a unified European state, or even a European federation within the next decades, highly unrealistic.

Europe must not be a "German-dominated Europe."

Why evade the issue? Is it a dread of reawakening old fears or sleeping myths? Or it is the risk of discouraging a young generation which, more so than any other generation before it, has taken pains to repudiate the concept of German nationalism before the eyes of the world; or, worse yet, the risk of pushing Germany to look East? If what we truly want is a realistic Europe, then none of these objections is valid in the face of present realities.

The "German problem" is first and foremost a French problem. If the German Federal Republic is a dominant European force and if it is destined to remain on top for any length of time, then this is naturally due to the inherent qualities of its people and its leaders. It is also due to France's own lack of forsight and mismanagement of its economy. The entrepreneurial spirit of French and German business and labor is totally different. Social consensus is virtually nonexistent in France. Germany's adaptation to foreign markets, its stepped-up investment program, its industrial rationalization, and the relative restraint of its unions have all placed it in a better position to surmount the crisis and register a formidable trade surplus. France seriously underestimated the extent of the crisis and even went so far as to attempt to camouflage its real causes, with their roots dating back well before the 1973 oil crisis. But if the French leaders have one fault, it's that they are always looking for ways to blame their domestic problems on foreign events. As for the German agricultural miracle, it happened quietly and at our own expense, well before the advent of the infamous compensatory amounts.

The German problem is also one of reunification. Times have changed since the pre-World War I era when it was agreed that while everyone thought about the reunification of Alsace, no one would actually speak out on the issue. Today we do more than simply think about reunification—we talk about it. If there's one word that does not belong in politics, it's the word "never." Is it forbidden to envisage a unified or federated German economic and political superpower within Europe? Can the European balance of power hold its own against such a force?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) congratulating the European Parliament.

Mr. JAVITS. Mr. President, will the majority leader yield me time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from New York be recognized for 1 minute.

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

Mr. JAVITS. Mr. President, I think that, before we pass this resolution, we should know what it is and we should know why it is. Then our action will be much more profound than just shoving it through.

As far back as 1948, when we agreed to the original Marshall plan, we committed ourselves to bring about the restoration of Europe. There is nothing

that could be more vital in terms of strengthening the European front against its Finlandization by Soviet influence, which is a real threat. Therefore, the European Parliament marks the beginning of a great effort in a direction of critical importance to the security and the national interest of the United States. It is in that sense that I hope the Senate will adopt this resolution, but adopt it knowing what it is doing and why it is so important.

I thank my colleagues for yielding. I am a cosponsor, as are others.

Mr. MATHIAS. Will the Senator yield for just a minute?

Mr. EAGLETON. I yield 1 minute to the Senator from Maryland.

Mr. MATHIAS. I inquire of the Senator from Delaware whether the resolution requires that a copy will be sent to Madame Veil, who has just been elected President of the European Parliament. If not, I request that the Secretary of the Senate be instructed to send a copy to her.

Mr. BIDEN. Mr. President, a copy has already been sent acknowledging its passage through the Foreign Relations Committee. I think the idea is a good one, that upon passage here on the floor, that be done. I so ask unanimous consent.

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

The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to. The concurrent resolution with its preamble, follows:

CONCURRENT RESOLUTION 32

Whereas the United States has maintained close ties with the European Community, dating from the creation of the European Coal and Steel Community;

Whereas these ties have been further strengthened by the continuing exchanges between members of the United States Congress and representatives of the European Parliament;

Whereas the United States and the Community share common respect for democracy, the promotion of human rights under the rule of law, and the observance of democratic practices;

Whereas a Parliament elected by universal suffrage will enable the citizens of the Community to participate more fully, through their elected representatives, in strengthening their common futures;

Whereas June 7–10, 1979, marked the first time that the citizens of the Community have chosen by direct universal suffrage their representatives to Parliament: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That the first directly elected Parliament of the European Community be welcomed when it assembles for its first meeting in July, 1979.

SEC. 2. The Congress recognizes the election of the Parliament to be an event of great historical significance to the evolution of European unification and integration and to the growth of representative democracy.

SEC. 3. The Congress congratulates the newly elected Parliamentarians and expresses the conviction that, as they assume their responsibilities, they will pursue policies aimed at strengthening the Community and ties between it and the United States.

SEC. 4. The Congress pledges its support for continued close relations with Parliamentarians from the European Community, and, to this end, affirms its readiness to explore with the European Parliament mutually beneficial measures to continue and to strengthen the existing bonds with the Parliament.

SEC. 5. The Congress requests that the President forward a copy of this resolution to the President of the European Parliament the President of the Community's Council of Foreign Ministers, and the President of the European Commission.

(Later the following occurred:)

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate discharge the Senate Committee on Foreign Relations from further consideration of House Concurrent Resolution 159 and proceed to its immediate consideration.

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

The clerk will state the resolution by title.

The second assistant legislative clerk read as follows:

A concurrent resolution (H. Con Res. 159) welcoming the first directly elected President of the European Community into the family of freely elected representative bodies.

Mr. BIDEN. Mr. President, I ask unanimous consent that the vote on Senate Concurrent Resolution 32 be vitiated and the concurrent resolution indefinitely postponed.

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

Mr. BIDEN. I think it is appropriate for me to ask for passage of House Concurrent Resolution 159 at this point.

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

The resolution (H. Con. Res. 159) was considered and agreed to.

POW/MIA UNITED NATIONS SPECIAL INVESTIGATORY COMMISSION

Mr. DOLE. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 17) to express the sense of Congress that a United Nations Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. DOLE. Mr. President, in March I introduced a resolution calling for the establishment of a commission to take up where past investigatory groups left off in securing a full and accurate accounting of Americans listed as missing in Southeast Asia. Congressman TENNYSON GUYER of Ohio introduced the same resolution in the House of Representatives, which has just recently been passed unanimously by the House. In the past we have received next to no cooperation from the Socialist governments of Vietnam, Laos and Cambodia, and it appears that most efforts on our part to continue searching have been dropped. It is imperative that we act now on this before too much time elapses, thus making it even more difficult to gather information regarding these men. Let us not let happen what occurred with the Korean war. Hopefully, we have learned from that experience and will truly make an effort for a full accounting of our servicemen from the Vietnam war.

In August of last year, Congress passed House Joint Resolution 963, and President Carter signed the proclamation, designating July 18, 1979, as "National POW–MIA Recognition Day."

I can think of no better time than today, a day proclaimed by the President and recognized by all Americans as a day to pay tribute to these most deserving men and their families, to bring this resolution before the full Senate for its immediate consideration. This morning the Foreign Relations Committee reported this unanimously out of committee for full Senate consideration today. I would like to commend the committee members for their efforts in expediting this resolution, and in so doing, recognizing the great debt we owe to these men. In particular, I would like to thank the distinguished chairman of the Foreign Relations Committee, Senator CHURCH, the distinguished chairman of the East Asian and Pacific Affairs Subcommittee, Senator GLENN, and the distinguished ranking member of that subcommittee, Senator HELMS, for their assistance and show of concern in addressing this most important issue.

It is altogether necessary and appropriate that we not forget these brave men who served our country in armed conflicts, who constantly faced the dangers and hardships of combat. We are honoring these men from all our recent wars who experienced the pain, privations and inhuman treatment of captivity, and who faced this ordeal with dignity and strength. We are also today honoring those men whose fate is still unknown, and to assure their families and friends that they have not been forgotten.

In honor of this day, the White House called upon us to join them and the many veterans groups in observing this day with appropriate ceremonies and speeches. Mr. President, while parades and ceremonies are a very appropriate modern day tribute, they will not ease the suffering and agony experienced by the families and friends of those men still unaccounted for. While I commend the President for his support, what is needed far more is some concrete action to address this concern and to resolve the doubts and questions haunting the loved ones of these servicemen. The desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible. The passage of this resolution today would be a truly meaningful tribute to these men.

Mr. President, I ask today that my colleagues join me in honoring these men on this day set aside for them with appropriate tributes and speeches. But even further, I ask that my colleagues join me and Senators HOLLINGS, SCHMITT, DOMENICI, DECONCINI, MCCLURE, DANFORTH, HUMPHREY, WALLOP, STEVENS, and BAYH, in supporting the

passage of this resolution. I am sure you will agree with the importance of establishing such a commission, one which could finally bring an end to the tragedy and haunting memory associated with the Vietnam war. Human compassion and a deep sense of obligation for their service dictate that this be done.

Mr. President, again I would like to express my gratitude and appreciation to my distinguished colleagues on the Foreign Relations Committee for their efforts in bringing this resolution to the attention of the full Senate today.

Mr. President, in addition to the other cosponsors, I ask unanimous consent that the Senator from Indiana (Mr. BAYH) and the Senator from Kentucky (Mr. FORD) be added as cosponsors to Senate Concurrent Resolution 17. I believe all of the other members of the Foreign Relations Committee are cosponsors.

Mr. HELMS. I thank the Senator from Kansas. Mr. President, on this significant anniversary, it is especially important that the Senate go on record to reassure the families of American MIA's—families whose heartbreak has been compounded by years of inaction in terms of establishing whether missing American fighting men are still alive.

Mr. President, we owe it to these families to pursue this matter until all of our missing men are accounted for. After all, these men were sent to the other side of the world to fight a war they were not allowed to win.

Mr. President, we continue to hear reports that some of these missing men may today be prisoners of the Communists. These reports agonize the families of these men. These families deserve to know the truth.

I commend the Senator from Kansas (Mr. DOLE) on his resolution. I am honored to cosponsor it. I thank him for yielding to me.

● Mr. BAYH. Mr. President, I have joined with several of my colleagues in sponsoring the resolution being considered today to utilize our influence through the United Nations in order to determine the fate of 2,300 American servicemen still unaccounted for in Southeast Asia since the cessation of U.S. military involvement in Vietnam. The General Assembly of the United Nations itself has adopted a resolution which states specifically the importance of such an accounting by declaring that:

> The desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending.

Despite assurances by the Socialist Republic of Vietnam that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, we seem to obtain the remains of our MIA's only after some official delegation proceeds to Hanoi to talk about normalization of relations with that regime. I think many of my colleagues share a strong resentment over the Communist officials in that country preying on the feelings of the families involved in this way. I know my constituents who are members of the National League of Families of American Prisoners and Missing in Southeast Asia would prefer that Hanoi make a good faith effort, rather than exhibit a crass attempt to win support of their desire for U.S. economic assistance by suddenly "discovering" the remains of U.S. servicemen when it seems to fit a political purpose.

Last year, I made my feelings on this matter clear to the President by stating that such efforts should merit no special acclaim and were not enough to convince me or my colleagues who joined in this message that direct or indirect economic aid to Vietnam was in our interest.

In order to develop an international means to spur cooperation of the SRV in disclosing the fate of U.S. servicemen still listed as MIA, Senate Concurrent Resolution 17 urges the President to instruct the Secretary of State to propose to the U.N. Secretary-General that a Special Investigatory Commission be set up to secure a full accounting of our servicemen listed as missing in Southeast Asia. The Commission would be composed of individuals selected because of their impeccable credentials and longstanding service to the principles embodied in the U.N. charter; it would be authorized to hold hearings, receive written communications, and seek the full cooperation and the facilities of the SRV for the purposes of verifying crash sites, confirming information on the last known whereabouts of missing Amercans, and taking other measures to secure a full accounting.

Mr. President, we must insist on behalf of those families who still agonize over the uncertainty of the fates of their loved ones that Hanoi satisfy this basic human need. I would hope the majority of the nations of the world would feel likewise and that the Commission we are proposing today would be quickly established so its humanitarian work could begin. As the Nation pauses this week to commemorate today as "National POW–MIA Recognition Day" we must remain sure in our efforts and purpose to make certain that the fate of every U.S. soldier, sailor, marine, and airman is finally known. To do less would be to forever tarnish our appreciation of their sacrifice.

Mr. President, I ask that a copy of my letter to the President dated September 14, 1978, be placed in the CONGRESSIONAL RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., September 14, 1978.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to express our continuing opposition to any form of bilateral economic assistance to the Socialist Republic of Vietnam. Such aid, whether or not it is identified as "war reparations", continues to be a goal sought by the SRV as part of the process leading to the establishment of formal diplomatic relations with the government in Hanoi. We believe you should remain firm in rejecting such a condition for "normalizing" relations with the SRV in any way shape or form. It is regrettable enough that international financial institutions have used U.S. tax dollars for development projects in the SRV, despite our opposition.

While it is encouraging to note that recent decisions by the SRV have resulted in the reunification of families and the recovery of the remains of Americans missing-in-action, such gestures are simply not enough to convince us that direct or indirect economic aid to the SRV is in our national interest. Indeed, these recent steps should merit no special acclaim since they reflect what ought to be the appropriate and routine response of civilized nations everywhere in dealing with humanitarian problems.

Revelations as to the extent of massive and monstrous human rights violations by the Cambodian regime have also tended to cast the human rights abuses of the SRV in a deceptively dim light. Still, any objective observer can only conclude that persistent and permanent patterns of human rights violations exist. Amnesty International reported that over a million people had been registered for "re-education" in 1975. The SRV itself declared in 1977 that 50,000 people were still "remoulding themselves" in order to take their places in the new revolutionary society. Vietnam ought to understand that a marked improvement in its human rights situation is one primary consideration in assessing our future relations with them.

In addition to these considerations, the plain fact is that Hanoi has become a member of the Soviet dominated Council for Economic Mutual Assistance (CEMA) and as such is receiving aid from the USSR and CEMA members. Assistance from the United States can only ease the burden now borne by the Soviets. To do this does not appear to be in our national interest.

Mr. President, we are sure you share the concerns we have touched on in this letter. Our objective in writing is to emphasize support for a post-war Vietnam policy which truly serves our national interest, which is peace with stability and progress in all of Asia. If such a policy rests on clear concepts of justice and fairness for the American people, we are sure it cannot fail to win their support.

Thank you for taking our views into account.

Sincerely,

Robert C. Byrd, Barry Goldwater, Lloyd Bentsen, John Tower, Edward Zorinsky, Robert Morgan, Birch Bayh, Thomas McIntyre, Jennings Randolph, William Proxmire, Milton R. Young, Pete V. Domenici, S. T. Hayakawa, William Scott, Robert P. Griffin, Malcolm Wallop, and J. Bennett Johnston.●

● Mr. SCHWEIKER. Mr. President, July 18 has properly been proclaimed "National POW/MIA Recognition Day" by President Carter. By publicly acknowledging the ordeal of American servicemen held captive during the Vietnam conflict while commemorating those killed or unaccounted for, this Nation responds faithfully to the humanitarian strain of its national and foreign policy tradition. Despite continuing differences over the moral legitimacy and prosecution of the war, one cannot dismiss the plight of the POW/MIA's without surrendering some claim to his own humanity or moral decency.

There is, however, a strong tendency to consign the Vietnam conflict to history and to dissociate ourselves from the problems and emotional scars left

in its wake. Nowhere is this tendency more acute, nor more insupportable morally, than in determining the unresolved casualties of the war. Indeed, for the families of those whose fate is unknown, the suffering and bitterness of war endures.

We must, therefore, expend every effort to obtain full accountability of all those whose status has never been definitively resolved. Nothing is accomplished by changing status on a presumptive basis, as congressional and Presidential task forces have done previously. Such changes do little to ease the gnawing problem of those POW/MIA families who must continue to live with uncertainty. Moreover, the recent return of Marine Pfc. Robert Garwood belies the validity of speculative findings that no living American prisoners remain in Vietnam. This occurrence alone confirms my own worst suspicions about the conduct of arbitrary status reviews without sufficient evidence to warrant these changes. Similar eyewitness reports by Vietnamese refugees of American personnel living in Southeast Asia compound the issue, yet the Carter administration has been curiously reluctant to pursue the leads provided.

The controversial question of live prisoners and the repatriation of the remains of the dead must be resolved satisfactorily without further delay. It must be an essential condition to normalizing relations with the Socialist Republic of Vietnam, and not a hoped-for by-product of such a process.

Further Government investigation of this situation must build upon the courageous efforts of the National League of Families of American Prisoners and Missing in Southeast Asia to provide answers to the haunting questions which remain.

As we today honor the POW/MIA's of the Vietnam era, we cannot conscionably do less than to pursue and verify all information concerning those whose fate is undetermined. Failure to do so expeditiously would deny these individuals the inalienable human right to be remembered and cared for by the Government they dutifully served.

The POW/MIA question is ultimately a moral one, and we tarnish our own sense of honor and compassion if we dismiss or demean it for political expediency.●

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

The concurrent resolution (Senate Concurrent Resolution 17) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, follows:

Whereas approximately twenty-three hundred Americans remain unaccounted for in Southeast Asia since the cessation of the Vietnam conflict; and

Whereas learning the fate of those American servicemen and civilians listed as missing remains of utmost importance to the United States, and is considered as such during the negotiations between the United States and the Socialist Republic of Vietnam; and

Whereas the General Assemby of the United Nations adopted Resolution 3220 (XXIX) calling for assistance and cooperation in accounting for persons who are missing or dead in armed conflicts; and

Whereas such resolution recognized "that one of the tragic results of armed conflicts is the lack of information on persons—civilians as well as combatants—who are missing or dead in armed conflicts"; and

Whereas such resolution further states that "the desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending"; and

Whereas the Socialist Republic of Vietnam, despite assurances that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, has provided but meager information concerning the fate of these missing Americans; and

Whereas present efforts to secure a full accounting of these Americans listed as missing are not productive and are ill-served by existing procedures and institutional frameworks: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President should instruct the Secretary of State to seek the good offices of the Secretary General of the United Nations for the purpose of establishing a Special Investigatory Commission charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia. The Commission should be composed of individuals selected because of their impeccable credentials and their long-standing service to the principles embodied in the United Nations Charter. The Commission should be authorized to hold hearings, receive written communications, and seek the full cooperation and the facilities of the Socialist Republic of Vietnam for purposes of verifying crash sites, confirming information on the last known whereabouts of missing Americans, and taking other appropriate measures to secure a full accounting of Americans listed as missing in Southeast Asia. The Commission should be directed to submit a report summarizing its findings to the appropriate body of the United Nations.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, earlier today the Senate passed Senate Concurrent Resolution 17, offered by Mr. DOLE and cosponsored by other Senators.

There is a companion resolution (H. Con. Res. 10) in the Senate Committee on Foreign Relations. The request which I am about to make has been cleared.

I ask unanimous consent, and I make this request on behalf of the Senator from Kansas (Mr. DOLE), that the Committee on Foreign Relations be discharged from further consideration of House Concurrent Resolution 10, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 10) to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution? Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kansas.

Mr. STEVENS. Mr. President, pursuant to congressional action and subsequent Presidential proclamation, today is National POW-MIA Recognition Day, therefore, it is particularly significant that the Senate should now consider House Concurrent Resolution 10. I am pleased to join Senator DOLE in sponsoring this legislation to express the sense of Congress that a United Nations Special Investigatory Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia. As my colleagues may know, Monday, July 9, the House of Representatives passed this measure.

I commend Senator DOLE for initially introducing this measure in the Senate and the chairman of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, Senator JOHN GLENN for bringing this legislation to the floor for our consideration today.

There are approximately 2,300 Americans, military and civilian, listed as missing in Southeast Asia and this measure represents a significant step in helping to obtain a full accounting of these individuals.

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

The concurrent resolution (H. Con. Res. 10) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

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

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action on Senate Concurrent Resolution 17 be vitiated and that that concurrent resolution be indefinitely postponed.

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

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 2729, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, 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 is printed in the House proceedings of the RECORD of July 10, 1979.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Arizona for his patience and courtesy.

Mr. DECONCINI. I thank the Senator from Missouri.

UP AMENDMENT NO. 378

(Purpose: To make funds appropriated for the Emergency Conservation Program available prior to the beginning of fiscal year 1983)

Mr. DECONCINI. 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 Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 378.

Mr. DECONCINI. 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 40, line 23, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That the funds appropriated herein shall be available for obligation on the date of enactment of this Act.".

Mr. DECONCINI. Mr. President, the substance of this amendment is uncomplicated; it simply makes the funds appropriated to the emergency conservation program available upon enactment. Such a procedure is admittedly unusual, but in this case I am convinced that it is justified.

The emergency conservation program was financed at a level of $17 million for the current fiscal year—$10 million in new appropriations and $7 million in carryover funds. Unhappily, this has proved to be insufficient. The last several months have witnessed an extraordinary number of natural disasters. Floods, storms, drought, and every other conceivable form of damaging natural catastrophes have befallen in almost every region of the country. Unfortunately, the full extent and costs of the devastation to our farms and rangelands were not known soon enough to include additional funds in the supplemental bill. Indeed, firm information on the requirements of the emergency conservation program was not available until just yesterday when the Agricultural Stabilization and Conservation Service released the results of a comprehensive inventory of ECP funds. These figures show that the entire $17 million provided for fiscal year 1979 has been obligated and that over $7 million in eligible applications for assistance remain unfinanced. These outstanding applications, I might add, are from 21 States, and I ask that the ASCS document listing the amounts required by State be printed in the RECORD at this point.

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

EMERGENCY CONSERVATION PROGRAM

Fiscal 1979 unfinanced requirements as of July 17, 1979

State:	*Amount*
Alabama	$556,000
Arizona	803,000
Colorado	26,000
Connecticut	3,000
Illinois	400,000
Indiana	195,000
Kansas	300,000
Kentucky	35,000
Maine	50,000
Massachusetts	10,000
Michigan	5,000
Minnesota	350,000
Mississippi	45,000
Montana	400,000
New York	20,000
North Dakota	1,000,000
Pennsylvania	25,000
Tennessee	2,131,000
Texas	700,000
West Virginia	5,000
Wisconsin	7,000
Total	7,066,000

NOTE.—This total does not include any funds for disasters that could occur during the rest of the 1979 fiscal year.

Mr. DECONCINI. Mr. President, these figures are not simply numbers; they represent the real needs of hard working men and women who have seen the farms and ranches in which they have invested so much, ravaged by a capricious and sometimes ruthless nature. It is, therefore, absolutely essential that this backlog of unfinanced applications be cleared up with as much dispatch as possible and that is the reason for making the funds provided in the ECP account available upon enactment. Let me emphasize this last point, Mr. President. The sole reason for this amendment is to furnish the funds necessary to provide immediate ECP financing for the eligible applications that remain outstanding from fiscal year 1979. It is my intention that these applications should receive the first priority in the distribution of the funds contained in this bill for the emergency conservation program.

I believe the distinguished floor manager shares my concerns in this regard and has no objection to this amendment. Perhaps he would be willing to support the inclusion of language in the conference report confirming the priority we attach to clearing up the backlog of applications that has developed in this program.

Mr. President, I understand that this has been cleared with the distinguished chairman and I understand they can accept the amendment.

Mr. EAGLETON. Mr. President, I think we are prepared to accept this amendment. The bill does contain $10 million for the emergency conservation programs. These funds could be available upon enactment. We understand, of course, that the 1979 unfinanced requirements would be funded before any request beyond the $7 million.

I am looking at the document the Senator from Arizona referred to. There are 27 States and these are the target States?

Mr. DECONCINI. That is correct.

I thank the distinguished Senator.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. EAGLETON. I yield back the remainder of my time.

Mr. BELLMON. Before I yield back whatever time I have, I want to say the minority has no objection to this amendment, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I had intended to introduce an amendment to this legislation to allow local food banks to participate in the USDA commodity distribution program. The CDP makes agricultural commodities available to needy individuals. Foods so donated to the States are distributed through meals served at senior centers or similar settings.

Food banks can make a very important contribution to meeting the nutritional needs of those who require food assistance in emergency situations in today's inflation-ridden economy. The one in my hometown of Tucson, the Tucson community food bank, has been extremely successful. During the past 3 years, the TCFB has met the critical needs of many Pima County families by providing temporary, emergency food assistance through their emergency food box program. In 1978, for example, nearly 16,000 food boxes were distributed, providing families with a 3-day supply of food, and over 99,700 pounds of salvaged food (edible but not saleable) were distributed to nonprofit charities. All of this food was purchased or acquired through independent contributions and church donations.

However, as might be predictable in these times, donations have not kept up with rampant food price inflation—inflation which creates even greater need for these services. When the bank requested to participate in the commodity distribution program, they were told they were prohibited from doing so as a result of the manner in which their food is distributed. To be eligible, organizations must distribute their food through a formal lunch program, prepared and administered onsite. This seems a somewhat restrictive requirement and serves to exclude food banks from participation.

It should be noted that the commodity distribution program preceded the birth

and growth of food banks across the country.

It may well be that the time has come to reassess this restriction which appears to operate to impede public and private cooperation in meeting the nutritional needs of the poor and elderly. Some sort of collaborative arrangement between the USDA and the food banks would, on the face of it, appear to enhance the flexibility and responsiveness of the Federal Government's nutritional effort.

Mr. EAGLETON. I would agree with the Senator from Arizona that this idea has merit. However, our information on the feasibility and costs of expanding the program to include food banks is sketchy at best.

Mr. DECONCINI. The chairman is quite correct. And, I share his commitment to proceeding with this idea only after a careful look has been taken at the need for and the price tag entailed in expanding this program. That is precisely why I have decided not to pursue my amendment at this point.

Mr. EAGLETON. I thank the Senator and would like to see Congress and the Department of Agriculture look into the possibility of making these commodities available for the worthwhile work of such organizations. Toward this end, I suggest that a letter be sent to Secretary Bergland, over our signatures, requesting the Department to investigate and report to the appropriate committees within 6 months on the feasibility, need, and costs associated with allowing food banks to participate in the commodity distribution program. And, I would be happy to request that appropriate language be included in the conference committee's report.

Mr. DECONCINI. I thank the distinguished chairman for his assistance and cooperation in this important matter.

AID TO UGANDA

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1019.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1019) entitled "An Act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That (a) section 602 of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 937) is amended by inserting immediately before the period at the end thereof the following: ", except that the President may waive this prohibition with respect to Uganda if he determines, and so reports to the Congress, that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance to Uganda would further the foreign policy interests of the United States".

(b) Section 108 of the Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95-481; 92 Stat. 1591), is amended by adding at the end thereof the following: "The President may waive this prohibition in order to provide assistance (other than assistance under chapter 4 or 5 of part II of the Foreign Assistance Act of 1961 or under the Arms Export Control Act) to Uganda if he determines, and so reports to the Congress, that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance to Uganda would further the foreign policy interests of the United States.".

Mr. CHURCH. Mr. President, I move that the Senate disagree to the amendments offered by the House and request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. BAUCUS) appointed Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. GLENN, Mr. JAVITS, Mr. PERCY, and Mr. HAYAKAWA conferees on the part of the Senate.

Mr. BELLMON was recognized.

Mr. BELLMON. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. I ask unanimous consent that I may proceed for 2 minutes and that the time not be charged to anyone.

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

UNANIMOUS CONSENT AGREEMENT—LABOR-HEW APPROPRIATIONS AND EXPORT BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the disposition of the agriculture appropriations bill, the Senate proceed to the consideration of the Labor-HEW appropriations bill, with the understanding that this not be before tomorrow and that no call for the regular order bring that bill down; provided further that, on Friday, the majority leader be authorized, after consultation with the distinguished acting Republican leader or the Republican leader, to call up Calendar Order No. 181, S. 737, the export bill; provided that if the Labor-HEW appropriations bill has not theretofore been disposed of, only amendments by Mr. Stevens be in order to the export bill on Friday; and that during the consideration of that upon the disposition of those amendments, the Senate then return to the Labor-HEW appropriation bill in the event it has not been disposed of by that time; and that, in that event, the export bill be temporarily laid aside and that no call for the regular order may bring down the Labor-HEW appropriations bill until it has been disposed of.

Mr. STEVENS, Mr. CULVER, and Mr. JAVITS reserved the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, it is my understanding that, following that sequence, the export bill will be the business taken up after the Labor-HEW bill?

Mr. ROBERT C. BYRD. Yes, the export bill would be and is now the pending business before the Senate, except for the consent order that has been entered to bring up the agricultural appropriations bill.

Mr. STEVENS. Reserving the right to object further, I want to state that I am indebted to the majority leader. I may have to be away on Saturday. I am not sure about that yet. The manager of the bill has consented to allow me to bring up the amendments concerning Alaskan oil on Friday under this arrangement. It will mean putting aside the HEW bill temporarily to consider the Alaska oil questions and going back to HEW once those questions are resolved that pertain to the Riegle amendment.

Mr. ROBERT C. BYRD. After which, may I say, also, to assure the Senator, upon the disposition of the amendments by Mr. STEVENS, the Senate would automatically revert back to the Labor-HEW, and on the disposition of that bill the Senate would automatically go back to the export bill.

Mr. JAVITS. Reserving the right to object, is there any unanimous consent upon the export administration bill?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is a time agreement.

Mr. ROBERT C. BYRD. That has already been entered.

Mr. JAVITS. There is?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Go back to that?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. And this consent is not prejudicing the matter further, other than to consider the Stevens amendment?

Mr. ROBERT C. BYRD. This only permits the Senate to go to the Labor-HEW after the agriculture bill, and that on Friday, if the Labor-HEW has not been disposed of prior to that time, the Senate temporarily go to the export bill to dispose of the Stevens amendment, after which it would go back on Labor-HEW.

Mr. STEVENS. Reserving the right to object, further, there is a time agreement on the amendments that I intend to offer concerning the Riegle amendment to the export bill, that is already agreed to.

Mr. DECONCINI. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. DECONCINI. Does the majority leader anticipate returning to HEW and doing that on Saturday?

Mr. ROBERT C. BYRD. Yes. It would be the intention of the leadership to continue Labor-HEW on Saturday, if necessary, or the export bill on Saturday, if necessary.

Mr. DECONCINI. Either one?

Mr. ROBERT C. BYRD. Yes.

Mr. DECONCINI. And the agreement does not include any time limitation on HEW?

Mr. ROBERT C. BYRD. It does not.

Mr. DECONCINI. On amendments.

I thank the Senator.

Mr. MUSKIE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. I have an amendment to the export bill. There would be an opportunity for that, I assume, on either Friday or Saturday?

Mr. ROBERT C. BYRD. I did not understand the Senator.

Mr. STEVENS. The Senator asked if there would be an opportunity to amend the bill.

Mr. MAGNUSON. How long will it take?

Mr. ROBERT C. BYRD. I do not know. But the Labor-HEW appropriation would not be inconvenient except for the time required to dispose of the Stevens amendments on——

Mr. MAGNUSON. There is a time limitation.

Mr. STEVENS. Yes, on those.

Mr. MUSKIE. Since we have the Stevens amendment on Friday, have my amendment on Friday. I would be glad to have a time agreement.

Mr. ROBERT C. BYRD. It is all right with me. But the Senator from Washington would have to give his approval because his bill, the Labor-HEW appropriation bill, will be set aside, and the only reason was to accommodate the Senator from Alaska who may have to be away on Saturday.

If the Senator from Washington would have no objection——

Mr. MUSKIE. I would be willing to have a time agreement.

Mr. ROBERT C. BYRD. To the Senator from Maine also calling up his amendment on Friday to the export bill.

Mr. MAGNUSON. I am just wondering how long the export bill will take. I understood it was to be just a temporary matter, disposed of very quickly, and the amendment from the Senator from Alaska. Then we would go back to HEW.

We may be finished on HEW. I hope we can, but I doubt it. Then we will go on.

But we are going to go on with the HEW bill until it is finished this week. Is that correct?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. All right.

Mr. MUSKIE. I understand. I would be willing to take a time limitation.

Mr. MAGNUSON. I have no objection to the Senator from Maine, but what is the time limitation? What would be the time limitation?

Mr. MUSKIE. An hour.

Mr. MAGNUSON. All right.

Mr. ROBERT C. BYRD. There is already a time agreement on the bill, may I say to the distinguished Senator from Maine, which would, I think, allow 1 hour on any amendment.

Mr. MUSKIE. All right. That is agreeable.

Mr. ROBERT C. BYRD. If the distinguished Senator from Washington has no objection to allowing the Senator from Maine to call up his amendment to that bill on Friday, I would make that request.

Mr. MAGNUSON. Well, I have no objection, if the Senate will get to work tomorrow and finish the HEW bill, and get it over with. But I have no objection if there is a time limitation.

Mr. MUSKIE. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank all Senators.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The Senate continued with the continuation of H.R. 4387.

UP AMENDMENT NO. 379

(Purpose: To limit the availability of appropriated funds for reimbursement for milk served under the Special Milk Program)

Mr. BELLMON. 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 Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 379.

Mr. BELLMON. 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 43, line 18, strike the material before the period and insert in lieu thereof "$102,700,000 to remain available until September 30, 1981: *Provided*, That no funds appropriated by this Act may be used for payments which exceed five cents per half-pint for milk served in schools, child care institutions and summer camps participating in a meal service program authorized under the National School Lunch Act, as amended, or the Child Nutrition Act of 1966, as amended, except that this provision shall not apply to payments for milk served free of charge."

Mr. BELLMON. Mr. President, this amendment relates to the special milk program, with which I think all Members of the Senate are thoroughly familiar, since we have debated the issue and voted on it here in this body frequently before.

Mr. President, each administration, starting back with President Johnson, recommended reductions——

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order.

The Senator from Oklahoma.

Mr. BELLMON. I thank the Chair.

Mr. President, each administration starting with President Johnson has recommended reductions in this program and the present administration not only recommended reductions, but recommended wiping it out.

This subsidy will cost $142 million in fiscal year 1979, and unless we take some action, the program will cost $160 million in fiscal year 1980.

Mr. President, this amendment does not stop the special milk program. We tried to do that and it simply is not politically possible.

What this amendment does is to reduce the subsidy from 7.8 cents per carton down to 5 cents per carton.

Mr. President, we have already sent to each Member of the Senate a "Dear Colleague" letter explaining the amendment in detail. Attached to this is a letter from the Secretary of Agriculture giving his view of this program. I ask unanimous consent that the "Dear Colleague" letter, the letter to the Secretary of Agriculture, plus a legislative update, be printed in the RECORD at this point.

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

U.S. SENATE,
Washington, D.C., July 18, 1979.

DEAR COLLEAGUE: I urge your support for an amendment I will offer reducing by $40 million appropriations for the Special Milk Program under H.R. 4387, the Agriculture Appropriations Bill for FY 1980. This bill will probably be considered today. The amendment will make a modest reduction in the Federal subsidy for milk served to non-needy children. It has the support of the Administration.

The Special Milk Program overlaps and duplicates to a great extent the school lunch and school breakfast programs which also serve milk paid for by the Federal Government. Under the Special Milk Program, milk can be served separately at the same time meals are being served (for children who do not eat federally subsidized lunches or breakfasts), or it can be served at other "snack times."

Milk is served free to children from families with incomes below 125 percent of the poverty line. The amendment would make no change in the provision of free milk for poor children.

The amendment would reduce the amount of subsidy provided to non-needy children (i.e., those not eligible for free milk) from approximately 7.8 cents per half-pint carton to 5 cents. In other words, children from non-needy famililes would pay approximately 3 cents more per half-pint carton of milk. This reduction would not apply, however, to schools which do not have either a breakfast or lunch program.

A fact sheet from the U.S.D.A. along with a letter from Secretary Bergland providing supporting information on this amendment are attached.

The amendment would reduce milk consumption in the schools by only one-half of one percent. It is thus *not* an anti-nutrition amendment. Moreover, the amount of milk purchased by U.S.D.A. child nutrition programs in FY 1980 will grow by an estimated $160 million due primarily to increases in the Women, Infants and Children special feeding program (WIC).

The President's budget for FY 1980 proposed a reduction of $118 million in the Special Milk Program. This reduction was endorsed by both the Agriculture and Appropriations Committees in their March 15 reports to the Budget Committee. The First Budget Resolution assumed that this larger reduction would be made. Based on Senate actions during the consideration of S. 292 (the W.I.C. authorization) earlier this year, it now appears clear that the Senate will not support the larger cut recommended by the President. The smaller reduction proposed by this amendment is not only prudent from a budget standpoint, but is also sound nutrition policy.

I urge your support for the amendment. Please call Bob Fulton (4–1458) or Stephen Kohashi (4–0335) if you or your staff have questions.

Sincerely,

HENRY BELLMON.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 12, 1979.

Hon. THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: I understand that an amendment will be offered today in the Senate Appropriations Committee to reduce the funding for the Special Milk Program. While this amendment would not achieve the full amount of savings proposed in the President's budget for FY 1980, I want to assure you that I believe it is a step in the right direction and it has my wholehearted support.

As I understand it, the effect of the amendment is simply to reduce the subsidy provided to non-poor children participating in the Special Milk Program. The amendment would not limit the availability of this program whatsoever and poor children would continue to receive free milk. Children from non-poor families would continue to receive a subsidy of 5 cents per half-pint of milk from the Federal government, even if they are from families with very high incomes. The increased cost per half-pint of milk for these children would be about 3 cents at most.

Let me also point out that this amendment would have only a minor impact on the dairy industry. While this amendment could result in a decrease in milk consumption in the Special Milk Program, this program constitutes only a small proportion of the total milk served is Federal feeding programs. Even including the effects of this amendment, total FY 1980 expenditures on milk served through Federal child nutrition programs (including WIC) would be expected to increase by about $160 million over FY 1979.

I believe that this amendment would achieve the type of spending reduction which must be made in a year in which budgetary resources are limited. It is important that governmental resources be targeted on high priority concerns, and I believe that this amendment would help to focus government spending appropriately.

Sincerely,

BOB BERGLAND,
Secretary.

PROPOSED BUDGET SAVINGS IN SPECIAL MILK PROGRAM

BACKGROUND

The federal government currently subsidizes the cost of milk served to children in various schools and institutions. Federally subsidized milk is made available to these children regardless of their ability to pay—it makes no difference whether they are from families with the lowest of annual incomes or from families with $60,000 and larger annual incomes. Many of these children receive federally subsidized milk under the Special Milk Program (SMP) even though they already receive milk as part of the School Lunch or School Breakfast Programs.

An amendment has been proposed to limit the amount of federal subsidy provided to non-needy children who participate in the SMP. The program would continue to operate in its current fashion but the reimbursement rate for half-pints sold to non-needy children in schools or institutions participating in other federally subsidized meal service programs would be reduced from a projected FY 1980 average of 7.8 cents to 5.0 cents.

PROGRAM IMPACT

The sole effect of the proposed amendment would be a reduction of 3.0 cents in the federal subsidy for each half-pint of milk sold to non-needy children in schools or institutions which participate in another federally subsidized feeding program.

The proposed amendment would not limit the availability of milk for children—they would have the opportunity to receive milk just as often as they do now and in the same quantities as they presently consume.

The proposed amendment would not affect the current reimbursement rate which provides free milk to needy children. Nor would the amendment affect the reimbursement rate for schools and institutions which participate only in the SMP.

EFFECT ON DAIRY INDUSTRY

The 3.0-cent reduction in the federal reimbursement rate for non-needy children is not expected to result in a significant reduction in the amount of milk consumed in schools. USDA estimates that the subsidy reduction for milk sold to non-needy children would result in a maximum 11 percent decline in SMP participation. But since children would continue to receive milk under other federally subsidized child nutrition programs, overall milk consumption among all the school feeding programs is expected to decline by a mere ½ of 1%.

This possible drop in consumption would be far more than offset by the major expansion in FY 1980 funding assured by law for the Special Supplemental Feeding Program for Women, Infants and Children (WIC). The increase in expenditures on dairy products in FY 1980 under the WIC program alone is estimated to be $75 million.

Even with the proposed amendment, the total value of milk consumed in the child nutrition and WIC programs in 1980 will be $1.32 billion, which is $161.2 million more than the value of milk consumed in FY 1979.

The attached charts illustrate the amount and value of milk consumed in the Child Nutrition and WIC Programs during FY 1979 with the amount and value of milk to be consumed in FY 1980, assuming adoption of the proposed amendment.

BUDGET CONSIDERATIONS

The cost savings which would be achieved through adoption of the proposed amendment are considerably less than the $110 million in savings proposed in the President's budget, recommended by the Senate Agricultural and Appropriations Committees in their March 15 reports to the Budget Committee, and assumed in the First Budget Resolution of FY 1980. The proposed amendment would result in an FY 1980 savings of about $50 million.

SPECIAL MILK PROGRAM

[In millions; fiscal years]

	1979 current program		1980[1] proposed amendment		Difference	
	Half pints	Value	Half pints	Value	Half pints	Value
WIC	1,668	$216.8	2,047	$291.7	+379	+$74.9
School feeding programs	7,282	946.7	7,248	1,033.0	[2] −34	+86.3
Total	8,950	1,163.5	9,295	1,324.7	+345	+161.2

[1] Includes proposed amendment to fiscal year 1980 effecting nonneedy children only. Would increase the price of half pint of milk by up to 3 cents for nonneedy children in schools or institutions which participate in another federally subsidized feeding program. This amendment would not affect the reimbursement rate for schools and institutions which participate only in the special milk program (SMP).

[2] 17,000-lb decrease approximately 14/1,000 of 1 percent of annual milk production (1979, 122,000,000,000 lb (revised)).

PROJECTED NUMBER OF HALF-PINTS OF MILK SERVED THROUGH THE CHILD NUTRITION PROGRAMS

[In millions; fiscal years]

Program	1979 current program		1980[1] proposed amendment	
	Half pints	Value[2]	Half pints	Value[2]
NSLP	4,310	$560.3	4,380	$624.2
SBP	547	71.1	590	84.1
SMP	1,900	247.0	1,693	241.3
CCFP	373	48.5	433	61.7
SFSP	152	19.8	152	21.7
Total school feeding program	7,282	946.7	7,248	1,033.0
WIC	1,668	216.8	2,047	291.7
Total	8,950	1,163.5	9,295	1,324.7

[1] Includes proposed amendment to fiscal year-1980 effecting nonneedy children only. Would increase the price of half-pint of milk by up to 3¢ for nonneedy children in schools or institutions which participate in another federally subsidized feeding program. This amendment would not affect the reimbursement rate for schools and institutions which participate only in the special milk program (SMP).

[2] Value of half-pint of milk equals 13.04¢ in fiscal year 1979 and 14.25¢ in fiscal year 1980.

N.B.: NSLP=National school lunch program, SBP=School breakfast program, SMP=Special milk program, CCFP=Child care food program, SFSP=Summer food service program, WIC=Special supplemental food program for women, infants, and children.

Source: Office of Legislative Affairs and Public Information, Food and Nutrition Service, U.S. Department of Agriculture.

Mr. BELLMON. Mr. President, subsidized milk is made available to all children, regardless of ability to pay. It is made available even to those children who already are receiving federally subsidized milk included in the school lunch and school breakfast programs.

This program is excessive and duplicative.

Each administration starting with President Johnson has recommended reductions.

The Senate must keep in mind our earlier decision in the first concurrent budget resolution where we agreed to a $300 million reduction in child nutrition programs. So far, the Senate has passed only $100 million in savings. Unless we take on these difficult issues, Congress would not achieve its goal of balancing the Federal budget in the foreseeable future.

Mr. President, the administration proposed the elimination of the special milk subsidy in those institutions which already provide subsidized milk as a part of the school lunch or school breakfast program.

This would eliminate the duplication in benefits of the program by allowing schools to choose between full meal service programs or the special milk program, and would save $100 million.

The full reduction proposed by the administration is needed; however, it is clear that this reduction is politically impossible at this time. For this reason, I am offering an amendment which would make a smaller cut in the program. Rather than eliminating the program, this amendment would merely restrict the reimbursement to 5 cents per half pint of milk. Projections of reimbursement rates under the program in fiscal year 1980 are 7.8 cents, and this slight change would save about $40 million.

This amendment would have minimal impact on milk consumption in the schools, and, therefore, have almost no impact on the milk industry. Unaffected by the amendment would be milk served to lower income children participating in schools which have no other federally subsidized meal service program.

This amendment is prudent and reasonable. I urge you to join me in supporting this amendment. The amendment will not take milk away from poor children or any other children. The only effect of the amendment is to reduce the milk subsidy for nonneedy children from 7.8 cents per carton to 5 cents per carton.

Mr. PROXMIRE. Mr. President, will the manager of the bill yield time in opposition to the amendment? Will he yield me 5 minutes?

Mr. EAGLETON. Mr. President, I yield all the time on this amendment to Senator PROXMIRE for him to consume or allocate.

Mr. PROXMIRE. Mr. President, I rise in opposition to Senator BELLMON'S amendment to cut the special milk program by $40 million by reducing reimbursement rates from the projected fiscal year 1980 level of 7.75 cents per half pint to 5 cents per half pint in those schools serving school lunches and/or school breakfasts.

I oppose this amendment for the following reasons:

First, this issue—fiscal year 1980 funding for special milk—is one that has been debated and considered exhaustively in the past few months. It went through the complete gamut in the House of Representatives: Agriculture Appropriations Subcommittee, full Appropriations Committee, and House floor. In each case, the result was the same: full funding of $142 million for special milk.

And in the Senate, both the Agriculture Appropriations Subcommittee and the full Appropriations Committee have approved the same figure—$142 million—for special milk for fiscal year 1980.

Moreover, in May, there was a full-scale debate on the Senate floor concerning the merits and proper funding level of the special program. At that time, an attempt was made to cut the authorizing legislation for this program. During the consideration of that amendment, again offered by Senator BELLMON, all aspects of the special milk program received careful scrutiny.

All national farm groups—all of them—and the PTA—12 million strong—came out in strong opposition to the Bellmon amendment at that time. Numerous Senators—I think the total number was about 20—came to the Senate floor to defend the special milk program from attack.

In the face of this overwhelming opposition, Senator BELLMON withdrew his amendment.

Now he has another amendment, for another cut in special milk. This amendment, it is true, would result in a lesser cut than the amendment considered in May.

But my point is this: In all the extensive consideration of special milk in the Congress—both House and Senate—to date, there has been monumental support for this program as it is now constituted.

Let us not tamper with something that is working so well and has so much support.

Second, what the full house and the Senate Appropriations Committee have done hardly amounts to budget-busting when it comes to the special milk program. The figure we are talking about—$142 million—is the same as the fiscal year 1979 funding level for this program. So, special milk has already undergone its "budget cut," inasmuch as it has had to meet all the inflation, and we know how serious inflation has been in the last year and is supposed to be in 1980. The estimates are 8 percent to 10 percent, and it could be much higher than that.

So this program is at the funding level of the previous year, which means there is a cut of about 10 percent in real terms in special milk at the present time. A further cut is not needed or warranted at this time.

Third, the Bellmon proposal would result in a substantial reduction in special milk consumption in our schools. No specific figures are available as to exactly what the cutback effects would be. But we can use data currently available to project an estimate of these effects.

USDA's special milk program study determined that student prices for a la carte milk service rose by 41 percent when special milk was dropped and that sales dropped by 35 percent.

Using this as a basis of comparison, we can assess the effect of the proposed reduction in the reimbursement rate. It is estimated by USDA that children would pay 16 cents per half pint for milk in the total absence of the special milk program. The present 6.75 cent reimbursement means an average student cost of 9.25 cents. A reduction of this rate to 5 cents means a student cost increase of 1.75 cents per half pint—about 18.9 percent. Applying the findings of the special milk study, this would mean a reduction in milk consumed of 16 percent.

If the reimbursement rate were 7.75 cents per half pint, as it is projected to be in fiscal year 1980, the rollback to 5 cents would mean an increase in student costs of 33 percent. This would translate to 28 percent reduction in milk consumption under the special milk program.

Fourth, it is lower income families which would be hardest hit by this proposed cutback. Why is this so? Because the lower your income, the harder it will be to pay for the cost increase to the student that this cutback would cause. This amendment assumes that anyone who is not in poverty—or at 125 percent of the poverty level—will have no trouble picking up the tab for this additional cost per half pint of milk. This makes no sense. While special milk has been a major factor in equalizing milk consumption among children from all income levels in our Nation, clearly the relative cost increase for lower-income families would be greater than for children from more affluent families.

Mr. President, I have addressed some of the key reasons why we should reject this particular Bellmon amendment to cut back special milk.

There are many more reasons as well, and they apply to any attempt to cut special milk, including the Bellmon amendment now before us. Let me briefly cite some of them.

First, children are not receiving excessive milk. USDA figures reveal that even in schools which offer breakfast, lunch, and SMP, children received an average of 1.23 8-ounce cartons of milk per day at school or a total daily average both in school and at home of 2.82 cartons—less than the four 8-ounce servings of milk per day recommended by most leading nutritionists.

Second, special milk is not duplicative. Seventy percent of special milk is consumed by children who do not participate in a school lunch program. These are children who either bring a bag lunch from home, eat away from school, eat a la carte lunches, or eat no lunch at all. Since 1977, children eligible for free lunch or breakfast in schools which operate either of these programs may receive special milk only if it is served at other than mealtimes.

Third, the USDA special milk study shows SMP brought needy children up to approximately the same level of milk consumed per day as that of nonneedy children. Children eligible for free milk depended on SMP to a much greater extent for their daily milk requirements. Needy children received an average of 43 percent more milk at school and 22 percent less milk away from school than nonneedy children.

Fourth, special milk is the most cost effective of all child nutrition programs. Administrative costs represent only about one-half of 1 percent of SMP funds; the other 99½ percent is expended on milk for children.

Fifth, milk is the least wasted item in all child nutrition programs. USDA reports that milk is the least wasted item offered through the child nutrition programs.

Finally, CCC purchases would offset any savings realized by a cutback. The savings to be realized by this cutback in SMP would be partially offset by Commodity Credit Corporation (CCC) purchases and would not result in a total savings of $40 million to the U.S. Treasury. Moreover, it seems much better to me to have good, nutritious fluid milk in the stomachs of our children than to pay for powdered milk to sit in our CCC warehouses, which are already overloaded with this same product.

Mr. President, for all these reasons, I oppose the Bellmon amendment and urge my colleagues to do the same.

I am happy to yield to my colleague from Wisconsin whatever time he requires.

Mr. NELSON. I thank my senior colleague from Wisconsin.

Mr. President, I oppose the amendment proposed by the Senator from Oklahoma (Mr. BELLMON). This amendment would reduce the fiscal year 1980 reimbursement rate for milk purchased

under the special milk program from 7.75 cents to 5 cents in schools which offer a federally subsidized meal program. The Bellmon amendment would impact 75,000 schools and institutions currently participating in the program and would cut $40 million from the fiscal year 1980 funding level of $142 million which was recommended by the Senate Appropriations Committee. Eighty-nine percent of the schools currently participating in the special milk program would have their reimbursement rates cut and special milk program funding would be reduced by 29 percent. A budget cut of this proportion in a program which has proven over its 25-year history that it contributes substantially to the health and well-being of our Nation's children is unwarranted.

The proposed reduction in SMP reimbursement rates would have a substantial negative impact on children and schools in Wisconsin. Based on data provided by the State of Wisconsin, 91 percent or 2,912 schools in Wisconsin would have their reimbursement rates for special milk reduced. Wisconsin's current special milk program expenditures would be reduced by at least $1.3 million, which means that, at a minimum, the SMP in Wisconsin would be cut 28 percent.

Attempts to make cuts in the special milk program are not new. This issue has been before the Congress during the administrations of Presidents Johnson, Nixon, Ford, and Carter. On each occasion, Congress has found the proposed reductions to be unjustifiable and has rejected them. Just this past May the Senate debated a similar amendment offered by the Senator from Oklahoma which would have substantially cut the special milk program. At the time there were many Senators who felt compelled to participate in the Senate debate and voice their opposition to reductions in the special milk program. The amendment was subsequently withdrawn.

Since the Senate floor debate in May, the House Appropriations Committee and the Senate Appropriations Committee have both recommended that the special milk program be funded at its current level of $142 million. Despite all the other areas of the budget which the Appropriations Committees felt compelled to cut, these committees decided not to make any reductions in SMP spending. It would seem as if these actions would have finally decided this issue and that further debate would not be necessary at this time.

The SMP and other child nutrition programs are intended to encourage sound nutritional habits in our children. These programs represent an investment against future health costs that are certain to occur if our children fail to obtain their minimum daily nutritional requirements.

It has been estimated that the Bellmon amendment would result in a 16- to 28-percent reduction in the consumption of milk served under the special milk program. Most of the reduction in milk consumption would occur because the price children from low-income working families would have to pay would increase to a level these children and their families could no longer afford. These are children who should not have their nutritional requirements compromised.

A $40 million reduction in expenditures on milk for children represents a step backward from the previous commitments the Congress has made to improve the nutritional status of the Nation's children, and it risks undoing what progress we have made thus far.

Mr. President, in my judgment it makes good economic sense for the Federal Government to encourage consumption of products which make a positive contribution to a child's nutritional status. An investment now in adequate and proper nutrition will serve as an insurance policy against future health costs and will help to reduce the Nation's long range health bill.

I urge my colleagues to vote against the Bellmon amendment.

The PRESIDING OFFICER (Mr. STEWART). Who yields time?

Mr. PROXMIRE. Mr. President, does the Senator from Maine want time in opposition to the amendment or in favor of the amendment?

Mr. MUSKIE. I want time to give support to my colleague, Senator BELLMON, who has ventured into areas where it is very dangerous to venture, and I think he should have some support.

Mr. PROXMIRE. Mr. President, in the absence of Senator BELLMON, I yield time to the Senator from Maine. I am sure Senator BELLMON will make it up.

Mr. MUSKIE. Two minutes.

Mr. President, I will not belabor this point. I fully understand what the Senators from Wisconsin are saying.

The appeal of milk for children, whether needy or nonneedy children, is very great in Congress and, indeed, in the country as a whole.

Mr. President, I support Senator BELLMON's amendment to reduce the average Federal subsidy for special milk for nonneedy students by approximately 3 cents.

The amendment is not expected to cause a significant reduction in the amount of milk consumed in schools. This amendment in no way affects the serving of milk in school lunches and breakfasts, including free and reduced price meals. Also, the amount will not affect the price of milk for children who cannot obtain it as part of the federally subsidized lunch or breakfast program.

This amendment would reduce the fiscal year 1980 appropriation for special milk by $40 million. In the first budget resolution the Senate assumed savings of $118 million in the special milk program; none of these savings have been achieved to date.

This proposal will not affect the provision of free milk to needy children. Neither will it limit the availability of school milk for children—they will be able to get milk as often and in the same amounts as they do now. The amendment merely cuts the Federal subsidy for half pints of milk sold to nonneedy children from 7.8 cents to 5 cents in schools which participate in another federally subsidized feeding program.

The Federal subsidy for milk for nonneedy students would be reduced by 3 cents—but not eliminated—so that a maximum Federal subsidy of 5 cents would still be provided. This is not an unreasonable cost to pass on to families with income in excess of poverty levels.

The amendment is not expected to cause a significant reduction in the amount of milk consumed in schools. Also, the amendment will not affect the price of milk for children who cannot obtain it as part of the federally subsidized lunch or breakfast program.

Mr. President, this is a modest and sensible proposal and I urge my colleagues to give it their support. It will achieve some of the savings in the special milk program that the Senate assumed in the first budget resolution. And it will achieve these savings without affecting the provision of free milk to needy children or reducing the availability of milk in schools.

While this amendment is only a modest step, it is nevertheless a most necessary one. It now appears that the Appropriations Committee may exceed the amount allocated to it in the first budget resolution by up to $5.5 billion in budget authority and $4.7 billion in outlays when both the regular appropriation bills and the 1980 supplemental requirements are taken into account. We now face the prospect that these appropriations excesses plus the apparent economic slowdown may drive the deficit for fiscal year 1980 higher than for fiscal year 1979.

It is essential that we achieve savings, however modest, when we can. That is a principle that the distinguished Senator from Oklahoma, my good friend, undertakes to pursue whenever and wherever he can. Often, it means appearing to be unfriendly to programs such as this, which has great appeal.

Senator BELLMON believes in the milk program as strongly as anyone else, but we do need to find sound proposals which will achieve needed savings without cutting costs in essential programs. It is in pursuit of that principle that the Senator from Oklahoma has offered his amendment, and I think I owe him the duty of supporting it.

Mr. PROXMIRE. Mr. President, I yield the Senator from Vermont such time as he may require.

Mr. LEAHY. I thank the Senator.

Mr. President, I point out that this matter really has been debated before. The House of Representatives approved full funding of $142 million for special milk for fiscal year 1980. The same figures were approved by the Appropriations Subcommittee and by the full Senate Appropriations Committee. Moreover, it was debated on the floor of the Senate before, and the amendment was withdrawn with respect to the authorizing legislation.

I do not think anything I can say here tonight would change the mind of the Senator from Wisconsin or anybody else.

In this regard, I ask unanimous consent to have printed in the RECORD a "Dear Colleague" letter that Senator PROXMIRE and I have distributed today, which clearly sets out my feelings in the matter.

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

JULY 18, 1979.

DEAR COLLEAGUE: When H.R. 4387, the Agriculture, Rural Development and Related Agencies Appropriations Bill for Fiscal Year 1980, reaches the Senate floor, we understand that Senator Bellmon may offer an amendment to cut approximately $40 million from the Special Milk Program (SMP) by reducing reimbursement rates from the projected FY80 level of 7.75 cents per half pint to 5 cents per half pint in those schools serving school lunches and/or school breakfasts.

We are opposed to this amendment for the following reasons:

1. Issue already debated. The House of Representatives has approved full funding of $142 million for Special Milk for FY80. This same figure—$142 million—was approved by the Senate Agriculture Appropriations Subcommittee and by the full Senate Appropriations Committee, where it was thoroughly debated and discussed. Moreover, efforts by Senator Bellmon in May to cut Special Milk through a change in the authorizing legislation faced overwhelming opposition on the Senate floor, leading to his withdrawal of the amendment.

2. FY80 figure same as FY79. The amount for Special Milk in the FY80 agriculture appropriations bill approved by the full House and by the Senate Appropriations Committee is exactly the same as the FY79 figure. Special Milk, therefore, has already sustained its budgetary cut. Further cuts are not warranted or necessary.

3. Milk consumption reduced. No specific figures are available on how the Bellmon cut would affect milk consumption. But projections from USDA's own Special Milk study suggest a reduction in milk consumed under SMP of 16 percent (at the present 6.75 cents per half pint reimbursement rate) and 28 percent (at the projected FY80 reimbursement rate of 7.75 cents per half pint.)

4. Lower-income families hardest hit by cut. The burden of the cut would fall most heavily on lower-income families. While SMP has been a major factor in equalizing milk consumption, the relative cost increase for lower-income families would be greater than for children from more affluent families.

5. Children not receiving excessive milk. USDA figures reveal that even in schools which offer breakfast, lunch, and SMP, children received an average of 1.23 eight-ounce cartons of milk per day at school or a total daily average both in school and at home of 2.82 cartons—less than the 4 eight-ounce servings of milk per day recommended by most leading nutritionists.

6. Special Milk not duplicative. Seventy percent of Special Milk is consumed by children who do not participate in a school lunch program. These are children who either bring a bag lunch from home, eat away from school, eat a la carte lunches, or eat no lunch at all. Since 1977, children eligible for free lunch or breakfast in schools which operate either of these programs may receive Special Milk only if it is served at other than meal times.

7. USDA study shows SMP brought needy children up to approximately same level of milk consumed per day as that of non-needy children. Children eligible for free milk depended on SMP to a much greater extent for their daily milk requirements. Needy children received an average of 43 percent more milk at school and 22 percent less milk away from school than non-needy children.

8. Special Milk is most cost effective of all Child Nutrition programs. Administrative costs represent only about one-half of one percent of SMP funds; the other 99 and one-half percent is expended on milk for children.

9. Milk is least wasted item in all Child Nutrition programs. USDA reports that milk is the least wasted item offered through the Child Nutrition programs.

10. CCC purchases offset any savings realized by cutback. The savings to be realized by this cutback in SMP would be partially offset by Commodity Credit Corporation (CCC) purchases and would not result in a total savings of $40 million to the U.S. Treasury. Moreover, it seems much better to us to have good, nutritious fluid milk in the stomachs of our children than to pay for powdered milk to sit in our CCC warehouses, which are already overloaded with this same product.

For these reasons, we urge you to oppose Senator Bellmon's amendment to cut the Special Milk Program. If you have any questions concerning this issue, please call Ken Dameron (4-5653) or David Julyan (4-4242).

Sincerely,

WILLIAM PROXMIRE.
PATRICK J. LEAHY.

Mr. BELLMON. I yield myself 2 minutes.

Mr. President, with reference to the letter which the distinguished Senator from Vermont has put in the RECORD, which was distributed earlier as a "Dear Colleague" letter, I call attention to some variances that I feel should be brought to the attention of the Senate.

First of all, item No. 3 in the letter says that milk consumption would be reduced.

I previously entered into the RECORD a statement called "Legislative Update," which relates to this issue, and I shall read what I consider to be the facts of the matter. It says:

The 3.0 cents reduction in the federal reimbursement rate for non-needy children is not expected to result in a significant reduction in the amount of milk consumed in schools. USDA estimates that the subsidy reduction for milk sold to non-needy children would result in a maximum 11 percent decline in SMP participation. But since children would continue to receive milk under other federally subsidized child nutrition programs, overall milk consumption among all the school feeding programs is expected to decline by a mere ½ of 1%.

That is all we are talking about—one-half of 1 percent. That is not the same view that we get in the "Dear Colleague" letter.

Also, item 4 of the letter states that the lower income families would be hardest hit by the cut. That patently is not the case. This amendment does not touch the lower income families. This amendment only touches children from families whose income is above 125 percent of poverty.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BELLMON. I yield myself 1 additional minute.

Point 7 of the letter states that the USDA shows that the special milk program brought needy children up to approximately the same level of milk consumed per day as that of nonneedy children.

Again, we are not in any way changing the accessibility of the so-called needy children by this amendment. This amendment does not in any way impact on children in families with incomes below 125 percent of poverty.

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

Mr. PROXMIRE. Mr. President, I should like to refer to one specific figure which Senator BELLMON gave.

The fact that there are not any specific figures available as to exactly what the cutback effects would be, but there has been one study, and one study only, as I understand it, by the U.S. Department of Agriculture.

It determined that student prices for a la carte milk service rose by 41 percent when special milk was dropped and that sales dropped by 35 percent.

Using this as a basis of comparison, we can assess the effect of the proposed reduction in the reimbursement rate. It is estimated by USDA that children would pay 16 cents per half pint for milk in the total absence of the special milk program. The present 6.75-cent reimbursement means an average student cost of 9.25 cents. A reduction of this rate to 5 cents means a student cost increase of 1.75 cents per half pint—about 18.9 percent. Applying the findings of the special milk study, this would mean a reduction in milk consumed of 16 percent.

If the reimbursements rate were 7.75 cents per half pint, as it is projected to be in fiscal year 1980, the rollback to 5 cents would mean an increase in student costs of 33 percent.

On the basis of that one study, the only study that has been made of the effect of the increased prices on consumption of milk by the students involved in this program, this would translate to a 28-percent reduction in milk consumption under the special milk program. That is why we said 28 percent.

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

Mr. PROXMIRE. I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator from Wisconsin for the very able presentation he has made with respect to the value of the special milk program.

I served with him on the Committee on Appropriations, and I know how very frugal he can be. He has put that frugality to work on this particular program, and I think he has discerned a great value of this program and the fact it is a good investment by the people of America in the children of America.

I hope that the amendment will not prevail.

Mr. JAVITS. Mr. President, will the Senator yield for me very briefly?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Mr. President, I thank my colleague and I also join Senator MATHIAS in thanking the Senator for taking up the cudgels for this particular program.

It is very difficult for all of us to cover everything. So we must be grateful to Members who take a particular subject, think it through, and then expouse the position which may be of very great interest to us both for consumers and for the economic position of milk producers.

I thank the Senator very much for espousing that position.

Mr. PROXMIRE. Mr. President, if the Senator from Oklahoma is ready to yield back the remainder of his time I am

ready to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. STEWART). The Senator from Oklahoma.

Mr. BELLMON. Mr. President, let me take only 1 additional minute.

Mr. President, I wish to read one paragraph from a letter to Senator EAGLETON from Secretary Bergland of the Department of Agriculture. He says that:

Even including the effects of this amendment total fiscal year 1980 expenditures on milk served through the Federal Child Nutrition Program, including WIC, will be expected to increase by about $160 million over FY 1979.

Mr. President, this program is simply a case of excess generosity. It is not necessary as far as the nutrition of the children is concerned.

I strongly urge the approval of the amendment.

I am ready to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back my time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The second assistant legisative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Is there any Senator in the Chamber wishing to vote?

The result was announced—yeas 32, nays 66, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—32

Armstrong	Domenici	Ribicoff
Bellmon	Goldwater	Roth
Bentsen	Hatch	Schmitt
Boren	Hayakawa	Simpson
Byrd, Harry F., Jr.	Helms	Stennis
Chafee	Humphrey	Stevens
Chiles	Kassebaum	Stone
Cohen	Laxalt	Thurmond
Danforth	Lugar	Tower
DeConcini	McClure	Warner
	Muskie	Zorinsky

NAYS—66

Baucus	Hart	Moynihan
Bayh	Hatfield	Nelson
Biden	Heflin	Nunn
Boschwitz	Heinz	Packwood
Bradley	Hollings	Pell
Bumpers	Huddleston	Percy
Burdick	Inouye	Pressler
Byrd, Robert C.	Jackson	Proxmire
Cannon	Javits	Pryor
Church	Jepsen	Randolph
Cochran	Johnston	Riegle
Cranston	Kennedy	Sarbanes
Culver	Leahy	Schweiker
Dole	Levin	Stafford
Durenberger	Long	Stevenson
Durkin	Magnuson	Stewart
Eagleton	Mathias	Talmadge
Exon	Matsunaga	Tsongas
Ford	McGovern	Wallop
Garn	Melcher	Weicker
Glenn	Metzenbaum	Williams
Gravel	Morgan	Young

NOT VOTING—2

Baker Sasser

So Mr. BELLMON's amendment (UP No. 379) was rejected.

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, it is the leadership's intention to complete action on this measure this evening. Senator EAGLETON and Senator BELLMON, the manager and ranking minority member, respectively, are of the opinion that we can do that, and that to proceed in that fashion would be better than to go over until tomorrow. So that is the plan, for the information of the Senate.

UP AMENDMENT NO. 380

Mr. McGOVERN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 380:

On page 5, line 16, strike out "$370,679,000" and insert in lieu thereof "$372,479,000".

Mr. McGOVERN. Mr. President, this amendment, which increases the agriculture appropriation by $1.8 million, is submitted in order to insure that we meet the intent of Congress concerning human nutrition research at the Letterman Army Institute of Research as stated in the following language from last year's fiscal year 1979 defense appropriations conference report:

NUTRITION RESEARCH

The conferees agreed to provide $1,852,000 to continue the nutrition research program of the Army 1 more year. The conferees are in agreement that this shall be the last year of funding as part of the Department of Defense Appropriation bill and that the program shall be transferred to the Department of Agriculture.

I am submitting for the RECORD the history of congressional action concerning human nutrition research at the Letterman Army Institute of Research, including excerpts from a report on military health and research by the House Committee on Government Operations, a letter to Mr. STENNIS from Mr. HOLLINGS to support 1 more year of funding during fiscal year 1979, and report language in the Senate Agriculture Appropriations bill for fiscal year 1979 directing USDA to undertake a feasibility study with respect to acquiring all or part of the Letterman Research facility.

The USDA feasibility study has been completed but has not as yet been formally transmitted to the Senate.

In addition, USDA and the Department of Defense are still negotiating over how much of the space at Letterman Army Institute of Research and how many personnel slots will be transferred from the Department of Defense to USDA.

As a result, my amendment is directed toward maintaining in fiscal year 1980 the same human nutrition research capacity as existed during fiscal year 1979, with the exact details concerning personnel slots and space to be finalized prior to the conference with the House. In addition, $500,000 of the $1,800,000 would be in the form of a transfer of funds that are currently provided for in the defense appropriation. Thus, the overall increase in appropriations is $1,300,000.

I urge its adoption.

Mr. President, I ask unanimous consent that the items to which I have referred be printed in the RECORD.

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

THE PROPOSED CLOSURE OR UNDERUTILIZATION OF LAIR*

The proposed closure or underutilization of LAIR should probably have come as no surprise to those who know the background of this lab. Although planned as one of MRDC's three major labs in the early 1970's it was not fully staffed or funded at the time of its opening in 1976 at a cost of $40 million. Thereafter, MRDC appeared to treat the lab as a stepchild—taking away funding and manpower, declaring its research efforts of low priority, and failing to locate new research efforts their despite its renowned research facilities.

On six separate occasions in 1976 and 1977, MRDC was required to accept reductions in money and manpower. In each instance, although LAIR was only one of eight labs in MRDC's command, it was forced to take all or the greatest share of the cuts: almost $4 million out of approximately $5.6 million in reductions, and all but four of 166 manpower cuts. Some of the money, it should be noted, that was taken away from LAIR was funneled into missile research because medical research must compete with all other areas of research within the Army. These cuts, intentionally or otherwise, laid the groundwork for MRDC's decision to close LAIR in 1978. Only after the subcommittee's initiation of the investigation did MRDC decide to keep LAIR open. But even today MRDC has no plans for the full utilization of LAIR. It proposes funding this lab for fiscal year 1979 at two-thirds the level authorized in fiscal year 1978.

The major reason given by MRDC for LAIR's proposed closing or underutilization is that it presently is conducting research in low priority programs, especially nutrition and dermatology. The fact is, though, that leading independent medical authorities have strongly protested any termination of these efforts, documenting the need for such research for military health reasons. In addition, the system utilized by MRDC, the Army and DOD for setting research priorities is so subject to criticism that the only conclusion to be drawn is that MDRC appears to rank programs on a parochial rather than scientific basis. In fact, while one priority system was ranking nutrition and dermatology low, two others stressed the need for continued research. Furthermore, other Federal agencies such as the National Cancer Institute, FDA and USDA have indicated a desire to fund nutrition research at LAIR. But MRDC has refused to permit this. Similarly, the Navy, Air Force, and even units within the Army have requested key nutritional research be conducted at LAIR. Again, MRDC has blocked this effort by refusing to fund LAIR's efforts.

Even if it were concluded on the basis of some rational scheme of prioritization that nutritional and dermatological research should be discontinued, that is no basis for

*Taken from pages 3 and 4, Thirty-Third Report, Military Health and Research, House Committee on Government Operations, Sept. 29, 1978.

closing LAIR. LAIR, as indicated above, is one of the finest research facilities in the Defense Department. It has developed technological research bases in many areas important to the services, including areas in which the Army plans to initiate new research efforts. Programs being conducted at other overcrowded or outmoded labs, such as Walter Reed, could be transferred to LAIR. In fact, the Army Inspector General recommended that all surgical research, including that located at Walter Reed, be located at LAIR. MRDC agreed but then failed to follow suit. And even though MRDC has announced that a new mission area is to be established at LAIR, it is apparent that most programs within this area will be conducted at other labs—continuing to leave LAIR underutilized.

Failure of MRDC to develop an effective prioritization system was also found to contribute to the Army's overall loss of medical research funds and manpower. Since medical research must compete with all other areas of research, including missile programs, the medical research budget can be lost in the shuffle (its overall level being so small) unless MRDC effectively advertises its needs and demonstrates its contributions to military preparedness. The development of an effective prioritization system could aid in this endeavor. In addition, the cause of medical research could be helped if it was managed and budgeted as part of health care operations and resources instead of major research programs and budgets, such as weapons systems. Further, the Surgeon General should be designated as a permanent member of the Army's select committee which is charged with responsibility over programing, budgeting, and major policy. Effective management of medical research also requires that the Surgeon General and MRDC seek the advice of prominent outside scientists who can aid in the prioritization process and in publicizing military medical research needs. Finally, if it is found that the Army does not intend to utilize LAIR's facilities effectively, especially those relating to nutritional research, the determination should be made to transfer all or part of LAIR to another Federal agency which would fully utilize these facilities. The Department of Agriculture is presently considering proposals to locate a required Food and Human Nutritional Research Center in the western United States. Employing LAIR's facilities in support of this concept might be the best ultimate use for this major national resource.

U.S. SENATE,
Washington, D.C., August 8, 1978.

Hon. JOHN C. STENNIS,
Committee on Appropriations,
Washington, D.C.

DEAR MR. CHAIRMAN: We are writing to request $2 million in the fiscal year 1979 Department of Defense Appropriations bill to continue nutrition research activities at the Letterman Army Institute of Research (LAIR) in San Francisco. There appear to be several factors relating to LAIR which overwhelm the Army's justification for closing. Generally, the quality of research and personnel at the nutrition laboratory, the potential benefits for all Americans, and the cost of replacing this unit should be thoroughly considered. More specifically, the following points should also be focused on:

1. Last summer, the Subcommittee on Domestic and International Scientific Planning, Analysis, and Cooperation (DISPAC) of the House Science and Technology Committee conducted a series of oversight hearings on the status of federally supported nutrition research. At these hearings a number of expert witnesses reported on the quality and importance of the work done at the Letterman nutrition research laboratory. The laboratory is one of the most productive and respected nutrition research centers in the United States. In fact, its research contributions are world renowned. The Institute's contributions include the development of widely used methods of testing and evaluating the nutritional status of populations, and the determination of human nutritional requirements for a number of innovative techniques for food preservation. A budget reduction would mean major cutbacks in personnel, and thus the loss of the special nutrition research talent and expertise currently available only at LAIR.

2. Both the Senate and the House have recommended that USDA undertake in FY-79 a feasibility study to determine if LAIR might be incorporated into USDA's regional network of human nutrition research centers. Because of the potential that LAIR might become USDA's western research center, it would be very inefficient to phase out its operational staff in FY-79 and then to build it back up in FY-80.

3. The Army is currently examining the status of the entire Presidio complex, of which LAIR is only one component, to ascertain whether it should be continued as an Army installation. This study will be completed sometime in 1979.

4. The Department of Defense is in the process of reviewing its options with respect to either closing, or seismic proofing, at a cost of $50 million for each hospital, the Letterman Army Medical Center (LAMC) and the Oakwood Knoll Navy Hospital. This evaluation will not be completed until April 1979. Construction on both of these hospitals was completed in 1968. LAIR, which was completed in 1976, is physically linked to LAMC, and its operation is closely tied to the Medical Center.

In light of the above, we believe that any action at this time to reduce the nutrition research capability at the Letterman Army Institute of Research would be ill-advised. Therefore, we request that the Senate include $2 million for FY 1979 to maintain the nutrition research function at LAIR until the three studies cited above are completed.

We appreciate your consideration of this matter.

Sincerely,

ROBERT DOLE.
ERNEST F. HOLLINGS.
LAWTON CHILES.
PATRICK LEAHY.
GEORGE MCGOVERN.

Taken from the conference report on making appropriations for the agriculture, rural development, and related agencies programs, September 18, 1978:

In connection with the feasibility study for a nutrition research center at Letterman Army Hospital at the Presidio in San Francisco, California, the conference agreement deletes the $100,000 included in the House version. The conferees will expect this study to be carried out within available funds with a view toward using this facility in connection with a university.

Mr. McGOVERN. Mr. President, I have discussed this amendment with the distinguished chairman and manager of the bill, the Senator from Missouri (Mr. EAGLETON), and also with the Senator from Oklahoma (Mr. BELLMON). To the best of my knowledge, they have no objection to it. I hope the Senate will see fit to adopt it.

Mr. EAGLETON. Mr. President, in last year's appropriation bill we included $100,000 to study, in essence, the very matter to which the Senator from South Dakota has addressed himself. The study has not brought matters to a head. These matters should be brought to a head. The Senator's amendment will effectuate, I think, the decisionmaking process, and therefore I am willing to accept it.

Mr. BELLMON. Mr. President, the Senate Agriculture Committee and the Agriculture Appropriations Subcommittee have tried to place greater emphasis on human nutrition research. Our approach is that at the present time the most rapidly rising costs are the costs of health care, and we have tried to place emphasis on keeping people well rather than simply doctoring people after they become ill.

I believe the amendment of the Senator from South Dakota will move us in the direction of better nutrition research, and I am pleased to accept it on behalf of the minority.

Mr. McGOVERN. Mr. President, I thank the Senator from Missouri and the Senator from Oklahoma for their willingness to accept the amendment. I do think it is in the public interest.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. McGOVERN. I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. UP-380) was agreed to.

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

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

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 381

Mr. McGOVERN. Mr. President, I have another amendment that I send to the desk on behalf of myself and the Senator from New York (Mr. JAVITS). I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN), for himself and Mr. JAVITS, proposes an unprinted amendment numbered 381.

Mr. McGOVERN. 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 43, line 13, strike the period and insert ", and (6) in areas where no service institutions delineated in items (1) through (5) are available to operate the program, private non-profit service institutions, which purchase meals from a food service management company, determined by the Secretary of Agriculture to have a record of reliable and honest community service in feeding programs."

Mr. McGOVERN. Mr. President, the purpose of this amendment is to correct what I believe is a possible deficiency in the legislation now before us as it relates to the summer feeding program. I com-

mend the Senator from Missouri (Mr. EAGLETON) and the members of the committee for very properly focusing on some of the fraudulent behavior and misoperation that has taken place in the summer feeding program. But the way the bill now stands, it carries a blanket prohibition against the operation of summer feeding programs on the part of nonprofit institutions which contract out those programs to private food purveyors.

This has the effect, of course, of not only knocking out those with a fraudulent record, but also in effect knocks out all of them, regardless of the integrity of the operator. I do not think that is what was intended.

So the purpose of this amendment, which Senator JAVITS and I have discussed and worked out with the managers of the bill, is to open the possibility for the Department of Agriculture to make a finding, where an agency has a record of reliable service to the community, even though it is a private agency, that it be approved for continued operation.

This will get us into conference with the House of Representatives, where the matter can be further refined; but it is a matter that I know the Senator from New York feels deeply about, and he has spoken to me about it here earlier today.

I think this language will go a long way toward correcting the inequities he sees in the present program. I am very happy to join with him in this proposal.

I have a letter from food purveyors, Mr. Chip Goodman, of Gardenia, Calif., who is an excellent businessman, with great experience in the handling and processing of food. I ask unanimous consent that his letter to the majority counsel of the Subcommittee on Nutrition, dated June 7, 1979, be printed at this point in the RECORD.

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

LARRY'S FOOD PRODUCTS, INC.,
June 7, 1979.

MARSHALL MATZ,
Majority Counsel, Subcommittee on Nutrition, U.S. Senate, Washington, D.C.

DEAR MARSHALL: Thank you for forwarding a copy of Senator Bellmon's summer lunch amendment to S. 292. I note that a number of successful, well-run programs in California may not be spared. In short, the amendment effectively "throws out the baby with the bath water."

Actions should be initiated to save important private agency programs who contract for food such as San Francisco Council of Churches, San Francisco Economic Opportunity Council and Sacramento Area Economic Opportunity Council. In a post-Proposition 13 era, it is unreasonable to expect that the schools will be interested in serving these types of agencies. Nevertheless, they represent a major portion of available summertime nutrition in the San Francisco and Sacramento metropolitan areas. (I'm certain many other urban areas would be similarly impacted.)

One approach which we discussed briefly was to reinstate a portion of the cut by setting aside perhaps $20 million in grant monies for contracting private agencies. States and USDA regional offices could use discretion in approving private agency applications, basing decisions on a sponsor's administrative capability, past performance, etc. This would effectively weed out the undesirable elements in the program.

Marshall, I would appreciate the opportunity to further discuss other possible actions in this vein. Perhaps something could be initiated on the House side. May I hear your assessment of the situation soon?

Best regards,

CHIP GOODMAN,
Vice President, Marketing.

Mr. McGOVERN. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I am very grateful to my colleague from South Dakota and my colleagues from Missouri and Oklahoma for their sympathetic consideration in this particular matter because, quite unwittingly, I am convinced, if the matter had gone through as it is, it would have resulted in probably cutting off one-third of all the children in this summer feeding program. There are 2,782,805 children in it, of whom 588,000, or 21 percent, are in New York, and 391,000, or 10.5 percent, are in California. The reason is that the pattern which has been established is such that they really do not have a prayer if this is an absolute prohibition. They cannot meet it that fast. This will all begin to be done this fall and early spring. They simply cannot get self-preparation facilities that fast, even if they had the capital. So it is a very sensitive matter.

I am sure my colleagues are absolutely right about their findings, that there has been a great deal of fraud, most regrettably because it exploits and imposes upon very poor people.

The Department has done its utmost since 1977 to make a very complete revision and change in the regulations in order to deal with this situation. I believe that the amendment Senator McGOVERN and I have suggested will go even further in strengthening their hand, which I have every desire to do.

For all of those reasons, Mr. President, I am very grateful, as I say to my colleagues, for their having the sensitivity to understand our problem and for doing what they are doing.

May I ask one other favor of Senator McGOVERN? Senator MOYNIHAN was going to join with me in an amendment not nearly as good as this which he and I were going to propose, and which I showed to both Senator EAGLETON and Senator BELLMON. Could we put him on this amendment?

Mr. McGOVERN. By all means. Mr. President, I ask unanimous consent that Senator MOYNIHAN, who I know has been concerned about this matter, be added as a cosponsor of the amendment.

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

Mr. JAVITS. Again I thank my colleagues. There is no question about this. I believe this is a very constructive way to get at the problem.

Mr. EAGLETON. Mr. President, I am prepared to accept the amendment, but just briefly let me bring to the attention of my colleagues the record we developed on this matter.

The summer feeding program has perhaps suffered from more fraud and abuse than any other USDA feeding program we have reviewed. I think the Senator from South Dakota will bear that out.

Mr. McGOVERN. I not only agree with the Senator on that but at an earlier stage of the legislative action on this I supported him in what he is trying to do. In the committee we found evidence of the kind the Senator has talked about. As Senator JAVITS has said, neither of us are interested in perpetuating that. Quite to the contrary, we are trying to weed that out and preserve the honest operator who should not be punished with a blanket provision.

Mr. EAGLETON. I believe that point is well taken. I cite to my colleagues the testimony of the General Accounting Office, Comptroller General Staats, at page 250 of volume 3 of our hearing record; the testimony of Mrs. Foreman, the Assistant Secretary for Food and Consumer Services at page 271 of volume 3, and then in the testimony from Mr. McBride, the Inspector General of the Department of Agriculture, at page 90 of part 4 of the page proof of our hearings. It has not been printed yet. He goes to some length to point out the considerable problems of fraud that he has had to cope with in this program, and cites several specific cases in different cities around the country.

I am willing to accept the McGovern-Javits amendment because, first, we do not intend to take benefits away from children in the program whatsoever and, second, if other providers, which are set forth in that same section of the bill, on page 43, are not available to render this service, but there is a private, nonprofit institution with a proven track record of reliable and honest service who can render it, and which satisfies the Department of Agriculture that they can have that track record under those conditions I think the Department of Agriculture should have the authority to conduct the summer feeding program.

Mr. BELLMON. Mr. President, the bill as amended by the committee would eliminate as sponsors of a summer food program private nonprofit organizations that either serve 500 meals per day or who serve meals at more than three sites, and who obtain their meals from a food service management company. This will curb widespread fraud and abuse in the program that has been documented by the General Accounting Office and the Department of Agriculture's Office of Inspector General.

Sponsors who serve migrant children as well as private nonprofit schools, including colleges and universities, would continue to be eligible as sponsors.

Mr. President, our concern was the matter of fraud and abuses which have been clearly identified. There have been numerous reports, some by GAO and some by USDA, which bring this out.

I would like to read for the information of the Members of the Senate the conclusion from a GAO report dated March 31, 1978, entitled "The Summer Feeding Program for Children: Reforms Begun, Many More Urgently Needed."

This is the conclusion:

Almost since its inception in 1971, the summer feeding program for children from economically poor areas has had continually recurring problems adversely affecting program operations and goals.

Some of these past problems were fraudulent bidding and contracting, many meals thrown away, spoiled or otherwise unsatisfactory food, meals given to adults, exces-

sive reimbursement claims, and other program violations.

Although neither GAO nor other entities saw evidence of many of these abuses in the 1977 program, the program still had serious problems.

All the committee intended to do was to stop the fraud and abuse. It was not our intention to take food away from any eligible child in any part of the country. We felt that by giving the States a full year—this would not go into effect during the summer of 1979 but rather the summer of 1980—we made simple provision for the States to adjust to this new requirement.

Particular difficulty has been encountered in maintaining adequate controls over large private nonprofit sponsors that contract with private food vendors. These sponsors have been the source of the program fraud and abuse that has brought disrepute to the summer program and has resulted in the misallocation of Federal funds.

In a similar amendment, which was adopted by the Senate earlier this year, active outreach efforts were required of States.

Two other provisions of that amendment required that an amount up to 2 percent of the funds expended for the program in any State will be used for State audits and makes the current administrative requirements that private nonprofit institutions audit their program. This will lessen the growing trend statute.

The last provision of the amendment provided a minimum grant of $30,000 to States for administration of the program. This will lessen the growing trend of States to turn the program over to direct Federal administration, and will also provide the States resources to do a better job of running the program. This bill, as reported, will prohibit direct Federal administration of this program in States.

Because of the committee actions, $47 million will be saved in fiscal year 1980. If the amendment offered by the Senator from New York is accepted, virtually none of these savings will be obtained. Other provisions of his amendment merely restate what is already in place as part of the administrative regulations governing the program.

States will have a year to prepare themselves for the effect of this amendment. That year's advance warning is certainly sufficient time to identify qualified private sponsors or to assume the program themselves.

Mr. President, what the committee has in mind is trying to tighten down, to eliminate the waste, the fraud, and the abuse, and to make certain that this very worthy program reaches the people who are entitled to the benefits, but does not fatten the pocketbooks of dishonest individuals who get into it and operate it, not for the benefit of the children, but for the selfish benefit of the vendors.

Frankly, I am not enthusiastic about the amendment of the Senators from South Dakota and New York. It seems to me that going this route may delay the kind of cleanup efforts that we have in mind. Yet, I certainly do not want to see us take such a sharp action that we do damage to the people the program is legitimately intended to help. I believe perhaps it would be in order for us to take the matter to conference and see what could be worked out later, so I am not going to raise an objection.

Mr. JAVITS. Mr. President, I can assure the Senator that if he left it as it was, I think it would materially deprive children we do not want to deprive. I deeply appreciate the Senator's openmindedness on the subject. I thoroughly agree with him about what needs to be done and I very deeply appreciate his taking the amendment in this way.

Mr. McGOVERN. Mr. President, I, too, want to thank the distinguished manager of the bill (Mr. EAGLETON) and the ranking minority floor manager of the bill (Mr. BELLMON). We fully appreciate the dilemma they have tried to resolve and I do hope this matter can be satisfactorily resolved in conference. I thank them very much for their understanding.

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

Mr. BELLMON. I yield back the remainder of my time.

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

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 382

(Purpose: To add appropriations for rural development cooperative research and extension activities authorized under existing law)

Mr. LEAHY. Mr. President, I send an amendment to the desk for myself, Mr. STAFFORD, Mr. McGOVERN, Mr. HEINZ, Mr. STEWART, Mr. MELCHER, Mr. MOYNIHAN, and Mr. PRYOR, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself, Mr. STAFFORD, Mr. McGOVERN, Mr. HEINZ, Mr. STEWART, Mr. MELCHER, Mr. MOYNIHAN, and Mr. PRYOR, proposes an unprinted amendment numbered 382.

Mr. LEAHY. 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 9, line 1, insert after "Tuskegee Institute;" the following: "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1972, as amended (7 U.S.C. 2661–2668), including administrative expenses;";

On page 10, line 12, insert after "$195,-331,000;" the following: "payments for rural development work under section 3(d) of the Act, $1,000,000;";

On page 11, line 3, insert after "$910,000" the following: "$2,500,000 for Rural Development Education as authorized under the Rural Development Act of 1972 (7 U.S.C. 2661–2668);".

Mr. LEAHY. Mr. President, this amendment would simply reinstate funding for rural development research and extension activities at the land-grant universities through section 3(d) of the Smith-Lever Act and title V of the Rural Development Act of 1972.

This amendment is cosponsored by Senators STAFFORD, McGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR. As you can see, the amendment enjoys strong bipartisan support. Also, the programs my amendment seeks to reinstate offer valuable services and assistance to rural people in every State. As such, I believe every Member of this Chamber will want to support our amendment.

Mr. President, this amendment is not a budget buster. While adding a total of $5 million to the fiscal year 1980 appropriations bill before us today, it actually adds no new funds above the fiscal year 1979 budget levels. This amendment would simply reinstate level funding for these valuable rural development programs at fiscal year 1979 levels. The appropriations we seek to reinstate are already contained in the House version of H.R. 4387.

Mr. President, the specifics of the amendment are as follows: $1 million would be reinstated for rural development research through cooperative research under section 3(d) of the Smith-Lever Act, $1.5 million would be reinstated for rural development research through cooperative research under title V of the Rural Development Act of 1972, and $2.5 million would be reinstated for rural development services by the Extension Service through title V of the Rural Development Act of 1972. It is important to note that we ask for no funding increases here, but only to reinstate level funding for these rural development activities.

Mr. President, twice in the past 18 months I have held hearings which covered title V of the Rural Development Act. In each of these hearings, witness after witness told me of the values and benefits they see accruing to rural America from these title V programs.

With this relatively small amount of title V and Smith-Lever funds, the land-grant universities are able to conduct research on rural issues most pressing in their respective States. This is action oriented, pragmatic research. It does not result in volumes of esoteric studies shoved to the back of some academic's shelf to collect dust. Rather, because this research is conducted through the land-grant system and coupled with extension service activities, its findings result in solutions with direct, concrete, and tangible results for rural people. These research and extension activities have resulted in such diverse benefits as improved water, sewage, solid waste, recreation, and health facilities for small communities. Also, they have helped small cities to improve their housing base, preserve the national environment, and develop economic strategies to bring more jobs to rural America.

Mr. President, a major tenet of development is those who know more can do more. Traditionally, those "in the know" tend to be people and institutions from the major urban centers of this Nation.

The information and assistance generated by the programs we seek to fund provide rural areas with the essential information and knowledge they need to be placed on equal footing with the cities. The provision of this information is critical if we are ever going to achieve truly balanced national growth.

Mr. President, the amendment represents a neat and effective coupling of research and extension activities which exhibit a Federal commitment to locally tailored rural development and spurs State governments to heighten their awareness of and commitment to rural development.

These programs have been highly successful and effective. They enjoy wide support and should be continued. If they are not continued, if the amendment is defeated, then we have lost a very valuable program which aids rural development at the local grassroots level.

Again, we ask for no new funds above the fiscal year 1979 budget. I realize that money is very tight these days and that the spendthrift Congresses of the past can no longer be tolerated. This is why our amendment seeks no increases but only level funding. It is a prudent and fiscally sound approach toward Federal rural development activities for fiscal year 1980. I am most hopeful that my colleagues will exhibit their strong commitment to the rural areas in their respective States by supporting our amendment.

(Mr. MATSUNAGA assumed the chair.)

Mr. LEAHY. Mr. President, I hope that this amendment can be accepted by the managers of the bill.

Mr. HEINZ. Will the Senator yield?

Mr. LEAHY. Certainly, I yield to my friend from Pennsylvania.

Mr. HEINZ. Mr. President, I compliment the Senator from Vermont for offering this excellent amendment.

In 1972, the Congress of the United States enacted legislation that included a mandate for the land grant institutions of this Nation to take a greater role in helping rural communities to help themselves. This assistance includes providing leadership training for rural leaders so they can more effectively identify the needs and aspirations of rural people and mount successful efforts to improve the employment opportunities, recreation facilities, health services, police and fire protection and other services essential to a decent life. I believe, with the Senator from Vermont that we cannot withdraw our support for rural development research and extension . . . to do so would undermine future efforts by land grant institutions to help rural people and communities.

Senator LEAHY's and my amendment will restore $5 million to research and extension efforts under title 5 of the Rural Development Act of 1972 and section 3(d) of the Smith-Lever Act. These are the same levels of funding contained on the House bill. The $1 million for section 3(d) of Smith-Lever, the $1.5 million for cooperative research, and $2.5 million for Extension Service activities under title 5 would simply reinstate funding for these programs at fiscal year 1979 levels.

If the Senate fails to restore these funds, it will be telegraphing a clear and discouraging message to the land grant institutions of this Nation. The message has two parts. First, we are telling them that, contrary to the rhetoric of recent legislation, such as the Rural Development Act of 1972, it is not an important part of the mission of the land grant college to help rural communities to identify their own problems and opportunities, and to increase their self-help capabilities. Second, the Senate will be reneging on its previous commitments to rural people and communities, thereby proving to future generations that its commitments to improving the quality of life and opportunities in the nonmetropolitan communities of this Nation are not to be trusted.

With the funds provided by this amendment, the land-grant institutions will continue to help rural people to assess their priority needs; to bring together the knowledge gained from research and previous experience in designing effective strategies for solving rural problems; and to realize opportunities to improve living and working conditions in rural areas.

The programs we are debating here form a most creative and effective system of research, information dissemination, and technical assistance. The work carried out has practical application, and is directed to the needs of individual States and small communities. These research and extension activities enhance the targeting of limited resources and insure the most cost-effective approaches to meeting rural needs.

By providing these funds we will keep alive the struggling efforts of committed rural development researchers and extension specialists throughout this Nation and we will provide our rural residents with sorely needed information and technical assistance to guide their development efforts.

I am privileged, Mr. President, to be a cosponsor of this amendment.

Mr. EAGLETON. Mr. President, I rise in opposition to the Leahy amendment for the following reasons: First of all, none of these amendments were requested in the budget.

Second, title V rural development research has been implemented on a pilot basis since fiscal year 1974, and is not sufficiently high enough priority on a national basis to warrant continuation.

Third, the research under title V could well be carried out under Hatch Act funding.

Fourth, title V rural development extension is not required as a separate earmarked item. The Federal share of support to extension rural and community development activities currently amounts to $18 million, and State extension services can continue an effective rural development program even without this earmarking of funds under title V.

Also, Mr. President, we have already added in this bill an additional $15.5 million for extension under Smith-Lever formula grants. We have added already another $10.5 million for Hatch Act formula grants.

Frankly, I think this amendment is too much of a good thing. We are over the budget, and we are over the House amount in formula grants. The Hatch Act and the extension programs have been very, very generously treated, and this is an example, in my opinion, of simple overgenerosity.

Mr. LEAHY. Mr. President, of course, I disagree that the amount is not in the House bill; it has been. It obviously did not come from word of mouth. Title V is actually an extremely important area to rural people. We have heard nothing but good things from this. At each of the hearings we have held, witness after witness has told the value and benefits received to rural America from these title V programs.

The amount, basically, goes back to last year's budget levels. It adds no new funds above fiscal year 1979 budget levels. It is not even the amount in the authorization process that the Senate voted for.

Mr. President, I pose a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Is it appropriate if this amendment were broken into three parts for me to offer as three separate amendments, asking for the yeas and nays on each amendment at the time they were offered?

The PRESIDING OFFICER. The Chair advises the Senator from Vermont that it is proper from the way the amendment is drawn that it be divisible.

Mr. LEAHY. Mr. President, would it be appropriate if I were to offer three separate amendments asking for the yeas and nays on each separate amendment prior to a vote being held on any one of the three?

The PRESIDING OFFICER. The Senator may request a yea-and-nay vote and subsequently ask for a separate vote for the three separate divisions.

Mr. LEAHY. Mr. President, I withdraw my amendment just offered.

UP AMENDMENT NO. 383

(Purpose: To add appropriations for rural development cooperative research authorized under existing law)

Mr. LEAHY. Mr. President, I send to the desk an amendment cosponsored by myself, Senators STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself and Messrs. STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR, proposes an unprinted amendment numbered 383.

Mr. LEAHY. 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 9, line 1, insert after "Tuskegee Institute;" the following: "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1972, as amended (7 U.S.C. 2661–2668), including administrative expenses;".

Mr. LEAHY. Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I send to the desk an unprinted amendment on behalf of myself and Senators STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would advise the Senator he would need to dispose of the amendment now pending before the second amendment may be offered.

Mr. LEAHY. Mr. President, that was the purpose of my earlier parliamentary inquiry.

The PRESIDING OFFICER. Then the Senator withdrew his amendment and did not ask for a division. The Chair thought perhaps the Senator was taking it the easier way, the less confusing way, so the Chair raised no questions about the actions taken by the Senator from Vermont.

Mr. LEAHY. Mr. President, I appreciate the understanding of the Chair. I misunderstood what the Chair was saying. However, apparently the net result would be the same.

So that my colleagues will understand, I will be presenting a series of three amendments tonight and/or tomorrow, whenever we get to them. They will be the amendment I offered before, broken into three parts, or three separate amendments.

As I understand it, Mr. President, the yeas and nays have been ordered on the one that is presently before the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. And it is also my understanding that the original amendment has been withdrawn.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. So now, Mr. President, we are in a situation where we have to consider these three amendments, one by one.

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. EAGLETON. Are there copies of the amendment before the body?

The PRESIDING OFFICER. The amendment is now being duplicated.

Mr. EAGLETON. This amendment, Mr. President, if I may inquire, is not the one we have been debating.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair will advise the Senator from Missouri that the Senator from Vermont withdrew his earlier amendment and has offered a new amendment and proposes, as the Chair understands it, to offer two other sections of the earlier amendment as separate amendments.

Mr. LEAHY. It was the intention of the Senator from Vermont, because there are three basic items in my original amendment, that rather than risk the whole lot on one vote, I decided to break it into three votes.

The Senator from Vermont is doing this with the hope that the amendments might be acceptable to the floor managers because of their basic noncontroversial nature.

Mr. EAGLETON addressed the Chair.

Mr. LEAHY. I am perfectly willing to yield if I can do so without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Vermont has the floor. Will the Senator from Vermont yield to the Senator from Missouri?

Mr. LEAHY. Mr. President, I ask unanimous consent that I may be able to yield to my friend from Missouri without losing my right to the floor.

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

Mr. EAGLETON. Mr. President, I will ask a question of the Senator from Vermont.

His original amendment—the one that has been introduced, withdrawn, reintroduced, withdrawn—the one we have been playing ping-pong with, was for $5 million. Do I now understand that the Senator from Vermont wants to break the $5 million down into three amendments, the first of which is this for $1.5 million, and then he wants us to vote on it, and then the next million or so, and then the $2.5 million or so?

Mr. LEAHY. The Senator from Missouri is correct.

The so-called ping-pong amendment has been taken off the court and then put back in smaller amounts.

Mr. EAGLETON. Would it not be simpler to vote on just one amendment in the amount of $5 million? We can vote on it. It is either for or against it. Does the Senator want to go through this three times?

Mr. LEAHY. I considered that. The matters, though, are of such concern to rural areas that they should, perhaps, be considered separately rather than risking their fate on one vote. Each one is important enough to be in the House budget, as I understand it, and I would really hate to see them all lumped together because it may be, for example——

Mr. EAGLETON. Mr. President, I yield back the balance of my time when the Senator finishes.

Mr. LEAHY. I appreciate that.

I understand that some Senators may be in favor of the million dollars that would be reinstated for rural development research through cooperative research under section 3(D) of Smith-Lever Act. Some others might be in favor of the $1.5 million to be reinstated for rural development research and cooperative research under title V of the Rural Development Act of 1972, but they might not be in favor the $2.5 million which would be reinstated for rural development services by the Extension Service through title V of the Rural Development Act of 1972. But those who would be in favor of extension service work under the Rural Development Act of 1972, might not be in favor of the $1 million which would be reinstated for rural development research through cooperative research under section 3(D) of the Smith-Lever Act. I am offering my original amendment as three separate amendments in order to give the Senators a choice if they favor one section of my original amendment but not the remaining sections.

The possibilities are at least three-squared. Because of that, and considering the strong support these programs have received, I am a little worried about putting them all into this one rural basket.

In the last 18 months, as chairman of the Rural Development Subcommittee, I have held hearings covering title V of the Rural Development Act. In each of these hearings, witness after witness told me of the values and benefits they see accruing to rural America from these title V programs.

I know that most Senators have been contacted by people from land grant colleges in their areas. They know the value of this relatively small amount of funds under title V and the Smith-Lever Act.

With this relatively small amount of title V and Smith-Lever funds, the land grant universities are able to conduct research on rural issues most pressing in their respective States. This is action oriented, pragmatic research. It does not result in volumes of esoteric studies shoved to the back of some academic's shelf to collect dust.

In fact, interestingly enough, only a minor amount of those funds go into research, and even these limited funds get direct action; whereas, some of those research programs into which we are pouring tens of millions and hundreds of millions of dollars seem to be the tomes that become Ph. D. studies, and so forth.

Rather, because this research is conducted through the land grants system and coupled with extension service activities, its findings result in solutions with direct, concrete and tangible results for rural people. These research and extension activities have resulted in such diverse benefits as improved water, sewage, solid waste, recreation and health facilities for small communities. Also, they have helped small cities to improve their housing base, preserve the national environment and develop economic strategies to bring more jobs to rural America.

Mr. President, a major tenet of development is those who know more can do more. Traditionally, those "in the know" tend to be people and institutions from the major urban centers of this Nation. The information and assistance generated by the programs we seek to fund provide rural areas with the essential information and knowledge they need to be placed on equal footing with the cities. The provision of this information is critical if we are

ever going to achieve truly balanced national growth.

If you take the amendments as a package—the distinguished Presiding Officer is one of the cosponsors of these amendments—and look at all three together, they represent a neat and effective coupling of research and extension activities which exhibit a Federal commitment to locally tailored rural development and spurs State governments to heighten their awareness of and commitment to rural development.

These programs have been highly successful and effective. They enjoy wide support and should be continued. If they are not continued, if the amendment is defeated, then we have lost a very valuable program which aids rural development at the local grassroots level.

Again, we ask for no new funds above the fiscal year 1979 budget. I realize that money is very tight these days and that the spendthrift Congresses of the past can no longer be tolerated. This is why our amendment seeks no increases but only level funding. It is a prudent and fiscally sound approach toward Federal rural development activities for fiscal year 1980. I am most hopeful that my colleagues will exhibit their strong commitment to the rural areas in their respective States by supporting our amendment.

Mr. President, I am very concerned that we seem to have billions of dollars for nearly every program that comes through Congress. However, when we talk about $1.5 million, for rural areas we run into great difficulty funding the program. I sometimes wonder if we had asked for $100 million, instead of $1.5 million, if we would have a better chance of getting it through.

I am not suggesting that it should be an either/or situation. In fact, cosponsors of this amendment are representatives of States that have some of the largest urban areas and rural areas. I think it is a situation where we should provide equitable research funds for rural and urban areas.

I agree with the speech by the Senator from Pennsylvania, who earlier encouraged such action.

The committee report has said that it expects States to continue rural development research efforts as part of ongoing reports, and they do not concur with the House increase of $1.5 million. That, of course, is the rub.

With the problems that State legislatures are having and with the fact that the clout in State legislatures seems to be primarily in urban areas, what happens is that the States are not going to put this money into rural development.

As to the amount of Federal funds, at least we have some kind of coordinated program. We have the results available to all States. It really gives us only a modicum of the kind of rural research we need, a tiny fraction of what we see in urban research. Yet, a third of the Nation's people live in rural areas.

We find a disproportionate number of our substandard housing is in rural areas. A disproportionate amount of our medically underserved areas are in rural areas. A disproportionate amount of inadequate sanitation facilities are in rural areas. Again and again, it is the rural areas that suffer.

Mr. President, I think the amount before us is a relatively minor amount. Even in the original amendment of $1.5 million, the amounts, when you consider the number of different programs——

The PRESIDING OFFICER (Mr. MELCHER). The time of the Senator has expired.

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

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. What is the time limit on amendments?

The PRESIDING OFFICER. One-half hour equally divided.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered, and the Senator from Missouri has yielded back his time earlier, as I understand it.

The PRESIDING OFFICER. No. The Senator from Missouri has 14 minutes and 12 seconds remaining.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time, move to table the amendment, and ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Vermont. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from Tennessee (Mr. SASSER), the Senator from Alaska (Mr. GRAVEL), the Senator from Wisconsin (Mr. NELSON), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS: I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER (Mr. STONE). Are any Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 42, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—52

Bellmon	Hart	Nunn
Bentsen	Hatch	Packwood
Biden	Hayakawa	Pell
Boschwitz	Helms	Proxmire
Bradley	Hollings	Randolph
Byrd, Harry F., Jr.	Huddleston	Roth
Byrd, Robert C.	Humphrey	Sarbanes
Cannon	Inouye	Schmitt
Chafee	Jepsen	Schweiker
Chiles	Johnston	Simpson
Cranston	Kassebaum	Stevens
Domenici	Laxalt	Stevenson
Eagleton	Long	Talmadge
Exon	Magnuson	Tower
Ford	Matsunaga	Warner
Garn	McClure	Weicker
Glenn	Metzenbaum	Young
	Muskie	

NAYS—42

Armstrong	Durkin	Moynihan
Baucus	Hatfield	Percy
Bayh	Heflin	Pressler
Boren	Heinz	Pryor
Bumpers	Jackson	Riegle
Burdick	Javits	Stafford
Church	Kennedy	Stennis
Cochran	Leahy	Stewart
Cohen	Levin	Stone
Culver	Lugar	Thurmond
Danforth	Mathias	Tsongas
DeConcini	McGovern	Wallop
Dole	Melcher	Williams
Durenberger	Morgan	Zorinsky

NOT VOTING—6

Baker	Gravel	Ribicoff
Goldwater	Nelson	Sasser

So the motion to lay on the table Mr. LEAHY's UP Amendment No. 383 was agreed to.

Mr. LEAHY. Mr. President, in this form, this is an amendment which had been——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous consent request?

Mr. LEAHY. I yield to the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that there be a 10-minute time limitation on any rollcall votes for the remainder of this day, with the warning bells to be sounded after 2½ minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I have two other parts remaining to my earlier amendment. I understand there was a limitation of one-half hour plus the rollcall if we went to the full time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, I wonder if I might pose a question to the distinguished floor leader. The vote was relatively close on this earlier matter. If I could have the attention of the Senate for just a moment, Mr. President——

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Will the floor manager yield me 3 minutes on the bill, so I will not have to bring up the other amendments at this time?

Mr. EAGLETON. I yield the Senator 3 minutes, by all means.

Mr. LEAHY. Mr. President, the matters that are in the other amendments I would bring up for the same reasons I have talked about before. I believe they are worthy and extremely important for rural areas. I understand, however, that they are in the House bill. I know that the Senator from Missouri shares my concern for rural areas. I know also, however, that he and my good friend from Oklahoma are very much concerned about budgetary matters.

I wonder if I might ask them, without asking for a specific dollar commitment, if they will carry this strong concern with them when they go to conference.

The Senate in the past has tried to put some of these funds back in. Might the Senators at least be predisposed toward that?

Mr. EAGLETON. Mr. President, we always attempt to carry with us into conference the strong concerns of the Senator from Vermont with respect to these matters as they impact upon rural areas. We are sympathetic with his approach. I do not blame the Senator. He supported me earlier today on HOAP, which also expresses Senator LEAHY's concern about people in rural areas as well.

Bearing in mind that we have added $26 million already in Hatch Act funding and extension funding, and that there are some differences between the House bill and the Senate bill, there is some room for negotiation in conference, and I hope the Senator from Vermont will not be too terribly disappointed by the result of our efforts.

Mr. LEAHY. Mr. President, as chairman of the Rural Development Subcommittee, I am well aware of the concerns of the Senator from Missouri and the Senator from Oklahoma. They have both shown consistent concern for the problems of rural areas. In the light of their concern, and considering the lateness of the hour, I want to keep the friendship of my colleagues, and I will not call up the other two amendments.

The PRESIDING OFFICER. The Senator from Delaware.

UP AMENDMENT NO. 384

(Purpose: To reduce total budget authority provided for the Department of Agriculture and related agencies in this Act by $170 million)

Mr. ROTH. 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 Delaware (Mr. ROTH) for himself and Mr. PROXMIRE, proposes an unprinted amendment numbered 384:

On page 51, after line 19, insert the following:

SEC. 612.

Mr. ROTH. 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 51, after line 19, insert the following:

SEC. 612. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act is hereby reduced in the amount of $170,000,000: *Provided,* That Congress intends that this reduction shall be achieved by the improvement of program efficiency and administrative productivity: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, the American economy is in serious trouble, far greater trouble than this administration is either aware of or willing to admit. Only 4 years since this country suffered the severe effects of a destructive recession, rising, unrestrained inflation is pushing us right back into the arms of recession again. The Congressional Budget Office now predicts consumer prices will rise 12 percent this year, up from 9 percent last year. That is an incredible 21 percent increase in just 2 years—the largest in peacetime history.

Mr. President, if we are to reduce inflation, we in Congress must begin by conserving tax dollars, stopping excessive spending, and improving efficiency at the Department of Agriculture.

My amendment provides a 1-percent efficiency cut in the administrative costs of the Department of Agriculture in this bill. This will save the taxpayers $170 million and stimulate needed management reforms at the Department of Agriculture.

This amendment is cosponsored by the Senator from Wisconsin (Mr. PROXMIRE) and I ask unanimous consent that his name be added to the amendment.

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

Mr. ROTH. Mr. President, the Senator from Wisconsin (Mr. PROXMIRE) has also joined with me as the SOB's, the Save Our Bucks Task Force, to carefully review each of the various appropriations bills.

In short, if the American people are going to make sacrifices for our national economy, the Federal Government itself is going to have to do more—with less.

Our amendment strikes at the very heart of that which the American taxpayer detests the most—waste and mismanagement. Our amendment does not cut specific programs, projects or hardware—such as plant, and capital equipment, but instead requires reductions in administrative and overhead costs only, in order to improve program efficiency within USDA.

I firmly believe not even the best run Federal agency would contend there is not at least 1 percent waste within its programs that a serious, effective management system could find and correct without destroying worthwhile programs. In addition, by such an efficiency cut, those affected agencies would be put on notice to track the effectiveness of all their programs and set priorities as to the most valuable.

Again, I wish to emphasize we are not advocating irresponsible or precipitous elimination of any programs in this bill. I am actually urging a more reasonable level of funding—a level more consistent with the President's stated goals and certainly more in keeping with those which citizens have been demanding all over the country.

I would suggest there are many areas in the present bill in which increases are highly questionable and efficiencies are possible.

For example, the salaries and expenses of the Farmers Home Administration in this bill have increased 20 percent over fiscal 1978, just when farmers are complaining the FmHA is top heavy with bureaucratic redtape.

This bill also includes $25 million over the House bill for competitive research grants. This program sets up a new bureaucracy in Washington and at the large universities to duplicate research of our productive and proven State research stations and land grant colleges under the cooperative State research service. The State agriculture people have opposed this boondoggle for 3 years now, and so has the House.

I would suggest that modest efficiency cuts could be made in those same areas in title II which the full Senate cutback on the floor last year on the recommendation of the Appropriations Committee. These areas include domestic farm labor assistance, which has increased 24 percent over 1978; housing repair grants, which have increased 263 percent over 1978, and the rural clean water program which, State officials tell me, has $25 million in unobligated, surplus funding.

Finally, food program administration costs for Federal salaries and expenses have skyrocketed 30 percent since 1978.

Our 1-percent efficiency and productivity cut does not tell USDA where to make its management efficiencies. The areas I have suggested are just that, and USDA would be expected to streamline its programs and cut waste and fat for a total reduction of $170 million in its budget. If USDA productivity could improve as much as the productivity of American farmers—15 percent output per man-hour alone in the last 3 years—my 1-percent efficiency cut would be a drop in the bucket in comparison.

There is no question hard choices are necessary to reduce Federal spending. But there is no question these steps are necessary to restrain inflation. When an average American family sits down and makes out their household budget, they set spending limits and establish priorities. They are forced not to spend more money than they have coming in. When times are tough, they do not increase the size of their budget, rather they make sacrifices. Perhaps they do not take a family vacation that year, or they wait another year to buy a new car. If the family budget does exceed the family's means, then the family must pay the consequences.

Likewise, the Federal Government should be forced to stay within the limits of its means. If American families are expected to make sacrifices, no less should be expected of the Government.

In fact, substantial reductions in Federal spending can be achieved merely by focusing on fraud and waste in Government spending programs. Deputy Attorney General Benjamin Civiletti has testified before the Budget Committee that fraud and waste consume between $5 and $50 billion of the Federal budget. Clearly, curbs on spending can be achieved without impairing useful Government functions.

Since the President's budget proposal in January, Federal spending levels have increased $10 billion.

The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget will set a new record—it calls for an increase to $532 billion. This is an increase of 7.7 percent.

For years the Government has been throwing money at our Nation's prob-

lems, and when that did not work the solution was to throw more money at our problems. In doing so, we have contributed to the biggest problem in this country—inflation.

I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back and sacrifice.

Do we need to be hit with a 2-by-4 to reduce the obvious?

I urge my colleagues to vote yea on the coalition amendment to save our taxpayers $170 million in improved efficiency and productivity at USDA.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated March 29, 1979, from myself to Senators EAGLETON and BELLMON, in response to a request for recommendations on agricultural programs.

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

MARCH 29, 1979.

Hon. THOMAS EAGLETON,
Hon. HENRY BELLMON,
Subcommittee on Agriculture, and Related Agencies, Washington, D.C.

DEAR TOM and HENRY: Thank you for inviting me to make recommendations to the Agriculture and Related Agencies Subcommittee on federal assistance for agricultural programs in the 1980 budget.

As your subcommittee considers agriculture appropriations for fiscal 1980, I urge you to maintain your support for the agricultural research programs of our land grant universities.

The State Agricultural Experiment Stations and Extension Services are the backbone of our nation's phenomenal strength in agriculture. Indeed, they sustain the position of the American farm as breadbasket to the world. The formula matching grants which the Hatch Act and Smith-Lever Act provide our land grant universities represent long-term investment in the productivity of American agriculture.

The Extension Service, for example, has been so successful in bringing the farmer and the scientist together that it has been a model for dozens of other federal programs, such as the Sea Grant public information programs funded by NOAA, and, more recently, the state energy extension service pilot programs funded by DOE.

The Experiment Stations provide a much-needed continuity to basic and applied agricultural research programs, and enable farmers to cope on the local level, on a person-to-person basis, with the increasing complexity of agriculture.

However, President Carter in both his fiscal 1979 and his fiscal 1980 budgets has failed to recognize the importance of these programs to our agricultural productivity. In his 1980 budget, he has recommended $81,078,000 for Hatch Act formula grants, the same amount appropriated in FY 1979, and therefore a 10 percent cut in real dollars. He has recommended cutting Smith-Lever Act payments to states from $240,330,000 in 1979 to $186,140,000 in 1980. At the same time as the President is recommending these cuts in our state agricultural research programs, he is recommending doubling competitive agricultural research grants from $14,550,000 to $29,100,000.

Replacing our long-standing state agriculture research institutions with a new national research bureaucracy just does not make sense. We need to cut the waste and fat in government programs. We need to weed out the inefficient programs and make the hard choices necessary to cut the budget deficit. But in an era of declining economic productivity, we need to maintain those programs that sustain the productivity level of the backbone of our economy—at the most efficient, least bureaucratic level.

Therefore, in your committee's deliberations please maintain real dollar level of federal funding for the Hatch Act statutory grants and the Smith-Lever Act payments to the states. I recommend you offset these increases with cuts in other, less productive, less proven programs, such as the competitive research grants.

Thank you for your consideration.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. ROTH. Yes, I am happy to.

Mr. EAGLETON. With regard to the so-called 1-percent-efficiency cut, the amendment is not drafted as a 1-percent cut across-the-board in every account; is that correct?

Mr. ROTH. That is true.

Mr. EAGLETON. Thus the Secretary, if this amendment becomes law, could cut any account by 2 percent, 4 percent, or 5 percent, depending on where he wanted, wherever he found this so-called inefficiency; is that correct?

Mr. ROTH. I would point out to the distinguished manager of the bill that the amendment just provides for $170 million in cuts, with the proviso that "Congress intends that this reduction shall be achieved by the improvement of program efficiency and administrative productivity."

It is not intended to be a cut in specific programs, per se.

Mr. EAGLETON. Per se. But if this passes, and the Secretary calls in his aides and says, "Let's do a little zero-based budgeting in terms of efficiency, and let's start with the most inefficient program we run, and then go up to the most efficient," those designated as being most inefficient could feel a heavier burden of the cuts; would that not be correct?

Mr. ROTH. That is correct.

Mr. EAGLETON. And did I correctly understand the Senator to say that the Senator from Wisconsin (Mr. PROXMIRE) was now a cosponsor of this amendment?

Mr. ROTH. That is correct.

Mr. EAGLETON. That is very interesting, because in the opinion of some in this Chamber, the special milk program is one of the most inefficient programs, and the Secretary of Agriculture so believes. So if this amendment passes I think I can assure the body that the first heavy measure of this cut will be against the special milk program, and it is interesting that Senator PROXMIRE is a cosponsor of the amendment.

Mr. ROTH. I would point out to the distinguished manager of the bill that it is intended, and the amendment so provides, that these would be cuts from administrative costs and not programs themselves. In my lengthier statement, which in the interest of time I did not read in its entirety, I do mention a number of areas that I suggest where cuts could be made.

I would point out that this bill as reported contains an inflationary 25 percent increase in the administrative costs of Farmers Home and food programs, and a 28 percent increase in rural development program.

Mr. President, I realize that any proposed efficiency cut can be attacked on the ground that it is going to hurt a favorite program of a particular Senator or a particular State. But I think the important point we are trying to make, and I would assume that the Department of Agriculture would move in good faith, particularly with the oversight responsibility in the hands of such people as the manager of the bill and Senator BELLMON, that we can accomplish this 1 percent cut without hurting any of the significant programs in the Department of Agriculture.

I think we are saying to the people back home, because of inflation, "You have to make your dollar go further. You have to be a little more effective. You have to be a little more efficient." I think that is all we are trying to do here, Mr. President, to put the various departments on notice that they are just going to have to do a better job with the funds available, that there are ways and means of improving the administrative efficiency of this department without hurting the many programs approved by this Congress. I do not think anyone would quarrel with that.

Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I am willing to yield.

Mr. BELLMON. Will the Senator from Missouri yield me 5 minutes?

Mr. EAGLETON. I yield.

Mr. BELLMON. Mr. President, there is something very attractive and tempting about these across-the-board cuts. In voting for these, we can vote for efficiency; we can vote to do away with waste and corruption without being specific. But unfortunately, when we get down to the full effect of these cuts they usually prove to be exactly the wrong way to try to achieve reductions in the appropriations. When we make these kinds of cuts, we hit the high priority and well-managed programs to the same extent that we hit the low priority programs. As the Senator from Missouri has pointed out, we simply give the administration carte blanche to cut wherever they want to, and obviously some of the places they are going to cut will not suit the Members of the Senate.

As a matter of fact, and I think this will be of interest to the Senate, the Subcommittee on Agriculture of the Appropriations Committee this year had requests from a large number of Senators and these requests totaled $700 million for add-ons. There was not one single request, to my knowledge, that even suggested that we cut a program. This includes the Senator from Delaware. There

was no request from the Senator from Delaware that we consider these cuts during the process of hearings or marking up of this bill.

Mr. ROTH. I believe I appeared before the Budget Committee.

Mr. BELLMON. I am talking about the Appropriations Subcommittee.

Mr. ROTH. But I think the Senator from Oklahoma recognizes that we have the authorizing committee and the Budget Committee, and I did appear before the Budget Committe and in great detail pointed out where I thought savings could be made. In any event, the real problem, I would point out, is that we really do not know what the Senator will recommend until 3 days before he comes to the Senate floor. This Senator has tried to be cooperative and has not brought up an objection based on the 3-day rule. But I would point out that this Senator, with the Senator from Wisconsin, did appear before the Budget Committee.

Mr. BELLMON. I was present and remember very vividly that testimony. I was speaking of the bill before this body at this time from the Agricultural Appropriations Subcommittee. No Senator recommended any specific cuts to be made in this legislation. The fact is that the members of this committee spent a great deal of time and energy in trying to bring to this floor as responsible a bill as we possibly could. When we meet these across-the-board cuts, we are simply inviting committees not to be as careful in their work as they presently are trying to be, or to add a little cut insurance. To me that would be the worst kind of cut.

I must oppose the amendment of my friend from Delaware, realizing that he has good intentions but believing that this is the wrong way to go about achieving the results he wishes.

Mr. ROTH. Mr. President, to be very brief, down through the years I have offered amendments in the form of across-the-board cuts or by specific purpose. In either case I always run into the same problem, that it cannot be done. I think that is the reason we are in the budget situation we are now in. It is my understanding that the members of the Budget Committee are extrordinarily concerned about the budget deficit this year.

We have forced the American people to do a better job. All I am saying is that American farm productivity has jumped 15 percent in 3 years. I see nothing wrong with asking the USDA to attempt to keep pace by improving its productivity and efficiency.

Mr. EAGLETON. Mr. President, I believe the Senator from Oklahoma has stated our position very well.

Mr. President, I have with me an 18-page document that indexes the request of every Senator made to our committee with respect to funding provisions in this bill. Some Senators write us many letters. The essence of this list is that every Senator who wrote us, Mr. President, asked us to appropriate more money. Every name on this list and every program from every Senator was to spend more, including the Senator from Delaware. He wrote us three times. He wrote us to spend more on Hatch Act grants. He wrote us before we marked up the bill.

He wrote to spend more on Smith-Lever, and to spend more on SCS.

By the way, the bill is in compliance with the 3-day rule.

The reason the Senator does not want to offer a specific amendment is that once he starts cutting into certain specifics, then he knows he will be trespassing on many Members' favorite programs.

In this amendment to cut amorphously, he hopes to muster a great deal of support. I think perhaps a more prudent way for the Senator to go is to recommend specific cuts—say cut the special milk program, cut the brucellosis research, or tell us where he wants to cut and we will vote on it.

Mr. President, I yield back the remainder of my time. I move to table the amendment and ask for the yeas and nays.

Mr. ROTH. Will the chairman withhold for 30 seconds?

Mr. EAGLETON. Yes.

Mr. ROTH. I would like to point out that, as other Senators, of course I have tried to influence the appropriations. I would also point out that in my letter to Senator BELLMON, I also recommended that these increases be cut by eliminating such programs as the competitive research grants. So I think if the Senator is going to attack this Senator, the full story should be given. I yield back the floor.

Mr. EAGLETON. Mr. President, I move to table the amendment and I ask for the yeas and nays.

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

The question is on agreeing to the motion to table the amendment of the Senator from Delaware. 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 Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. LEVIN), the Senator from Wisconsin (Mr. NELSON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), the Senator from Tennessee (Mr. SASSER), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER (Mr. PRYOR). Have all Senators in the Chamber who wish to vote voted?

The result was announced—yeas 65, nays 26, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—65

Baucus	Exon	Morgan
Bayh	Ford	Moynihan
Bellmon	Glenn	Muskie
Bentsen	Hart	Percy
Biden	Hatfield	Pressler
Boren	Hayakawa	Pryor
Bradley	Heflin	Randolph
Bumpers	Heinz	Sarbanes
Burdick	Hollings	Schmitt
Byrd, Robert C.	Huddleston	Schweiker
Cannon	Inouye	Stafford
Chiles	Jackson	Stevens
Church	Javits	Stevenson
Cochran	Kassebaum	Stewart
Cohen	Kennedy	Talmadge
Cranston	Leahy	Tower
Culver	Magnuson	Tsongas
DeConcini	Mathias	Weicker
Domenici	Matsunaga	Williams
Durenberger	McGovern	Young
Durkin	Melcher	Zorinsky
Eagleton	Metzenbaum	

NAYS—26

Armstrong	Helms	Packwood
Boschwitz	Humphrey	Pell
Byrd, Harry F., Jr.	Jepsen	Proxmire
	Johnston	Roth
Chafee	Laxalt	Simpson
Danforth	Long	Stone
Dole	Lugar	Thurmond
Garn	McClure	Wallop
Hatch	Nunn	Warner

NOT VOTING—9

Baker	Levin	Riegle
Goldwater	Nelson	Sasser
Gravel	Ribicoff	Stennis

So the motion to lay on the table the Roth amendment (UP No. 384) was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, if I could just take a minute to inquire as to what the situation is.

May I inquire of the distinguished Senator from Montana (Mr. MELCHER) as to how many amendments he has that would require a rollcall vote, if any.

Mr. MELCHER. We have one amendment that the managers of the bill have not seen fit to accept yet and two others I think will be agreeable.

Mr. ROBERT C. BYRD. May I inquire of the manager of the bill, does he intend to say something?

Mr. EAGLETON. It is my understanding that Senator MELCHER has one amendment on which he will request a vote. He has two amendments that I think we will be able to work out with some conversation.

The Senator from South Carolina (Mr. THURMOND) has an amendment that we will work out with some discussion. Those are the only amendments I know of.

So if I may make a suggestion, that we proceed with the Melcher amendment on which there is to be a vote, and then have an understanding we will not need a rollcall vote on final passage. I do not require one or think we need one, so if we could have one more rollcall vote, everyone could go and we could do our discussions on the other issues that will not require a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, may I inquire if any Senator intends to demand the yeas and nays on final passage?

Then Mr. MELCHER is prepared to go with the amendment on which a rollcall vote would be required at this time.

I thank the Senators.

Mr. President, there are indications there will be a rollcall vote requested on final passage. So if we could hold that assurance in abeyance, at least for the moment, there might be a chance that a voice vote would still suffice. We will not say for sure just now.

Mr. MAGNUSON. If the Senator will yield, would the majority leader, while on the floor and there are Senators present, lay out the program now for tomorrow?

PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Washington (Mr. MAGNUSON) has asked about the program for tomorrow.

The Senate will proceed at 11 o'clock a.m. tomorrow on the Labor-HEW appropriation bill. There is no time agreement at this point on that bill. There will be rollcall votes on amendments.

The distinguished Senator from Washington (Mr. MAGNUSON) has indicated that there is a possibility the Senate might finish action on that bill tomorrow, but I do not believe——

Mr. MAGNUSON. I am not optimistic.

Mr ROBERT C. BYRD. He is not optimistic.

That would be the business on tomorrow.

Mr. STEVENS. And work on the agriculture bill at 11 o'clock——

Mr. EAGLETON. I was going to suggest, I think, along the same lines, that we consider the Melcher amendment, discuss the other amendments, then go to third reading tonight and have a rollcall vote on final passage tomorrow morning at 11 o'clock. But, the bill could not be amended any further tomorrow.

Mr. ROBERT C. BYRD. All right.

Would 10:45 be all right, because Mr. MAGNUSON wants to start on the appropriation bill at 11.

Mr. STEVENS. Fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote on final passage of the agriculture appropriation bill, which will be a rollcall vote, occur tomorrow morning at 10:45 a.m., with the paragraph 3, rule XII waived.

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

Mr. ROBERT C. BYRD. Then, Mr. President, may we have an understanding that once the Senate has disposed of the Melcher amendment on which there will be a rollcall vote, that there will be no other rollcall vote this evening?

Mr. EAGLETON. Yes.

Mr. ROBERT C. BYRD. And that upon the disposition of the Melcher amendment and Mr. THURMOND'S amendment, the bill will go to third reading, and that will be it for the day.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. If the Senator will yield, I have no objection. I want to ask two questions. One, is the majority leader going to seek a time agreement sometime between now and tomorrow on the Labor-HEW bill?

Mr. ROBERT C. BYRD. No. I will not between now and tomorrow.

Mr. BUMPERS. Two, can the Senator give some idea of the prospects for a Saturday session?

Mr. ROBERT C. BYRD. The prospects, unfortunately, are good.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. May I have a word of explanation? The Labor-HEW appropriation bill, we hope to dispose of that this week, and the Export Control Act, also. There is time agreement on the Export Control Act.

So I would say between those two bills we would be in Saturday, and if we dispose of both those, we have other matters.

We have a nomination that has been on the desk here for weeks, and it concerns the nomination of a member of the minority party with some problems on that side of the aisle.

But we will have to dispose of that sooner or later.

Mr. JOHNSTON. If the Senator will yield, reserving the right to object—will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JOHNSTON. I wonder if it would be possible to have the debate on these two amendments tonight, vote on them tomorrow back to back, so we can, maybe, slip off to our families?

Mr. ROBERT C. BYRD. Well, Mr. President, could we just take 5 minutes on this amendment?

Mr. MELCHER. Well——

Mr. ROBERT C. BYRD. Or 10.

Mr. MELCHER. Would the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. There are several cosponsors. I have noticed at least two beside myself who would like to speak, and briefly. But I think we could assure all Senators that the vote will probably occur in 15 or 20 minutes.

Mr. ROBERT C. BYRD. Could we limit the time, not to exceed 20 minutes on the amendment, equally divided; is that agreeable to the distinguished Senator, to limit the time on the amendment, not to exceed 20 minutes, equally divided?

Mr. MELCHER. I cannot speak for the others that have asked to speak on it.

It will be a little tight, but the way the manager of the bill is operating, he does not take much time.

Mr. ROBERT C. BYRD. Does the Senator object to my request of 20 minutes, equally divided?

Mr. MELCHER. It will be tight.

Mr. ROBERT C. BYRD. Not to exceed 30 minutes, equally divided?

Mr. MELCHER. Well, it is 30 minutes, anyway. That is all there is.

Mr. ROBERT C. BYRD. I thought there was an hour—is it 30 minutes?

Mr. MELCHER. Yes.

Mr. ROBERT C. BYRD. Then I am gaining nothing.

Several Senators addressed the Chair.

Mr. MELCHER. We could present——

Mr. FORD. We could have had the amendment handled in the time we have wasted.

Mr. ROBERT C. BYRD. Twenty minutes, equally divided, with 5 minutes to the Senator from Missouri?

Mr. MELCHER. Sure.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MELCHER. Mr. President, this amendment will really take a very short time.

Mr. EAGLETON. Mr. President, may we have order so we can hear the Senator?

The PRESIDING OFFICER. The Senator may proceed.

UP AMENDMENT NO. 385

Mr. MELCHER. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Messrs. MCGOVERN, BOSCHWITZ, ZORINSKY, JEPSEN, COCHRAN, and DURENBERGER, propose an unprinted amendment numbered 385:

To amend H.R. 4387 making appropriations for Agriculture, Rural Developments, and Related Agencies program for the fiscal year ending September 30, 1980, and for other purposes.

On page 32, line 20—strike $254,097,000 and insert $272,043,000.

Mr. MELCHER. Mr. President and Members of the Senate, what we are seeking to do with this amendment is to provide for soil conservation service, approximately the amount that was available for SCS in this current fiscal year. We are not quite up to that amount. We are asking a few million dollars less than the $276 million that is available this year for Soil Conservation Service.

So I think the amendment is a very reasonable amendment. What was available for Soil Conservation Service in the current fiscal year, including what is in the supplemental, comes to $276 million. There was a $12 million carryover that was available to SCS this year.

Under the terms of the bill and the restructuring of how these agencies work and how their fiscal years end, there is no carryover that will be available henceforth.

So if we review what is in the committee recommended bill, $254 million for fiscal 1980, we are actually looking at $20 million—almost $21 million—less than is available and is being spent in a judicious way for Soil Conservation Services this year.

We are not even trying to correct for inflation. We are just attempting to hold SCS to where it is now.

The President's budget envisions a cut of 1,100 jobs. Eleven hundred jobs is 20 per State, if it were divided equally. Of course, it is not divided equally, but I think Senators would agree that that is a very serious cut in any State.

Mr. President, in fiscal 1979, the appropriations for the conservation operations of the Soil Conservation Service—plus carryover from fiscal 1978—was $276,000,000.

The Senate Appropriations Committee has recommended a level of $254,097,000 for fiscal 1980—a reduction of $20,997,000. Further, the committee has decided that it will no longer permit the carrying over of funds from one year to the next, even though that is the most sensible way to finance conservation work—construction activities in particular.

When the cuts recommended by the committee are corrected for inflation, and to eliminate $2,000,000 in Resource Conservation Act grants in 1979, the net effect of their action is a reduction of $24,600,000.

An adjustment of this size would mean cutting 1,100 staff years of conservation work, or about 22 fewer professional people per State.

Now just what are conservation operations?

First and foremost, it is the payroll—the line item where most of the SCS personnel are paid from.

Conservation operations provide technical assistance to farmers, ranchers, and other landowners in the planning and application of conservation treatment needed to protect the resource base.

This includes assistance to participants of the agricultural conservation program administered by the Agricultural Stabilization and Conservation Service; assistance to Indians; and strip-mined land that has to be reclaimed.

Our distinguished colleagues may tell us that since they included in this bill $75 million for the new rural clean water program, they have created slightly more than 200 jobs, while taking away 1,100 with the other hand. But these people will be committed to the water pollution activities, and will not be detailed to the normal day-to-day activities of the agency which have proven themselves over more than 40 years.

Another part of conservation operations is land inventory and monitoring. It provides soil and water resource data for land conservation, use, and development. It helps local government in making development decisions. The information it produces can be used for making local development decisions, to identify prime farmland and to protect the environment.

A third part of conservation operations is the soil survey. These soil surveys are an inventory of our basic resource to determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperating farmers, governments at all levels, and for basic information on land to be surface mined.

Only about half of our Nation's land has been inventoried, mostly because the money has not been provided to do the job. The bill before us today would reduce by half the amount recommended by the House for this purpose. The reason given is that SCS will receive $2 million from the Bureau of Land Management next year for soil survey work. That is fine for BLM, but that bears no relevance to the problem of trying to find out the condition of our privately owned farmland. Unless the BLM is going to become altruistic and let their money be used to survey private land, we are taking a major step backward.

Another part of conservation operations is the snow survey, which is really water forecasting. In many portions of the water-short West, the snow that falls on the mountains in the winter is the water that will be available throughout the rest of the year. Information on the amount of snowpack is vital to everyone who uses water in the West.

The administration wants to turn this program over to the States. Unfortunately, when the snow melts, it does not stop at State lines. It follows the flow of river basins. Therefore, it is not realistic to expect the States to do this work, and it is obviously information which has national implications.

This might be an appropriate time to talk about what the States should do. Over the past 10 years, through succeeding economy measures, the Soil Conservation Service has lost about 3,000 technician jobs. This has concerned the States, and some of them have begun to hire conservationists to supplement the Federal effort. But the States have been rewarded for their desire to expand the work of conservation by having the Federal Government continually try to cut back on the SCS staff. That does not seem like much of an incentive for the States to try to do more. It seems to me it would work just the opposite.

The administration wants to get rid of the plant materials centers and turn them over to the States. There are now 18 SCS-operated plant materials centers which test new plants to determine which ones work best for a particular multi-State region to hold down coast lines, to develop shelter belts or reclaim strip mines, to mention just a few things. If these units are turned over to the States, there is no assurance whatever that the information now shared within regions would continue to be shared.

Finally, conservation operations cover work for the Soil and Water Resource Conservation Act of 1977, a device through which the Congress hopes to get a better quality of conservation effort.

We have to have more knowledge about the status of our resources and the condition of our land and water resources. Soil losses from our lands continue at an unacceptable rate. In Montana alone there are 35 million acres in desperate need of conservation treatment. Our lakes, ponds, and waterways are filling with chemicals and silt. We are not going to win this battle with erosion without a Federal commitment.

Our calculations indicate that 1,000 skilled technicians will be lost from the Soil Conservation Service if this bill is not amended. We have learned from long experience that it takes technical assistance to plan and apply conservation measures to the land.

Therefore, I ask the Senate to accept my amendment to increase the amount for conservation operations to $272 million, a sum that will merely hold us where we are today. It is a current services figure. With inflation and other rising costs it will provide us with a level of operations similar to fiscal 1979 activities and employment.

The conservation programs of the Department of Agriculture have been gutted by inflation. Each year we come here and appropriate the same amounts for soil and water conservation, and sometimes a little less. We do this in the name of economy. But because of inflation we have steadily allowed our conservation efforts to decline, as the same number of dollars each year buys less and less conservation.

The Cedars of Lebanon are renowned throughout history and legend as one of the greatest assets of that land. But the Cedars have been gone for hundreds of years, because the soils of Lebanon were permitted to be wasted. Furthermore, the land will never again permit the planting of these trees.

The fertile crescent, where our civilization began is no longer fertile. It is a desert. Throughout the world the desert is creeping up on our civilization, as in the Sahel, in Africa. Yet we try to economize on spending for the basic resource that makes our society so rich and prosperous—the land. It is the richness of our land which makes us the best fed nation in the world, and which permits us to expand our efforts in manufacturing and other vital areas.

If we do not make the small contributions to the continued productivity of the land today, this Nation will pay through the nose for our poor stewardship down the road in a way that will make the energy crisis seem like small potatoes.

The fact is that if we really believe that our soil and water resources are important, we have to provide for this very important function. These are funds mostly for jobs, but it is the best protection this country has found for avoiding soil damage, for conserving soil.

Another part of the conservation operations is planned inventory and monitoring to provide soil and water resource data for land conservation use and development. It helps local government in making development decisions.

The information it provides can be used for making local government decisions to identify prime farmland and to protect the environment.

A third part of conservation operations is soil conserving. These soil services are an inventory of our basic resources to determine land capabilities and conservation needs. Only about half of our Nation's land has been inventoried, mostly because the money has not been provided to do the job. The bill before us today would reduce by half the amount recommended by the House for this purpose.

If we really want to protect our land and water, if we really believe that that is one of our very basic goals in this country, I think it is time we hold the line on erosion of the Soil Conservation Serv-

ice. That is exactly what is happening in the President's budget and, unfortunately, in the committee's recommendation for Soil Conservation Services in this bill.

I yield to the Senator from Iowa (Mr. JEPSEN).

Mr. JEPSEN. Mr. President, as ranking minority member of the Environment, Soil Conservation and Forestry Subcommittee of the Senate Agriculture Committee, I have joined the senior Senator from Montana as a cosponsor of this amendment.

Mr. President, our Nation has a responsibility to help farmers protect the long-term public interests in land and water. Attempts to deny that responsibility in order to falsely preserve the budget mislead the American taxpayer. Conservation program dollars, effectively spent mean that soil and water are more productive next year, and every year thereafter. This productivity is our major source of national strength and wealth and failure to utilize conservation dollars now will contribute to a false and limited agriculture economy. Soil quality determines our Nation's crop production. A strong and well staffed soil conservation program will help to maintain and improve the productivity of land resources. This will benefit consumers, our farm communities, the environment and our Nation.

Throughout this great country, we have seen topsoil wash away, fertility decrease and soil quality deteriorate. When land deteriorates, soil loses a high level of productivity, and the ability to absorb moisture that can be released slowly to crops, natural springs, and streams. Deteriorated soils are easily compacted by machines working the land.

Rain beating on deteriorated soils can cause a crust to form reducing penetration and increasing a run-off which carries away millions of tons of sediment. This sediment fills our streams, ponds, and lakes; destroys fish and wildlife, chokes waterway channels, and compounds the problems of obtaining clean water for public and industrial use.

Americans need to be reminded again, in a new and effective way, that soil erosion means a permanent loss of productivity. Consequently, the loss results in increased production costs for grain, pork, beef, and other agricultural products. Those who have talked to farmers recently, like I have, know that they—the farmers—cannot afford these increased costs. Costs will eventually be passed on to consumers and will add to inflation, inflation far greater than we know today. I believe that those who think that we can fight inflation by reducing sound and effective conservation programs are shortsighted. If we are trying to control inflation, we must look at the root causes of inflation. The loss of productive lands by erosion of productive topsoils is one of these root causes.

Mr. President, recently I had the opportunity to visit Allamakee County in my home State of Iowa and observed firsthand, their soil conservation programs. During my tour of the county, I found the district conservationist of the soil conservation service to be knowledgeable and competent. The projects that he planned and implemented were effective to Allamakee County's soil conservation effort.

The U.S. Department of Agriculture's Soil Conservation Service works in Iowa through a total of 100 soil and water conservation districts like Allamakee. Districts now cover 100 percent of the State. During fiscal year 1978 a total of 2,998 land users became new district cooperators, bringing to 105,495 the number of cooperators who voluntarily are applying conservation measures to their land with SCS technical assistance.

The Soil Conservation Service provides technical help to 25,902 individuals and groups and 345 of Government. SCS also gave conservation planning assistance to 2,304 land users. Resource inventory and evaluations were provided to 1,112 land users and 272 units of Government. Effective conservation systems were applied to 197,211 acres.

The vanishing topsoil in Iowa has required of farmers that they increase their concern and implementation of new soil conservation techniques. Half the original topsoil has been lost from Iowa's unprotected sloping soils in the hundred years that they have been farmed. At an average loss of 9 tons per acre per year or one-twelfth of an inch of topsoil a year. The rest could be gone in the next 100 years. It takes nature 250 to 1,000 years to build an inch of topsoil. It is evident that topsoil is being lost much faster than it is being replaced.

Wind and water wear away the soil. Sheet erosion, the loss of topsoil by thin layers or sheets, is one of the major forms of soil erosion. Another form, gully erosion, scars the landscape by cutting into productive fields.

Senator MELCHER has indicated that 1,000 skilled technicians will be lost from the Soil Conservation Service if this bill is not amended. We must act now to maintain the technical assistance necessary to plan and apply conservation measures to the land. The amount indicated in our amendment will increase the amount for conservation operations by $18 million. This will simply help us maintain our present programs. We must invest in the future of American agriculture and I ask for strong support.

As Senator MELCHER has stated, due to a combination of carryover, the budget this year for the soil conservation people was considerably less than the 1979 appropriations. What we are asking for in this amendment is an amount of money that does not count inflation. In fact, it does not quite equal the 1979 appropriations. It is some $3 million less.

Mr. President, I yield to the distinguished Senator from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. I thank the Senator for yielding.

Mr. President, it is with concern for the conservation of our land and water resources in this country and admiration for a program that has served our people well that I rise in support of Senator MELCHER's amendment. It provides a current services level of support to the conservation operations program of the Soil Conservation Service. Let me hasten to add that I am just as concerned about the budget as I know are the other Members of the Senate. And I appreciate the difficult decisions which had to be made by the Appropriations Committee in trying to establish priorities among the various program needs. It is no simple task, and I applaud the fine job they did. Yet I think it is important to stand up for programs which have a proven history of benefits to our people.

The conservation operations program represents one of the most effective programs we have to help preserve our natural resources in this country. They provide technical and other assistance to farmers, ranchers, rural communities and others, in all 50 States, through some 2,934 conservation districts. Projects are identified at the local level by local officials working with private and public landholders. This is truly a joint effort with local, State, and Federal participation.

For every dollar of technical assistance provided through the conservation operation program there is about 1 dollar of additional money provided by State and local governments, private individuals, and organizations. In addition, landowners themselves put in an additional $3 of money, time, and effort. This means that for every dollar of technical assistance provided by the Federal Government there are $4 of non-Federal money and time going into conservation projects. Mr. President, I think it would be a mistake for the Congress to cut a program that provides the technical support to such viable local programs.

Let me remind the Members that the budget for the Soil Conservation Service assistance to soil and water conservation districts has eroded drastically during the past several years. The result has been a decline of nearly 3,000 full-time employees during the last decade. If the budget level proposed by the Appropriations Committee prevails it will mean a reduction of another 1,000 man-years. In my State alone, this would mean a reduction of about 25 to 30 full-time employees. There is no doubt that a cut of this magnitude will substantially reduce the ability to carry out local projects and be an expression of bad faith on the part of the Federal Government by reducing the technical assistance needed.

Therefore, I urge Senators to support the amendment offered by Senator MELCHER so we can maintain the type of conservation programs that provide valuable assistance in the conservation of our land and water resources for future generations.

● Mr. BOSCHWITZ. Mr. President, I am concerned over the funding level of $254,097,000 for the Soil Conservation Service's conservation operations in the current version of H.R. 4387. If this level of funding were kept in the current version of the bill approximately 1,100 SCS employees would lose their jobs.

Like the rest of my colleagues, I feel we should cut out unnecessary Federal spending. However, the Soil Conservation Service is one agency that I feel performs many useful functions for the farmer and the rural landowner. The

Soil Conservation Service has the responsibility for developing and carrying out a national soil and water conservation program in cooperation with landowners, developers, with community planning agencies, and other Government agencies. The SCS also assists in agricultural pollution control, environmental improvement, and rural community development.

A major portion of SCS's soil and water conservation program is implemented by the local soil and water conservation districts. There are presently 3,000 conservation districts in the United States, which cover almost 2 billion acres. Through these local soil and water conservation districts, SCS provides technical assistance to landowners and operators in carrying out locally adapted soil and water conservation programs. These local districts work closely with the rural landowner in the development of his own conservation plans and also in the making of soil surveys.

If the present level of funding were left in this bill, my home State of Minnesota would lose between 25 and 35 SCS employees. This reduction in staff would mean that many farmers and rural landowners in Minnesota would lose valuable technical and financial assistance that had previously been provided for them through the local soil and water conservation districts.

I applaud Senator MELCHER's efforts to restore funding levels for the Soil Conservation Service, and I urge my colleagues to support this most essential amendment.●

Mr. EAGLETON. Mr. President, the committee opposes this amendment, as does the Department of Agriculture, for the following reasons:

First, the budget assumed and the committee concurred in reductions in Federal technical assistance in recognition of the increased role of State, local governments, and the private sector in providing this assistance.

Second, a portion of the reduction proposed in the budget for technical assistance under conservation operations has been picked up by the rural clean water appropriation—technical assistance portion.

Third, additional reimbursements from outside USDA were expected to pick up $3 million of the budgeted reduction, and we believe they will.

Fourth, the Melcher amendment funds the fiscal year 1979 expenditure level of the SCS conservation operations and does not recognize any reductions proposed in the budget.

For example, it does not take into account a $3 million reduction for anticipated reimbursements for soil surveys coming from non-USDA sources; $2 million for resource appraisal and program development that was provided in fiscal year 1979 to meet requiremnts of the Soil and Water Resources Conservation Act but are no longer needed in fiscal year 1980.

We believe that the Soil Conservation Service has been very well taken care of.

In essence, it is just a question of whether we want to add yet another $18 million to this bill.

Mr. President, I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I join in supporting the manager of the bill with respect to this item.

I probably have had as close a connection with the Soil Conservation Service as any other Member of the Senate. As a matter of fact, for several years after World War II, I made my living by working as a soil conservation contractor, and I know the value of these programs.

The fact is that there is still a great deal of work to be done, but we are beginning to come to the time when some of these programs can be phased back. The fact that we spent a certain amount of money last year does not mean we have to go on spending it forever.

I feel that particularly in a year where we have a severe budget problem to deal with this is one area where the President's budget figure is appropriate, and I support the Senator from Missouri in defending the subcommittee figure.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. I yield back the remainder of our time.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senators CULVER and PRESSLER be added as cosponsors to the amendment.

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

Mr. RANDOLPH. Add me, also.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator RANDOLPH also be added as a cosponsor to the amendment.

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

Mr. MELCHER. Mr. President, the facts I have outlined. $276 million is available this year for Soil Conservation Service, which is absolutely adequate. The $12 million that I mentioned as carryover was available for this year and the supplemental added $7 million to get the SCS through this current fiscal year.

There is no argument at all over those figures. But there is no carryover allowed under the terms of this bill to be available to the Soil Conservation Service.

So what we are dealing with is what is needed. We either provide this amount of money or we take the total 1,100 job cut, and that means a loss of a lot of potential conservation effort.

We are only asking to get back close, not entirely back to the level of the current fiscal year, but just back close within $2 or $3 million of that level.

I think it is an entirely reasonable amendment. I think it is one that is absolutely essential if we really believe in land conservation. I hope the Senate can agree to it.

I yield back the remainder of our time.

Mr. BELLMON. Mr. President, under the current unanimous-consent agreement is a motion to table in order?

The PRESIDING OFFICER. Yes, it is.

Mr. BELLMON. Mr. President, I move to table the amendment of the Senator from Montana and I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Montana. On this question 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 Alaska (Mr. GRAVEL), the Senator from Wisconsin (Mr. NELSON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Tennessee (Mr. SASSER), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Michigan (Mr. RIEGLE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. MCGOVERN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Have all Senators in the Chamber voted who desire to vote?

The result was announced—yeas 23, nays 68, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—23

Bayh	Hart	Proxmire
Bellmon	Hollings	Roth
Bradley	Humphrey	Schmitt
Byrd, Harry F., Jr.	Johnston	Schweiker
Cranston	Kennedy	Stevenson
Eagleton	Long	Stone
Glenn	Muskie	Warner
	Pell	Young

NAYS—68

Armstrong	Ford	Metzenbaum
Baucus	Garn	Morgan
Bentsen	Hatch	Moynihan
Biden	Hatfield	Nunn
Boren	Hayakawa	Packwood
Boschwitz	Heflin	Percy
Bumpers	Heinz	Pressler
Burdick	Helms	Pryor
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Sarbanes
Chafee	Jackson	Simpson
Chiles	Javits	Stafford
Church	Jepsen	Stevens
Cochran	Kassebaum	Stewart
Cohen	Laxalt	Talmadge
Culver	Leahy	Thurmond
Danforth	Levin	Tower
DeConcini	Lugar	Tsongas
Dole	Magnuson	Wallop
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Williams
Durkin	McClure	Zorinsky
Exon	Melcher	

NOT VOTING—9

Baker	McGovern	Riegle
Goldwater	Nelson	Sasser
Gravel	Ribicoff	Stennis

So the motion to lay on the table Mr. MELCHER's amendment (UP No. 385) was rejected.

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

Mr. MELCHER's amendment (UP No. 385) was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 386

(Purpose: To increase appropriations for section 502 rural housing loans)

Mr. THURMOND. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an unprinted amendment numbered 386.

Mr. THURMOND. 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 25, line 10, strike the figure $3,766,000,000 and insert in lieu thereof: $3,979,000,000.

On page 25, line 11, strike the figure $2,857,000,000 and insert in lieu thereof: $3,070,000,000.

Mr. THURMOND. Mr. President, this amendment provides for increasing the funding under section 502 of rural housing and adds $213 million, which is the amount provided by the House bill.

Mr. President, this program is administered by the Farmers Home Administration and assists low- and moderate-income rural families. The Farmers Home Administration informs me that any loan applications are backlogged and waiting nearly a year for funding.

Since this program is for low- and moderate-income families, those who are really in need, I feel we should go forward and provide the funds for this program.

In about 2 minutes I can tell why. First, section 502 is a loan program, and the Government is eventually repaid.

Second, a great need for adequate housing exists throughout our country, particularly in rural areas and among low-income citizens.

Third, the program stimulates the economy, reducing the rate of unemployment which is predicted to rise in the near future.

Fourth, the jobs created by this program are in the private sector and not public employee positions.

And, fifth, it provides immediate stimulus to our economy.

Over 127,000 unfunded loan applications now exist nationwide. In my State alone, for instance, there are over 3,000. Every State has the same situation existing, and this would be good for the economy. It would be good to help these low- and moderate-income people, and I hope the distinguished managers of the bill will accept this amendment.

Mr. EAGLETON. Mr. President, I am quite familiar with the insured loan program and, on balance, it is a very good program.

The committee, in its deliberations, saw fit to cut this section 502 program. Also at the same time we then had in mind a home ownership assistance program. Of course, since that time the home ownership assistance program has been deleted from the bill.

Let me assure the distinguished Senator from South Carolina that I am very, very sympathetic to the aims he has in mind, and I know that many of his colleagues share some of his sentiment on this. I think I speak for the Senator from Oklahoma.

We know there is strong sentiment for this section 502 program in this body, and we will try to reflect that when we go into conference with the House.

We hope we will not be disappointing to the Senator from South Carolina because there is a great deal of merit indeed, in what he says. But I hope he will not press this at this time, but leave the matter, if he can so consider doing, to some negotiation between ourselves and the House when we go into conference. The House does have the higher figure, that the Senator from South Carolina is suggesting here.

Mr. THURMOND. I understood that one reason why the amount was reduced by the committee was because it was expecting that the home assistance program be passed. Since the Senate defeated that tonight, it appears to me this might be in order to go forward with this amount, which is so helpful to these poor people.

Mr. EAGLETON. Yes, there was a connection at least in our minds between section 502 insured loans and the home ownership assistance program.

But I implore the Senator from South Carolina to give us some breathing room between our bill and the bill of the House. I repeat that I think we will do a good job for this program, one in which the Senator from South Carolina can take great pride.

The mere fact that he has raised this amendment with us puts a higher degree of obligation upon us as we go into conference. I know Senator BELLMON and I will certainly keep that in mind.

Mr. THURMOND. Mr. President, would the distinguished Senator from Oklahoma express himself on this?

Mr. BELLMON. Mr. President, without taking undue time, let me simply say that I join the floor manager of the bill in the sentiments he has expressed, and we will do our best to look after the interests of this program when we get to conference.

Mr. THURMOND. This is a very important program, and again I repeat, it is to help these poor people in rural areas. If we do not help them, I do not know who is going to help them. They will go unhelped.

I thank the distinguished Senator from Missouri and the distinguished Senator from Oklahoma for their assurances on this matter. In view of those assurances, Mr. President, I will withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

UP AMENDMENT NO. 387

(Purpose: Additional support of animal health and disease program under section 1434 of Public Law 95–113).

Mr. MELCHER. Mr. President, I have an amendment at the desk, which I ask be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 387:

On page 9, line 5, strike out "$38,023,000" and insert in lieu hereof "$33,023,000".

On page 9, line 7, strike out "$13,023,000" and insert in lieu thereof "$8,023,000".

On page 9, line 15, after "95–113" insert "$5,000,000 for the support of animal health and disease programs authorized by section 1434 of Public Law 95–113,".

Mr. MELCHER. Mr. President, this is for a part of the animal health research authorization, specifically section 1434.

What we are interested in doing is enhancing the capabilities of research in our veterinary colleges under this particular section.

One of the problems that we have not been successful in addressing involves not just large animals, not just farm animals, not just livestock or poultry, but one of the problems we have not been successful in addressing is whether or not we can have some control of predators, such as feral dogs, through the means of birth control.

I want to make it clear, in offering the amendment, that this is one of the types of programs that we have in mind in this particular section. I hope the managers of the bill can accept the amendment.

Mr. EAGLETON. I believe we can. Senator BELLMON will speak for himself in a moment.

As I understand the Senator, this adds no money to the bill. It transfers $5 million that was in the bill provided under Public Law 89–106 to section 1434 of the 1977 farm bill. Is that correct?

Mr. MELCHER. That is correct.

Mr. EAGLETON. With that understanding, I am willing to accept the amendment.

Mr. BELLMON. Mr. President, let me inquire, the funds for this, to put it bluntly, are to strengthen veterinary medical programs of land-grant colleges; is that correct?

Mr. MELCHER. The veterinary colleges, that is correct, to provide for meeting special regional requirements.

Mr. BELLMON. Mr. President, I appreciate the need for strengthening the animal health programs of the country. I do not know how much additional help could realistically be used, and I am very happy to join in accepting this amendment.

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

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 387) was agreed to.

UP AMENDMENT NO. 388

(Purpose: To prohibit the use of funds by the Department of Agriculture to pay rent for inaccessible or inadequate office and parking space used by agency clientele in intercity areas)

Mr. MELCHER. Mr. President, I have a further amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 388:

On page 51, after line 19, insert a new section as follows:

"SEC. 612. None of the funds made available under this Act for the Department of Agriculture may be used by the Secretary of Agriculture to pay rent for county office space located in inner city areas that are inaccessible to agency clientele or without adequate parking space for farm vehicles, or both, as determined by the Secretary of Agriculture.".

Mr. MELCHER. Mr. President, most of us with substantial agricultural activity in our State have had appeals from State and county officials in the Department of Agriculture to prevent the General Services Administration from forcing their offices into inner city locations.

For several years the USDA has been colocating the Agricultural Stabilization and Conservation Service (ASCS), the Farmers Home Administration, the Soil Conservation Service and Extension Service for convenience to farmers, generally at the edge of county seat towns where there was plenty of parking for both cars and farm trucks.

When producers come to town with a thousand bushel trailer of grain for the elevator, or a load of livestock, they often want to stop at one of the county agricultural offices to pay a loan with the proceeds, to talk to their soil conservationist or their county agent. And they would like to do that without having to jockey a 50- to 65-foot tractor and trailer outfit through crowded city streets to a location where they have not got a chance to find curbside parking, or even to find a parking lot that can handle their rigs.

In at least one instance in Illinois, trucks are barred from the streets where GSA is trying to put the county agricultural offices.

This effort to cram county agricultural offices into inner cities is the consequence of some very dumb, bureaucratic administration of Executive Order 12072, directing that Federal offices be located in inner cities when possible, taking into consideration convenience of the clientele, which has not been done.

As a result of the absurd situations which have arisen as GSA has crowded the farm offices into inner cities, a memorandum of understanding was drafted to be executed by GSA and the Department of Agriculture, but it has never been executed. It should not be so long as it contains a proviso that availability of parking shall not be a consideration in locating the offices.

In my State, one mayor has objected to the traffic complications that would be created by inner city location of the farm offices and at least two other major cities are either going to have to bar farm trucks from inner city streets—so farmers cannot get to the county offices in farm vehicles at all—or face repeated traffic disruptions.

My amendment is intended to allow the Secretary of Agriculture, who knows something about farm vehicles and farmer convenience in the location of offices, to lease up to 5,000 square feet of space for agricultural offices in the counties across the country instead of continuing to allow GSA to look for space for those offices on the top floor of the Empire State Building or equally inaccessible and inconvenient inner city locations.

Mr. EAGLETON. Mr. President, I am not sure whether this is an appropriate way to remedy the problem, but I am inclined to accept the amendment so we can give the matter further study between now and the conference.

There is some merit to what the Senator is suggesting. GSA and USDA could use some incentive to giving greater consideration of rural programmatic factors in reaching office location decisions. This may provide some impetus for GSA and USDA to give appropriate attention to this matter.

We have to provide appropriate space for farmers' vehicles; but I would ask the Senator: What if a big combine came lumbering up? How many parking spaces do we have to have for combines at these offices? Or, did the Senator have in mind smaller vehicles?

Mr. MELCHER. I had in mind smaller vehicles, like pickups and farm trucks.

Mr. EAGLETON. I see.

Mr. MELCHER. It is, of course, under the direction of the Secretary of Agriculture, through the agencies, so they will not be unreasonable on what size vehicle would be provided parking spaces.

Mr. BELLMON. Mr. President, I would agree that this seems to be, perhaps, an unusual way to solve what I feel is a very real problem. Sometimes the officials at GSA are not sufficiently aware of the problems that rural people have in finding these county offices in congested urban areas, or finding a place to park farm trucks, pickups, or tractors, and trailers, which very often farmers do drive when they go to see county officials.

So I am sympathetic to what the Senator from Montana is attempting to accomplish, and I hope in conference we will be able to work for the result he has in mind. I am glad to join in accepting the amendment.

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

Mr. MELCHER. I yield back the remainder of my time.

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

The amendment (No. UP 388) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President, have the yeas and nays been ordered on passage?

The PRESIDING OFFICER. They have not been ordered.

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

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

The yeas and nays were ordered.

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 of not to exceed 15 minutes, with Senators permitted to speak therein up to 5 minutes each.

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

VITAL INITIATIVE OF UNITED STATES MUST BE COMPLETED

Mr. PROXMIRE. Mr. President, the General Assembly of the United Nations unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide in 1948. Previous to signing the treaty in 1948, the U.S. delegation acted with a definite sense of responsibility and urgency.

They were aware that deplorable crimes of genocide had been committed in the past, and would continue to be committed in the future unless responsible action was taken by the international community.

The U.S. delegation to the United Nations accepted and fulfilled their responsibility.

It is unfortunate that the U.S. Senate has not brought to fruition their praiseworthy efforts.

Crimes of genocide are still a very real threat to national, racial, ethnical, and religious groups all over the world. They need the assurance that their right to exist will be protected.

Certainly the U.S. Senate by not ratifying the Genocide Convention is not indicating that it intends to approve or even tolerate any crime of genocide committed against any of these groups. Yet, the United States is the only major country in the world that has not ratified the Genocide Convention. The vital role played by the U.S. delegation to the United Nations seems to have been for nothing.

Ratification of the Genocide Convention by the Senate is an action that is definitely deserved and long overdue. I urge my distinguished colleagues to take the time to recall the delegation's attempt to insure that crimes of genocide would not be tolerated. I hope that in the very near future the Senate will complete their efforts which were initiated over 30 years ago.

CURBING PARENTS WHO STEAL CHILDREN

Mr. STEVENS. Mr. President, recently an article by Reynolds Dodson appeared in the Sunday, July 15, issue of Parade magazine regarding Senator WALLOP's bill to curb child-snatching.

The article describes in some detail the legislation which my friend and colleague, along with myself and 16 others, have introduced. This bill, S. 105, deals with a nightmarish practice aptly described by some as a form of child abuse. Mr. Dodson calls S. 105, the Parental Kidnapping Prevention Act of 1979:

The most carefully constructed bill ever introduced in this area. Addressing itself foremost to the welfare of the victimized child, it also tries to take into account the feelings of aggrieved parents, the crazy-quilt pattern of states' rights concerning custody decisions, and the budget and manpower restrictions of law enforcement agencies.

Mr. President, S. 105 offers tremendous promise to thousands of children and their parents, who are, or may sometime be, the victims of child-snatching. I commend my very able friend, the senior Senator from Wyoming, for his sincere efforts to end this unfortunate situation and join him in his fight to expedite passage of this necessary piece of legislation. I ask unanimous consent that the article be printed in its entirety at this point in the RECORD.

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

CURBING PARENTS WHO STEAL CHILDREN

FEDS PREPARE TO CRACK DOWN ON FAMILY KIDNAPING

(By Reynolds Dodson)

It's called S. 105, and it could change the lives of thousands of Americans.

Certainly it will change the lives of Robert S. and his son Timmy, who have been living under assumed names in Phoenix, Ariz. It will also change the life of Robert's ex-wife Michele, who has not seen her son for two and a half years.

It will change the life of Marie F., whose bitterness toward her ex-husband drove her to conceal their daughter for three years in half a dozen states; and it will change the life of her ex-husband Bill, who has spent thousands of dollars tracking them.

S. 105 is a new child-snatching bill currently making its way through the U.S. Senate. It would be the federal government's first step into the murky waters of parental kidnaping.

Public pressure has been building for years. Parade published an article on child-snatching on Oct. 16, 1977, attacking the loopholes in our legal system that has allowed thousands of children to disappear yearly without a whimper from law-enforcement authorities. Other magazines and TV shows have done likewise. But the problems are complex. Child-snatchings are "domestic affairs," and as such they elude the clear-cut evidential standards of guilt and innocence usually associated with criminal cases.

Introduced by Sen. Malcolm Wallop (R., Wyo.) and co-sponsored by 16 other Senators, S. 105 is the most carefully constructed bill ever introduced in this area. Addressing itself foremost to the welfare of the victimized child, it also tries to take into account the feelings of aggrieved parents, the crazy-quilt pattern of states' rights concerning custody decisions, and the budget and manpower restrictions of law-enforcement agencies.

The bill is divided into three parts. The first requires state courts to give "full faith and credit" to custody decrees rendered by other state courts. At present, a parent can flee with a child to another state and gain custody without the consent of the other parent or regard to what the original home state's courts might have decreed. As one mother put it, "My ex-husband can steal my car, and they'll nab him anywhere. He can steal our child, and I have no place to turn."

The second provision extends the authority of a little-known agency called the Federal Parent Locator Service (FPLS) to track down missing parents who have absconded with children. In the past, the FPLS has only been empowered to search for runaway parents who have reneged on child support.

Built on a complicated computer network providing information from the IRS, Social Security and other government branches, the FPLS has been able to collect more than a billion dollars a year in lost child support payments, thereby plugging one of the more gaping holes in our welfare system. S. 105 would empower the FPLS to consider a missing child with the same seriousness it now gives a missing support check. Presumably, unless a parent is willing to change his entire identity and live the life of an underground criminal, it will be fairly hard to remain hidden for long.

Third—and perhaps most important—S. 105 will make it a federal misdemeanor for any "parent, relative or other person" to snatch or transport a child across state lines or to "restrain or conceal" a child from another parent. The maximum penalty can be six months in jail, $10,000, or both.

And the FBI may enter the picture—which is where matters get sticky, for the FBI has been reluctant to extend itself into this twilight area.

An FBI source explains: "First, let's make it clear that the FBI does recognize the seriousness of parental kidnapping. It is an injurious, sometimes violent activity that causes grievous hurt to all parties concerned, particularly the children.

"But this is coming on the FBI at a time when we are facing severe cuts in budget and manpower. We simply don't have the men and resources to involve ourselves in these thousands of cases. Parents who steal their own children may be the most dangerous fugitives of all. Convinced of their rightness, they are likely to have a "come-and-get-me-copper' attitude. These cases require time, prudence, money—and field agents."

The sponsors of S. 105—working with lawyers, HEW officials and concerned parent groups—have taken steps toward ameliorating these problems. Senator Wallop says: "I have no intention of introducing legislation that can't be enforced. The FBI must be provided with adequate means of handling these cases, and we intend to give it to them. If there was ever an appropriate role for the FBI, it's in the area of child-snatching. It's a problem that crosses state lines, causes human suffering, and involves abuse of innocents."

Here in question-and-answer form are some other aspects of S. 105's operations:

Q. How can the federal government enforce a child-snatching law when an estimated 70 percent of such acts occur before proper custody has been determined?

A. S. 105 provides that the "left-behind" parent will have 90 days to report the snatch to proper authorities and obtain a temporary custody order through a state court. Only then will federal officials become involved.

Q. If there are an estimated 25,000 or more child-snatchings a year, how can the FBI handle such a case load?

A. The FBI is only a last resort. The first line of defense will be local police and state-level parent locator services. The second line of defense will be the FPLS, which will have 60 days to track down the fugitive. Only after that will the FBI be called in perhaps for just a few hundred cases a year.

Q. What if the parent flees the country?

A. S. 105 provides that child-snatching across international boundaries will be a federal misdemeanor, a serious type of crime. Depending on treaty arrangements, the fugitive parent will usually be subject to extradition.

Q. Will the law be retroactive?

A. Not for past acts of child-snatching. However, since the law also forbids continued restraint or concealment of a child, fugitive parents who remain in hiding can be charged with a federal crime.

No one realistically expects that S. 105 will magically end all child-snatching. But it is hoped that S. 105 will act as a deterrent and—perhaps equally important—that it will "raise the consciousness" of jurists and legislators. To steal a child is not to love him. At bottom, the act is one of selfishness. A child deserves access to both parents. That's why so many people hope Congress fulfills its duty.

SENATOR RANDOLPH'S CONTRIBUTIONS TO A SOUND NUCLEAR POLICY

Mr. ROBERT C. BYRD. Mr. President, on Tuesday the Senate passed the Nuclear Regulatory Commission authorization bill by an overwhelming vote of 97 to 1. Such a result reflects a bill that has undergone the closest possible scrutiny at every stop on the legislative trail. The process of building a consensus such as we saw demonstrated in the approval of the NRC bill is the first principle on which the Senate operates.

I would be remiss if I did not take a moment to remark on the signal contributions of my distinguished colleague from West Virginia, JENNINGS RANDOLPH, to the process I have just described. In his capacity as chairman of the Committee on Environment and Public Works, he has played an integral part in the adjustments to our nuclear power policy necessitated by recent events, as has the ranking minority member of the committee, Senator STAFFORD.

One facet of the chairman's contribution is his bill on nuclear waste disposal. The serious nature of the danger presented by excess nuclear waste is unmistakable. Clearly, the United States must proceed to a fair and reasonable solution to this problem. With that goal in mind, Senator RANDOLPH has introduced S. 1521, the Nuclear Waste Regulation Act of 1979. This bill provides a framework for thorough discussion of the complex jurisdictional issues inherent in the problem of nuclear waste disposal.

In this particular area, and in the entire range of public policy issues involving nuclear power, Senator RANDOLPH's efforts should be noted and appreciated. I once again commend him for his part in the consideration and passage of the NRC bill, and look forward to his continued effort in this regard.

MRS. LOUELLA DIRKSEN: A GALLANT LADY

Mr. HELMS. Mr. President, the services in Washington today for Mrs. Everett Dirksen marked not the end of this gallant lady's impact upon all who knew and loved her, but another beginning. It will be her immortality that she showed

us the real meaning of life, and the hope of salvation.

I shall never forget my contacts with this great lady. Particularly do I remember a very special occasion when she visited me in my office a few years ago. We talked of many things; she offered her help, and I gratefully accepted it.

Mr. President, Louella Dirksen's life was a pursuit of service to her community and her Nation. As a member of the President's Committee on Aging, she worked to combat the problems of loneliness of millions of older Americans and was involved in making the "meals on wheels" program effective and national in scope.

But perhaps her greatest commitment was to restore the right of schoolchildren to participate in voluntary prayer in public schools. It was in that connection that she came to my office. As chairman of Leadership Action's National Prayer Committee, she worked tirelessly in behalf of voluntary school prayer, which she described as "my husband's unfinished business."

Prayer played an important role in the lives of Louella and Everett Dirksen. As I am sure some of my colleagues are aware, after 14 years in Congress, Congressman Dirksen began a 2-year fight against blindness; he resigned from office in 1946. Medical specialists could offer no scientific explanation for the restoration of his sight, but the Dirksens knew the answer—they credited it totally to prayer.

Thereafter began Everett Dirksen's brilliant career in the Senate.

Mr. President, Mrs. Helms and I extend our deepest sympathy to Mrs. Dirksen's family and especially to her daughter, Mrs. Howard Baker. At the same time, I would take note of the blessing that so many enjoyed—of loving Mrs. Dirksen and being loved by her.

BUSING AND FUEL WASTE

Mr. HARRY F. BYRD, JR. Mr. President, few policies of the Federal Government have been more inequitable, divisive, and counterproductive than the compulsory busing of children to achieve artificial racial balances in the public schools.

No firm evidence exists that measurable educational advantage has accrued to students subjected of the enormous disruption which busing has wrought in hundreds of communities throughout the Nation.

Today, moreover, compulsory busing is creating a new dimension of hardship in communities where it has been imposed. Because of the skyrocketing price of fuel, busing has become more and more expensive, thereby diverting precious school budget dollars from classrooms to transportation.

Not only is this consumption of huge amounts of fuel for racially motivated busing an unreasonable financial burden for the cities forced to carry it out—it also represents an indefensible waste of energy.

The extent of the cost and waste involved was brought out in an article published in the July 9 edition of the Norfolk Virginian-Pilot. Norfolk, Virginia's largest city, is under court order to bus pupils for racial balance.

The article, written by reporter Jim Spencer, points out that schoolbuses are designed for safety, not efficiency, and that they average only 5 miles a gallon on the road. Currently gasoline is obtained for schoolbuses in the Norfolk area for about 63 cents a gallon—a price which has been rising rapidly and obviously will rise far higher in the immediate future.

At present the cost of school transportation in Norfolk, a city of 287,000, is well over $3 million a year.

In response to questions by Mr. Spencer, Norfolk school superintendent, Albert L. Ayars said this with reference to crosstown busing:

> The courts are going to have to reconsider it. Individual cases are going to force them to do so.
>
> Every time we can cut transportation by consolidating or making unitary schools without affecting the racial balance, we do.
>
> But before there can be any appreciable cut in school transportation there has to be a change in the philosophy of the federal government.

Dr. Ayars stated that he does not expect integration cases to be decided solely on the basis of transportation costs.

In conversation with a member of my staff, Dr. Ayars pointed out that he personally does not oppose busing to achieve racial balance. He was simply stating the facts as he saw them in his interview with Mr. Spencer.

He estimated that approximately one-half of the entire school transportation budget for Norfolk—over $1.5 million and climbing—is imposed by court-ordered busing for racial purposes.

If this is the situation in Norfolk, one can well imagine the cost of court-imposed busing in Detroit, more than four times as large as Norfolk, and in Boston, more than twice as large, both of which are compelled to conduct extensive cross-town busing.

Nationally, the cost burden on community school administrations must be staggering, as is the waste of hard-to-get fuel.

Like Dr. Ayars, I do not expect busing cases to be decided on the basis of school transportation costs.

Important though the waste of energy in busing is, it is not the chief wrong of this mistaken policy. The real damage is being done in the disruption of the lives of children, parents and whole communities.

But I think we must understand that in addition to being a wrong-headed educational policy, busing is a waste of money and fuel.

I ask unanimous consent that the text of the article from the Virginian-Pilot of July 9, "Costs for Busing Taxing Budgets," be printed in full at this point in the RECORD.

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

[From the Virginian-Pilot, July 9, 1979]

COSTS FOR BUSING TAXING BUDGETS

(By Jim Spencer)

Solid and immense, school buses are yellow monsters sitting on six big wheels, sort of like rolling fortresses.

Engineers designed them for safety, not efficiency. Nothing punctuates that more forcefully than the roar of a high-torque engine and the occasional grinding of gears. Off goes the bus to deliver the kids to school at the rate of five miles per gallon.

Gas mileage isn't going to improve, say the people charged with administering school transportation in the Tidewater. Increasing pollution control may make it worse. Transportation budget increases are only a partial solution because of dwindling fuel supplies.

Something will have to give soon. While area school officials don't have consumption and cost data at their fingertips, they recognize a grim trend.

"Over the past several years transportation budgets have tripled," Virginia Beach School Supt. E. E. Brickell said. "At this point we've had no problem getting gas. We've allowed for some flexibility (about 12 percent) in our budgets for fuel price increases. But if it just skyrockets, we'll have to move some money from other areas. We'll do our best not to go back to City Council for more money."

How long they can hold out is not sure. Portsmouth, Virginia Beach, and Chesapeake school systems experienced a dozen price increases, adding 13 cents per gallon to the cost of gasoline, in the first half of 1979. Norfolk, which contracts out most of its school bus work to a private company, now pays a 12-cent-per-gallon fuel supplement on its contract.

But at least for the next year, savings will have to be realized through reduced service instead of design changes.

"Road speed governors on buses cost in gas, but the safety factor is too important to do without them," Donald G. Travitz, transportation supervisor for Chesapeake's public schools, said. "Who wants a school bus carrying 60 kids traveling 60 miles per hour?"

State specifications regulate the purchase of school buses. Those specifications were authorized before energy crises accompanied every upheaval in the Middle East. The emphasis is on safety. The State Department of Education is exploring the use of diesel engines in school buses, a move which will add about $1,000 to the cost of each vehicle, but will increase gas mileage 60 percent.

"It's been trial and error development up to now," said Rawell A. Bynum, a supervisor in the department's transportation section. "By 1980 we expect the diesel to have gained more acceptance."

Meanwhile, area school systems wrestle with the social and political fallout of reduced service.

"For every school bus we can eliminate from the fleet we save 2,000 gallons of gasoline a year," Travitz said. "But the public is demanding more and more services. The problem is reducing (fleet size) and then facing the taxpayers."

If no one else is willing to make the decision to curtail services, the fuel distributors may do so simply by withholding supplies.

"At this point (with an 80 percent citywide allocation) we haven't been affected by gas problems," Travitz said. "But if they cut us back to 75 percent and stay with it for a year, there's no way we can continue to provide all the services we do."

The short-term answers to the fuel crunch involve keeping school buses in top running condition and conserving wherever possible. State law mandates inspections every 30 days. Like most considerations these checks are required to ensure the safety of the vehicle. More and more, however, fuel economy comes into play.

In the long run priorities will have to change to cut down the amount of money and fuel spent on school transportation. One primary area of concern is cross-town busing.

"The courts are going to have to reconsider it," Norfolk School Supt. Albert L. Ayars said. "Individual (court) cases are going to force

them to do so." Ayars, however, doesn't foresee integration cases being based solely on the cost of transportation.

"Every time we can cut transportation by consolidating or making unitary (neighborhood) schools without affecting the racial balance, we do," Ayars said. As an example, he pointed to the consolidation of three special education schools into one.

"But before there can be any appreciable cut in school transportation there has to be a change in the (cross-town busing) philosophy of the federal government," he said.

Right now, school transportation officials must be content with efficiency measures.

Groping for ways to run their fleets more efficiently, officials in Virgina Beach have proposed scheduling changes. To date, however, none of the proposals has been adopted.

"We recommended increasing the walking distance requirement for students living close to schools," said Warren Littleton, director of transportation for the Virginia Beach Schools. "They vary with the presence of sidewalks and whether it's an elementary, junior high, or high school.

"We also want to increase the distances between bus stops, cutting out some stops, which would make some people have to walk a little farther to catch the bus."

Littleton and his staff worked up other suggestions, including using the smallest vehicle possible for each run, operating an empty bus only when absolutely necessary, and cutting down on warmup time.

Portsmouth has reduced field trips to a 60-mile radius. Chesapeake is considering cutting its number of field trips and curtailing extracurricular activities.

Idling buses burn gas. So next winter when Norfolk drivers are waiting for schoolchildren to board, they will sit in one idling bus to share heat instead of running several.

Norfolk's school bus service differs from Portsmouth, Chesapeake, and Virginia Beach because most of it is contracted to ARA Transportation.

ARA uses 230 of its 267 buses for the Norfolk Public Schools, Rae Klabenski said. Ms. Klabenski oversees the $3.1-million Norfolk schools contract, which calls for the city to pay $17.55 per bus per trip. The cost per bus to get a load of students to school and home again is $35.10.

In addition, the city must pay the difference between the cost of gas and 50.45 cents per gallon, the price agreed upon in the contract. In May that difference amounted to 12.22 cents per gallon and a total gas supplement expenditure for the month of $4,804.23.

For its part, ARA this year began a program of monitoring bus capacity once a month, Ms. Klabenski said. In years past the monitoring program to determine just how full each bus is was conducted only once a semester.

"We combined routes where buses weren't running at capacity," Ms. Klabenski said. "We dropped about 30 routes during April and May. The decline in student population contributed to that."

Portsmouth's assistant school superintendent for general services, Horace Savage, explained that route-tightening doesn't work in his city.

"It's standard procedure to combine routes, but we haven't found a lot of economy in doing it, even though we do have a declining enrollment. The routes are too spread out."

Declining enrollments are the rule around Tidewater, which could prove a godsend in the face of dwindling fuel supplies and skyrocketing prices.

Virginia Beach operates the area's largest fleet of school buses with 373 of its 416 vehicles on the road. Norfolk is next with 304 (230 from ARA and 74 special education buses owned by the city). Chesapeake runs 188 of its 209 buses regularly, while Portsmouth uses 110 buses.

Some of these buses never will be parked as long as gas can be gotten to fuel them.

"We're required by law to provide services like buses for handicapped students," Harry Mayo, school plant facilities director in Norfolk, said, "It's door to door. There's no way you can double up."

In the opinion of many School Board members and politicians, there's no way you'd want to. But hard times are not far off because school transportation isn't insulated from the kinds of fuel problems afflicting the rest of the nation and probably not as well equipped to handle them.

THE INDIAN AMBASSADOR SPEAKS

Mr. PERCY. Mr. President, in Bombay on December 28, 1978, Nani A. Palkhivala, who recently departed Washington where he has served superbly as India's Ambassador to the United States, gave a public lecture in which he commented on life and politics in both the United States and India. His remarks were so perceptive and his conclusions so full of wisdom, that I would like to bring them to the attention of my colleagues.

My colleagues will be particularly interested in Ambassador Palkhivala's observations about American politicians when he observes:

However, I am struck by the fact that most of the persons in political life in the United States are hardworking and professionally qualified individuals who would be able to earn a comfortable living for themselves if they were not in politics. Quite a few of them are men of great ability and wide vision. And the other remarkable feature about American politics is that the majority of Governors and Congressmen are in their thirties or forties or early fifties. The average age of members of the House of Representatives is 48.8 years, and that of members of the Senate is 52.7—while the average span of life is 75 years in the United States. It would open a new chapter in India's democracy when younger people, with well-equipped minds and able to have a bright career outside politics, take to public life as a matter of national service.

I ask unanimous consent that Ambassador Palkhivala's lecture be printed in the RECORD at this point.

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

MY EXPERIENCES AS AN AMBASSADOR

(By Nani A. Palkhivala)

I am lucky enough to be able to come back alive to report my experiences as an emissary to a foreign country. My forerunners in the diplomatic profession, as history records, did not always have the pleasure of returning to their motherland. In the early stages of history when human beings were cannibals, a tribe would send an emissary to another tribe with which it was at war. Frequently the emissary was unable to deliver the message, because he was eaten before he could deliver it. With the passage of time there was an improvement and the message was first allowed to be communicated before the envoy was eaten. But this was not much of an improvement from the view-point of the envoy himself.

The qualifications which are today considered essential in a diplomat are different from those which prevailed in earlier times. The mother of Empress Catherine of Russia advised Frederick the Great to choose as his Ambassador to St. Petersburg a handsome young man with a good complexion; while a capacity for absorbing large quantities of intoxicating liquor was considered to be a qualification for an envoy to Holland or the German Courts. If such an ambassador had been recounting his experiences to you, I am sure you would find them much more interesting. But I am afraid, having regard to our mores and our prohibition policy, you will have to be content with such dry experiences as I am in a position to recount faithfully.

It has been my great good luck to have the honour of representing India in the United States in the crucial year 1978. As Lord Buckmaster observed, there is a dust which follows the flying feet of the years and that prevents us from seeing clearly the events to which we are very close. This explains why most of us do not realize that since the end of the Second World War in 1945, no other year has been packed with so much historical significance as the year 1978. It witnessed a powerful move in China towards liberalization, and also the Sino-Japan Treaty, and the U.S.-China Joint Communique under which the Government of the Mainland of China has been recognized and the Government of Taiwan re-recognized by the United States. History alone can decide whether the U.S. played the China card or China played the U.S. card.

Going a little westwards, 1978 saw significant developments in the "valuable and vulnerable triangle" formed by Kabul, Ankara and Addis Ababa. Afghanistan, Iran and Turkey have gone through political developments which are likely to change the course of history in the whole region. 1978 was also the year of the Camp David Summit which, while it failed to bring about a peace treaty, at least brought about peace, between Egypt and Israel. The year was marked by changes of great moment in Angola, Ethiopia and Southern Africa. For good measure, it also witnessed the election of the first non-Italian Pope after 450 years, the first Pope ever from a communist country.

1978 was the year of President Carter's visit to India and Prime Minister Morarji Desai's visit to the United States—the trips that have done so much to consolidate friendship between the most powerful and the most populous democracies. President Carter was vastly impressed by what he saw during his all-to-brief visit to India. When Hubert Humphrey died last year there was one quotation in President Carter's tribute to the great Senator, and that was what he had read at the Gandhi Samadhi in Delhi. The words he quoted (which are inscribed at the Samadhi) enumerate the Seven Deadly Sins according to Mahatma Gandhi:

"Commerce without ethics;
Knowledge without character;
Pleasure without conscience;
Politics without principle;
Science without humanity;
Wealth without work;
Worship without sacrifice."

If these are the seven deadly sins, Hubert Humphrey was a sinless man. Again, at a reception at the White House to inaugurate the Martin Luther King Centre, President Carter referred to Mahatma Gandhi and pointed out that it was Mahatma Gandhi's teachings which had the greatest influence on Martin Luther King whose ceaseless struggle so drastically changed American society.

When Prime Minister Morarji Desai came to the United States, he addressed large meetings of Indians in New York, Washington and San Francisco. Indians who have been settled in the United States for some decades were unanimously of the view that these were the largest meetings of Indians ever held in America.

For the United States itself, 1978 has been a very significant year. One important event was the Panama Canal Treaty whereunder

the United States voluntarily relinquished its sovereignty over the Canal. The year saw the distressing decline of the dollar, which resulted in the unassuming Indian Rupee becoming a more stable currency in the world markets than the once almighty dollar. The fall of the dollar is a matter of deep concern for the whole world, because it is still true to some extent that if the United States sneezes the rest of the world catches pneumonia, such being the impact of the giant American economy on financial and industrial trends the world over. The other important domestic event in the United States was the revolt of taxpayers. Howard Jarvis who is 75 years old had been treated for the last 16 years as a right-wing nut who kept on crying in the wilderness for a cut in taxation. But in June last year, Jarvis had his hour of triumph. In the State of California he proposed what has now become world-famous as Proposition 13 which aimed at cutting property tax by 60%. No less than two-thirds of the votes were cast in favour of that Proposition. Sixteen other States of U.S.A. have, on referendum and initiative, put the proposal for tax cut to vote, and 12 out of the 16 have voted in favour of drastic tax cuts. Mr. Howard Jarvis's popular appeal lies in the growing consciousness that while death and taxes are inevitable, being taxed to death is not.

In the political life of India, 1978 confirmed Murphy's Law, "If anything can go wrong, it will", and exemplified Trotsky's remark about the bad luck of 20th century people who wish for quiet lives.

THE UNITED STATES AND ITS CITIZENS

I have been to 34 out of the 50 States which comprise the U.S.A. That country is so richly endowed by nature, and varied resources have been so prodigally gifted to it, that after coming here you almost cease to believe that there is justice in heaven. The country has almost three times the area of India and one-third of our population. By and large, the Americans are a very friendly and warm-hearted people and have a great sense of justice and fairness. It is America's basic friendliness which has made the 300,000 Indians who are settled there so happy and comfortable. Naturally, as in any other country, you do have cases of injustice perpetrated in America, but no one is more critical of such injustice than the Americans themselves. And the Americans are large-hearted to a fault. There is a great tradition in the United States of private giving for public purposes. Their universities are the richest under the sun. The Americans support all institutions which aim at anything higher or nobler, either in theory or in practice. I have seen Indian Ashrams and Yoga Centres flourish in the United States to an extent unparalleled anywhere else.

The Americans have a wonderful sense of humour too. The politicians do not exhibit in public any sense of self-importance. In fact, they cannot afford to. They would be just lacerated by the press as soon as they start showing any sense of egoism. When I went to visit a Congressman in his Chambers on Capitol Hill, I found the walls of the ante-room covered with cartoons mercilessly making fun of himself. The legislators there can laugh at themselves and at one another. Congressmen never speak of the Congress as supreme. They know that the Congress is a creature of the Constitution and it is only the Constitution that is supreme.

The United States is one colossal monument to the spirit of private initiative. Its pre-eminence is in the field of technology. Forty per cent of the world's research is carried out in the United States, and the rest of the world (including Great Britain, France, Germany and Japan) share the remaining 60%. Ten years ago, as much as 60% of the world's research was conducted in the United States. The Americans are dissatisfied with their 40% share of the world's research and want to regain their preeminent position of a commanding 60%! Such is the pride of the people in their own country. $29 billion is spent every year on scientific research conducted by the Government, the Universities and the business houses. $29 billion is equivalent to more than Rs. 24,000 crores. Sixty thousand to 70,000 patents are issued in the United States every year. What we in India have to learn is that in many areas technology does not reduce the number of jobs but merely reduces drudgery.

A typical example of the incredible strides made by technology is provided by the world-famous newspaper Wall Street Journal. At Palo Alto pages are set in type, then scanned by an optical scanner and converted into electronic impulses. The impulses are beamed out into space, at a rate of 300,000 bits of information per second. They are beamed out to a satellite which is 22,300 miles above the earth and whose speed of rotation synchronizes with that of the earth. The satellite's transmissions or signals are received in other cities. The whole process takes just three and a half minutes, and then ten minutes to convert the pages from film to metal. The paper is printed in a dozen different cities from the Atlantic to the Pacific.

Technology is, of course not always to the good. I have delivered speeches in some buildings which did not have a single window; for example, the building of the City College in New York does not have a single aperture for letting light in. These buildings were constructed at a time when oil was cheap and having the building fully lighted and air-conditioned presented no financial problem. I asked the Dean at the City College what would happen if electricity failed and the building was plunged into darkness. He said that they would have to give the day off to the students. Another amusing example of the drawbacks of too much technology is provided by the case of a couple who checked in to a modern hotel at Detroit and asked for a 7 A.M. wake-up call. The husband, having got up early, dialed the hotel switch-board to cancel the alarm call. The reply was, "Sorry, Sir, your call is in the computer and there is no way to get it out now."

Signs of intellectual ferment are writ large all over the United States. Forty-five thousand books are published in that country every year. This means that, leaving aside week-ends and holiday seasons, about 200 books are published per day. They range from utter trash to enduring contributions to human thought.

The national sport of the Americans is no longer football, baseball or basketball. It is law and litigation. There are 467,000 lawyers in the United States. The glut of lawyers is partly responsible for the fact that no less than seven million suits were filed last year—suits by all kinds of people for all kinds of redress. A former student is seeking $853,000 in damages from the University of Michigan, in part for the mental anguish he says he suffered after being given a "D" grade rather than the "A" he expected in an advanced German course. A young mother seeks $500,000 in damages from officials on Long Island for preventing her from breast-feeding her infant beside a community wading pool. A 24-year-old Colorado man is suing his parents for $350,000, charging that they gave him inhuman treatment and inadequate care as a child, making it impossible for him to fit into society as an adult. A 41-year-old California man, upset at a girl failing to keep an appointment, unsuccessfully sued his would-be companion for $38 to compensate him for sprucing up and driving 40 miles for nothing. It was lawyers who encouraged malpractice suits, and now the lawyers are hoist with their own petard. According to a reasonable estimate, one lawyer out of every ten is either sued or threatened with a suit by his client for negligence or malpractice. A delightful cartoon showed a sorely tried father telling his recalcitrant child: "What? If I make you drink your milk, you'll SUE me?"

SOME COMMON PROBLEMS OF INDIA AND THE UNITED STATES

Essentially human frailties and weaknesses are the same the world over. Man is the same trousered ape, whether he is in Delhi or in Detroit, whether he trudges barefoot on dusty roads or flies at 600 miles an hour. Whichever degree of latitude or longitude you traverse, and whether the man is in dhoti or in blue jeans, he is the same selfish, fallible creature with his irresistible impulse to put his personal or sectional interest above the national interest. No wonder the State has to control the anti-social impulses of its citizens. Unfortunately, nothing proliferates so rapidly and so inexorably as bureaucracy; and an ever-growing civil service has become a major problem in the United States as it has in India. Dr. Moynihan, who was formerly the U.S. Ambassador to India, recently described the U.S. bureaucracy as "a pea-brained dinosaur." You find on many occasions that the bureaucracy in the United States, as in India, has more information than knowledge, more knowledge than wisdom, and more intelligence than imagination. Washington, D.C., has been called "the malfunction junction"; and I can name another city which deserves the title equally well. Having worked with government officials for more than a year I have no doubt that the government has at its disposal fantastic human resources—a larger pool of talent, expertise and dedication than the private sector or any other segment of society. But unfortunately there is something in the structure or system of a bureaucratic setup which prevents the highly gifted members of the civil service from giving their best to their country. Happy is the nation which can have civil servants without the bureaucracy!

President Harry Truman used to remark wryly that a President has to learn that he could give all the orders he pleased, but the Federal bureaucracy would not budge. When Jimmy Carter was campaigning for the Presidentship in October 1976 he said that his Administration would provide "incentives to individuals who saved the government money". He was referring to a dedicated civil servant, Ernest Fitzgerald who was fired in 1969 after revealing $2 billion in cost overruns associated with the purchase of a certain plane by the Government. However, Fitzgerald, who sued successfully to get back his job as civilian cost-cutting expert for the Air Force, finds it difficult even now to succeed in his fresh endeavours to save the Government money. If the Fitzgerald case proves anything, it is that Hyman Rickover was only too right when he said, "If you must sin, sin against God, not against the bureaucracy. God may forgive you, but the bureaucracy never will."

In the United States, as in India, you hear constant complaints about excessive regulation and control. A well researched recent article in Newsweek disclosed some mind-boggling facts. There are now no fewer than 87 Federal entities that regulate U.S. business, and to complete the 4,400 different forms they dispense requires 143 million man-hours of executive and clerical effort each year. The regulators are proposing so many new rules that the Federal Register has ballooned in size to nearly 70,000 pages annually. Companies complain that many of the rules are simply unnecessary. One agency often requests information already on file with another, and at times rulings of one regulator conflict with another's. The biggest complaint against regulation, how-

ever, is its sheer cost. Murray Weidenbaum of the Center for the Study of American Business at Washington University estimates the total annual bill at $103 billion. At General Motors, for example, more than 20,000 full-time employees work solely on government regulations. Hospitals are hard hit: in New York State, one-fourth of a patient's bill is attributed to the expense of satisfying rules of 164 government agencies. However, President Carter has succeeded in reducing federally mandated paperwork by 12 percent.

Bureaucracy is the same world over. Dr. Aziz Bindari blames the "catastrophic situation" in Egypt on the bureaucracy. "It's the country's fourth great pyramid. It guarantees societal inertia."

Among American politicians as among Indian politicians, there are some who are demagogues and some who make impossible promises to the electorate. In the elections held last November one of the candidates campaigning for a legislative seat promised that if he were elected he would establish schools that would produce "Beethovens and Einsteins". He did not realize that many parents would be quite content if their children learned to spell Beethoven correctly. Another politician campaigned for the Governorship of Wisconsin State on the slogan that the Federal Government at Washington has only three duties: "Deliver the mail, defend the shores, and get the hell out of my life."

Sometimes when you feel distressed that persons with a proven record of public wrong-doing are elected to our Parliament, you may take some consolation from the fact that five members, who had been accused or convicted of mail fraud, misappropriation of government funds and other types of public wrong-doing, were re-elected to the U.S. Congress in the elections last November.

However, I am struck by the fact that most of the persons in political life in the United States are hardworking and professionally qualified individuals who would be able to earn a comfortable living for themselves if they were not in politics. Quite a few of them are men of great ability and wide vision. And the other remarkable feature about American politics is that the majority of Governors and Congressmen are in their thirties or forties or early fifties. The average age of members of the House of Representatives is 48.8 years, and that of members of the Senate is 52.7—while the average span of life is 75 years in the United States. It would open a new chapter in India's democracy when younger people with well-equipped minds and able to have a bright career outside politics, take to public life as a matter of national service.

INDIANS IN AMERICA

There are 25 million people of Indian origin settled in different foreign countries. Beyond question, the largest concentration of Indian talent is in the United States. Outstanding Indian scientists expressed to me their willingness to come and work in India, even on a fraction of their large emoluments in the U.S.A., provided they would be allowed to work without political interference and bureaucratic control. We have been remiss in not showing due appreciation for the lifework of our great men who reside abroad. They, who have won world renown, should be invited here as State guests and publicly honoured. In our obsessive preoccupation with politics we have been neglectful of our men of genius who are transforming thought or enriching human life in the United States—Dr. Harggobind Khorana and Zubin Mehta, Professor Sudarshan and Professor Chandrashekhar, to name only a few. Dr. Khorana has already received the Nobel Prize, Professor Sudarshan was nominated last year for the Nobel Prize. Zubin Mehta is acclaimed as one of the greatest conductors. Professor Chandrashekhar is widely regarded as one of the finest mathematical intellects of our time. There are more than a dozen Indians settled in the United States who have reached the highest pinnacle of world fame in their own walk of life. We need to be reminded that heads go where hearts go—they go where they feel they are wanted. We have never done enough by way of grateful recognition for those who have brought lustre to our country. At Austin in Texas State Dr. Swadesh Mahajan told me about brilliant Indian scientists working on the problem of fusion who are willing to come from the United States to work in the country which gave them birth. Fusion will probably be the most important source of energy in the next century. Dr. Mahajan has already submitted a memorandum to the Government of India expressing his and his colleagues' willingness to pursue their research in India under conditions of freedom. They are still awaiting a governmental reaction to their offer.

There are other Indians in the United States who are well settled and would not like to change their domicile, but who are willing to give a slice of their life to their motherland. They are willing to spend a month or two periodically in India when they can make a gift of their knowledge, research and expertise to their countrymen. The gift of knowledge is the greatest gift a human being can confer upon his fellowmen. I am afraid our response is not at all as positive as it should be to such partriotic spirits.

THE IMPORTANCE OF INDIA IN WORLD AFFAIRS

I have ardent hope and invincible faith as far as the future of India is concerned. There is a close parallel between our history as a republic and the early history of the United States. We are only 29 years old as a republic. And we are going through experiences which the United States went through when it was in its twenties. In the United States the party which was in power and which had suppressed all criticism of the government called for elections in the year 1800. That party was swept out of office by the voters and a new party came to power which restored all the freedoms to the people. India is poor and illiterate. So was the United States in its twenties. The country which counted for little around 1800 triumphed over poverty and illiteracy and is today the most powerful nation on earth. With the genes of our people evolved over 5,000 years of civilization, we are capable of doing no less. All over the United States—from the Boeing workshop in Seattle to Texas Instruments in Dallas, to the Institute of Technology at Massachusetts—Indian talent is employed and the men in charge expressed to me their gratitude to India for giving them such remarkable human resources. Indian physicians, surgeons, scientists, engineers and professors in various disciplines have proved themselves to be as good as those coming from any other country. Surely something is basically wrong with our economic philosophy and political ideology if Indians are able to enrich foreign countries but are not allowed to solve the problem of poverty at home.

Viewed from the right perspective, even our poverty can be harnessed as a tremendous driving force in fulfilling great national purposes. Let us never forget that while several civilizations have perished through affluence, no civilization has ever died of adversity.

We Indians seem to be hardly aware of the momentous destiny which we are called upon to fulfil. Having more than one-seventh of the world's population, we constitute almost half of the free world: when human rights were restored by the present Government after the end of the Emergency, the number of free people in the world doubled. India is the standard-bearer of freedom—it fulfils this role in relation to the Third World as the United States does in relation to the First.

The importance of India in world affairs is now more widely recognized than ever before. The Report submitted last August by the Committee on International Relations to the U.S. Congress mentions that India has "finally achieved the ascendancy that had long eluded it" and that India has emerged as "a significant economic and military power as well as the dominant power in the sub-continent". Professor Rostov of the University of Texas at Austin has expressed his conviction that the most important phenomenon of the post-war era is the survival of the Indian democracy. The English historian, E. P. Thompson, has said, "India is not an important, but perhaps the most important country for the future of the world. All the convergent influences of the world run through this society: Hindu, Moslem, Christian, secular, Stalinist, liberal, Maoist, democratic socialist, Gandhian. There is not a thought that is being thought in the West or East which is not active in some Indian mind. If that sub-continent should be rolled up into authoritarianism—if that varied intelligence and creativity should disappear into conformist darkness—then it would be one of the greatest defeats in the human record, sealing the defeat of a penumbra of other Asiatic nations."

THREE CONCLUSIONS

Many months' stay abroad has made me reach three basic conclusions.

First, the innate intelligence and inborn skills of Indians are so great that India can reach the top—if only we can have education, organization and discipline. It is no doubt a very big "if". India has today the third largest force of scientists and engineers in the world, the first being the United States and the second the Soviet Union. We have this achievement to our credit while two-thirds of our people are still illiterate. Consider what will be the tremendous scientific and industrial strength of this country when education spreads and the populace becomes literate. What heights can we not reach when the entire human potential of our country is deployed and each citizen recognizes his duty as a nation-builder!

It is organization which enables any enterprise or nation to put its talent and manpower to the maximum advantage. At the Cessna Aircraft factory at Wichita in Kansas State I met a couple of Indian technicians who have migrated after having been employed in the Hindustan Aeronautics factory at Bangalore. They told me that 10,000 workers are employed in the Cessna factory and they produce 5,000 planes a year; while 35,000 workers are employed in the Hindustan Aeronautics factory and they produce 500 planes a year. They assured me that the level of talent and skill was as high at Bangalore as it was at Wichita and that the plant at Bangalore was as good. The difference in output is largely due to the absence of competition at Bangalore and the absence of business organization of the type which prevails in first-class American corporations. Organization is the one facet of business management which is continuously kept under review in the United States. On an average, a significant organizational change takes place once in four years in dynamic U.S. corporations. Most enterprises in India have yet to learn the art and science of management.

The sad feature of the post-Emergency era is the lack of discipline. It is agonizing to read about the acts of violence after the rebirth of freedom. We need to be reminded again and again of the great saying of Mahatma Gandhi that non-violence is the law of human beings, even as violence is the law of the brute. Our fledgling democracy has had a very narrow escape. Let us not tempt the fates again. Good fortune may not come

our way as it did in January 1977 when general elections were announced. It is the duty of each citizen not only to observe discipline himself but to inculcate it in the people around him. The citizens of Bombay will remember the visit of the Pope several years ago. There were crowds of more than 100,000 people and yet how totally disciplined they were! Look at our Armed Forces,—as disciplined as any in the world. This shows that we are as capable of total discipline as any other people but, as is shown by the traffic on our roads, we have grown accustomed to a sloppy way of behaviour and accept it as a fact of Indian life. This acceptance of indiscipline is even more disastrous than indiscipline itself.

My second conclusion is that we must get away from the fallacy of "the political solubility of all problems." It is this fallacy that makes people willingly countenance unlimited extension of State power which, as Mahatma Gandhi repeatedly observed, is fraught with the greatest mischief. The freedom of the subject is the silence of the laws.

Third, as the late Dr. E. F. Schumacher pointed out in his posthumous book "A Guide for the Perplexed", the western man has become rich in means and poor in ends. The ancient wisdom of India has steadfastly maintained that man's happiness is to move higher, to develop his highest faculties, to gain knowledge of the highest things and, if possible, to see God. The modern experiment of living without faith has failed. Goethe said, "Epochs of faith are epochs of fruitfulness; but epochs of unbelief, however glittering, are barren of all permanent good." The modern man, despite all his comforts and conveniences, is still perplexed. He cannot call home the heart to quietness, because his spirit is not in tune with the Infinite and his is troubled by—

"The restless throbbings and burnings
That hope unsatisfied brings,
The weary longings and yearnings
For the mystical better things."

The greatest force in the world is love,—and there has never been, and never will be, a substitute for it. From a failure to realize this elemental truth, stems the feeling of rootlessness and loneliness in modern society.

Dr. Schumacher's thesis is that one must develop the neglected art of learning to know oneself: "The cultivation of self-knowledge has fallen into virtually total neglect, except, that is, where it is the object of active suppression. That you cannot love your neighbour unless you love yourself; that you cannot understand your neighbour unless you understand yourself; that there can be no knowledge of the 'invisible person' who is your neighbour except on the basis of self-knowledge—these fundamental truths have been forgotten even by many of the professionals in the established religions."

"We see all sights from pole to pole
And glance and nod and bustle by,
And never once possess our soul
Before we die."

In the case of every soul, however troubled, restoration can come only from within. This is the lesson taught by the great Indian sages, from the nameless ones who lived in the twilight of history to Sri Aurobindo. It is the one lesson which we do not remember but which we will never wholly forget. There is still hope for India, and for the world, if we relearn this lesson today.

CAPTIVE NATIONS WEEK

Mr. PERCY. Mr. President, on the occasion of Captive Nations Week each year, it is appropriate that we should express in the Senate our continuing concern for the millions of people who are denied national self-determination, who live under imposed foreign rule and whose natural rights to self-expression and political, cultural and religious liberty are severely restricted.

While international pressures for human rights have mounted, only small progress has been made. Indeed, repression of dissidents and activists, both nationalists and others, has become more acute in some countries and there has been little movement toward self-determination.

It is important that those who struggle for their rights should know that those of us who live in freedom are sympathetic to them and will use our influence in their behalf. We recognize a moral responsibility to work toward the end that freedom will come one day to all the peoples on this planet.

WINDFALL PROFITS

Mr. WALLOP. Mr. President, in recent weeks and in the months ahead, we will hear a great deal of discussion about "windfall profits" and the need for a tax on oil companies. It should be made clear that the so-called windfall profits tax has nothing to do with profits. As an excise tax, the President's proposal would levy a tax on oil producing companies whether they are making a profit or not.

The Senate and the country should be aware that the tax is on domestic oil production, and will have the effect of reducing domestic oil production by some 700,000 barrels per day by 1985. The bill now being considered by Congress should be entitled the "Domestic Crude Oil Production Tax Act of 1979." During the desperate search for evidence of the existence of windfall profits in the oil industry, I hope that my colleagues and the Nation will take note of the instances of windfall losses occurring in the oil and gas industry. Windfall losses occur most often for the independent producers and wildcat drillers who derive their income solely from oil production. Their wildcat wells are no longer finding oil at 4,000 to 6,000 feet. Wildcat wells are now being drilled to depths in excess of 15,000 and even 20,000 feet to find and retrieve domestic oil. Recently the deepest well drilled in the Rocky Mountain region went to a depth of 25,764 feet at a cost of $15.5 million. The capital requirements for exploration are only increasing, as do the chances of a windfall loss.

Recently, Senator BAUCUS and I held a Finance Committee hearing in Casper, Wyo., and heard testimony from several independent oil producers on the effects of the proposed oil excise tax.

The testimony from oil company, Rainbow Resources, gives a good indication of how independent oil companies reinvest profits in exploration and production of domestic oil. I request unanimous consent to have testimony of Mr. Don Carpenter and Marvin Keller printed in the RECORD.

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

STATEMENT ON "WINDFALL PROFITS"

(By Don G. Carpenter & Marvin A. Keller)

My name is Don Carpenter. I am an independent geologist. I am the immediate past president of the Petroleum Association of Wyoming. Until April of 1979 I served as President and CEO of Rainbow Resources, Inc., which was operated as an independent publicly owned Oil and Gas Company from February 1970 through August of 1978.

Although I admit to being somewhat rusty as a geologist I have found, over the years, that such a title avoids the almost immediate hostility one experiences when identifying himself as a Corporate President, an oil company executive or, indeed, simply an oilman.

At the time Rainbow Resources was organized, the assets consisted of small interests in oil and gas properties contributed by various founders. Additionally, the Company raised $275,000 through a public offering of 500,000 shares of stock at $.50 per share. This offering closed in February of 1970.

With this minute asset base, Rainbow Resources projected neither a high nor a villainous profile in our home territory, the Rocky Mountain region.

In 1972 Rainbow Resources experienced the only incidence, in nine years as a publicity owned independent company, of what might be considered a "Windfall Profit".

Because we were small, under capitalized and decidedly the "underdog", news of the Company's good fortune was widely welcomed and the story of our overnight success had a fairy tale quality.

The story goes like this: Following an intensive, and somewhat discouraging sales effort which was begun in late 1970, the Rainbow staff finally convinced the True Oil Company of Casper, Wyoming that our "Little Mo" prospect in McKenzie County, North Dakota was worth drilling.

A 13,000 foot wildcat was commenced in the spring of 1972 to test the Ordovician Red River Formation. Rainbow retained a ⅛ interest in the oil and gas properties being tested. In July the Mission Canyon Formation of Mississippian age was encountered in an unexpected structurally high position and the well flowed oil when tested.

When word of the oil flow spread throughout the industry a bizarre sequence of negotiations began. Details of the entire episode are documented in an article by Marvin Keller entitled "Evolution of Redwing Field", published in the August 1973 edition of "The Landman Magazine".

For these proceedings let it suffice to say that in the fall of 1972, before the wildcat well reached total depth, Rainbow sold its entire ⅛ interest in the property for $10,000,000 cash. If not a "Windfall Profit" we at Rainbow most certainly regarded it as a providential infusion of capital.

Tracing Rainbow Resources use of the $10,000,000 is, I believe, a good example of how most funds derived from so-called "Windfall Profits" are employed.

For openers, we paid the Federal Government and the States of North Dakota and Montana $3,500,000 due in taxes. This act should have exploded the local classroom myth that Oil Companies don't pay taxes but, to my knowledge, it did not.

Next, we address ourselves to the question of what to do with our $6,500,000 in change! Should we liquidate our Company for approximately $4 to $5 per share, thus giving our original investors 8 to 10 times their money back, or should we continue to explore for oil? We chose the latter.

Rainbow purchased controlling interest in the Medicine Pole Hills Field in Bowman County, North Dakota for $1,200,000. We paid $1.25 per barrel for reserves in the ground, which at that time were selling for

$2.80 per barrel. This, of course, presented the perfect opportunity to leave the oil in the ground while OPEC escalated the price. Again however, our decision flew in the face of conventional wisdom and we immediately invested another $2,000,000 improving and upgrading the field production! From the day we acquired this property to this day, the field has always been produced at a maximum efficient rate. The only interruptions in production have been caused by mechanical problems or severe blizzard conditions otherwise known as "Windfall Snow".

Over the next several years, Rainbow Resources expanded its payroll from eleven to over forty people situated in Casper and Denver. During this period the Company initiated many drilling projects in North Dakota, Montana, Wyoming and Colorado. In 1974, in another unprecedented action, the Company carried out a 1,000,000 acre lease acquisition project in the Williston Basin of Montana and North Dakota. In conjunction with Farmland Industries and a Houston independent, Rainbow began a wildcat drilling program on this acreage which ushered in a period of intense exploration activity that continues today. Rainbow's original cost for its share of the leases was $1,000,000 and much more has been spent drilling.

As you can tell the game was getting expensive but in July of 1976 Rainbow had paid its bills and employees and was continuing to explore intensively.

At that time the Company began drilling the Game Hill Unit No. 1–35 in the extreme southern portion of Teton County, Wyoming. This well, in which Rainbow had a 25% interest, was set up to test the Frontier Formation at 12,500 feet. The well was located at the eastern edge of the Wyoming Overthrust Belt and was regarded as extremely significant. The projected cost for drilling and completing the well was $1,200,000. However, during the drilling of the well several "Windfall Mishaps" occurred. As the well drilled downward a thrust fault was crossed and the drilling depth required to test the Frontier Formation increased to 16,700 feet instead of the planned-for 12,500 feet. Geologic circumstances notwithstanding, two extremely encouraging gas zones were encountered. A completion attempt was made but the 2⅞ inch casing collapsed across the two zones and the chance of an economically rewarding initial well was forever lost. The well was subsequently completed as a gas producer from a less promising zone and chances of recovering the original investment seems remote and will only come about after 70 miles of expensive pipeline is constructed, a project which will take years. By the way, the well cost over $6,000,000 instead of the projected $1,200,000 and as you can estimate, the "Windfall" $6,500,000 was "Gone With The Wind".

Marvin Keller will now take a hard look at the economic realities experienced by Rainbow and our industry.

My name is Marvin A. Keller. I am Executive Vice President of Rainbow Resources, Inc., Casper, Wyoming. I would like to direct my comments to "Windfall Losses".

The most misused word connected with the current energy crisis is "Windfall Profits". It seems that any profit made in the Oil and Gas business is a "Windfall", while any loss incurred in our business is only the result of ineptness or stupidity on the part of the industry, for example the huge losses incurred in offshore areas of Florida and the east coast of the U.S.

At the present time our company, Rainbow Resources, Inc., is the operator and 23 percent owner of the deepest and probably most expensive exploratory test ever drilled in the Rocky Mountain area. The No. 1-34 Federal well, located at Pacific Creek in Sublette County, Wyoming, has been drilled to a depth of 25,764 feet at a cost of 15.5 million dollars. We are currently testing the deeper zones to determine if commercial quantities of hydro-carbons are present. Our original primary objective, the Madison Formation has already been tested and proved to be non productive.

Because of the extreme depths and expensive well costs involved and the very expensive facilities that would be required to establish production, such as gas plants to remove sulphur, pipelines and development wells, it is estimated that the total investment would be more than 100 million dollars before any gas could be sold. If the volume of gas found is not sufficient to justify these kinds of investments, then the entire project will be a failure and none of the nearly 20 million dollars invested will ever be recovered by the owners. Gentlemen, that is a "Windfall Loss".

Where did this 20 million dollars come from? It came from past profits of Rainbow and its partners, all of which are independent Oil Companies. Banks do not loan money to companies to drill exploratory wells and neither does the Federal Government. All of the risk is borne by the companies, but if the venture is successful any income is suddenly declared "Windfall Profits".

The costs of exploratory drilling have increased approximately 300 percent since 1973. As the search for oil and gas is expanded to the deeper horizons below 15,000 feet and to remote and geologically complex areas like the "Overthrust Belt" the costs of exploration have exploded so that today drilling costs for an exploratory well in the 15,000 foot range may cost from 5 to 10 million dollars.

As a result of this cost squeeze on the companies their drilling budgets are now being used up very quickly on only a few wells. Today there are many drilling rigs shut down in the Rocky Mountain region not because the industry is withholding its funds, but because the industry and particularly the independent companies have used up all their available funds. Think for a minute of how many million barrels of "old oil" have to be produced in order to obtain enough profit to pay for just one new deep exploratory test. Is it any wonder there is a shortage of available funds in the industry?

The only solution is to allow domestic oil and gas prices to rise to world oil prices as soon as possible. The alternative is for America to continue to buy OPEC oil on the spot market at prices up to $40 per barrel.

Who knows, maybe next year the spot market price will be $60—$80—$100—per barrel. The OPEC countries will continue to raise the prices as long as we are standing in line to buy their oil. It's up to Congress and the President to make the decision.

P.S. Rainbow Resources, Inc. merged with The Williams Companies of Tulsa, Oklahoma on August 29, 1978. The primary reason for the merger was that Rainbow Resources was not able to continue to finance its widespread exploration activities with its internal oil and gas revenues, which the Company was forced to sell at below replacement costs because of government price controls.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGES FROM THE HOUSE

At 2:57 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

ENROLLED BILL SIGNED

At 8:06 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

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

HOUSE BILLS REFERRED

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

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978; to the Committee on Finance.

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 195. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1309.

By Mr. STEVENS, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1479. A bill to make a technical amendment to Public Law 94–204 as amended by Public Law 94–456 (Rept. No. 96–250).

By Mr. BAYH, from the Select Committee on Intelligence, without amendment:

S. Res. 198. An original resolution increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants. Referred to the Committee on Rules and Administration.

By Mr. DOLE, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 17. A concurrent resolution to express the sense of Congress that a United Nations Special Investigatory Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Armed Services:

John Howard Moxley III, of California, to be an Assistant Secretary of Defense.

Hans Michael Mark, of Virginia, to be Secretary of the Air Force.

Antonia Handler Chayes, of Massachusetts, to be Under Secretary of the Air Force.

Robert Jay Hermann, of Maryland, to be an Assistant Secretary of the Air Force.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. TOWER (for himself and Mr. LUGAR):

S. 1533. A bill to amend the Investment Company Act of 1940 to provide an exemption for qualified venture capital companies; to the Commission on Banking, Housing, and Urban Affairs.

By Mr. CHURCH:

S. 1534. A bill to amend the Act of May 31, 1962, which authorized the Secretary of the Interior to sell certain "omitted lands" along the Snake River in Idaho; to the Committee on Energy and Natural Resources.

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

S. 1535. A bill to name a certain Federal building in Rochester, New York, the Kenneth B. Keating Building; to the Committee on Environment and Public Works.

By Mr. HEINZ:

S. 1536. A bill for the relief of the Chinese Cultural and Community Center, Philadelphia, Pennsylvania; to the Committee on Finance.

By Mr. PERCY:

S. 1537. A bill to provide specific encouragement to localities for the development of programs to promote energy conservation and the expanded use of renewable energy resources; to the Committee on Governmental Affairs.

By Mr. JOHNSTON:

S. 1538. A bill to amend section 210 of the Agriculture Act of 1956 (7 U.S.C. 1859) to permit the donation of agricultural commodities acquired through operations under section 32 of P.L. 320, 74th Congress, as amended (7 U.S.C. 612c), to certain penal and correctional institutions; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE:

S. 1539. A bill to provide for a study of foreign acquisitions of domestic financial institutions, to impose a moratorium on such acquisitions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 96. A joint resolution authorizing the President to proclaim September 28, 1979, as "National Indian Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself and Mr. LUGAR):

S. 1533. A bill to amend the Investment Company Act of 1940 to provide an exemption for qualified venture capital companies; to the Committee on Banking, Housing, and Urban Affairs.

VENTURE CAPITAL COMPANY ACT OF 1979

● Mr. TOWER. Mr. President, I am introducing today with Senator LUGAR legislation designed to address an important need of our economy: The absence of a continuous stream of venture capital to fuel many small and emerging businesses. The Venture Capital Company Act of 1979 would amend the Investment Company Act of 1940 to make it possible for members of the public to invest in professionally managed firms which in turn provide long-term capital to the successful businesses of tomorrow.

Venture capital firms provide a method of financing to companies that is not otherwise available. This is particularly true with respect to companies which are engaged in the development of new technologies and services, since the risks associated with investments in these companies may be substantial. Venture capital companies often provide long-term risk financing for companies which have progressed beyond the startup phase, but are not yet in a position to attract equity capital on favorable terms through the public securities markets.

In order to encourage investors to participate in venture capital companies, it is of course necessary to allow adequate incentives to do so. The investor who participates in venture capital investments generally does so with the expectation that, if the company is successful, he will be able to resell the investment at a profit. Unfortunately, the Investment Company Act minimizes the prospects for doing so.

The bill would amend the Investment Company Act by exempting from the act venture capital companies which meet certain requirements. The purpose of these requirements is to assure that essential investor protections embodied in the securities laws will be applicable to the exempt companies, while at the same time freeing their operations from ambiguous and inappropriate regulatory requirements of the Investment Company Act.

The Investment Company Act takes an approach different from that of the securities laws governing the vast majority of publicly owned companies, the Securities Act of 1933, and the Securities Exchange Act of 1934. The heart of these latter statutes is disclosure and, by and large, complete disclosure of material facts is what is required. These acts assume that, given full disclosure about securities transactions, people should be free to buy and sell securities and the markets will reward those who do so wisely.

The Investment Company Act, on the other hand, adopts a somewhat paternalistic approach. It established a comprehensive regulatory system which substantively prohibits many kinds of transactions. This approach is based upon the theory that the companies for which the act was designed—mutual funds and closed-end investment companies—consist of large pools of cash and highly liquid assets, and that shareholders of such companies should be more protected from improper dealings than is the case with respect to shareholders of other corporations.

Because of the nature of mutual funds, Congress established a detailed statutory scheme and the Securities and Exchange Commission, which regulates the mutual fund industry, is given broad powers over transactions of mutual funds.

The definition of "investment company" in the act is so broad that it includes venture capital companies, even though these companies do not operate like mutual funds or traditional closed-end investment companies in many respects. An obvious and significant difference is the absence in the portfolio of a venture capital company of liquid investments which are readily and regularly traded. But because the act covers venture capital companies, any venture capital company with more than 100 shareholders is required to register under the Investment Company Act and is bound by provisions which were enacted to prevent abuses in the trading of securities.

This is just one example. All of the restrictions in the act, which may be appropriate for mutual funds, are also applicable to venture capital companies. These restrictions are in many cases so inappropriate that no pure venture company operates under the act.

The consequences of this situation are devastating. Venture capital firms, including those that are well-managed, successful and destined to grow larger, must avoid at virtually all costs acquiring more than 100 shareholders. In other words, a successful firm that, over time, could otherwise be expected to grow and, therefore, to contribute vitally needed capital to new generations of businesses, must at some point either liquidate and distribute its assets to its shareholders or merge with some other company. While it theoretically has one other option—operating under the Investment Company Act—the fact that no pure venture capital company is doing so illustrates that this is no real alternative.

Thus, the Investment Company Act—which was designed to protect public investors—has served in this instance to assure that there are no public investors in venture capital companies to protect. Of course, this also means that there are no public investors to benefit from the expertise of a professionally managed venture capital firm.

The Venture Capital Company Act of 1979 would address this problem in a measured and responsible way. While there is a great deal of merit to the approach of simply exempting all venture capital companies as a class from the Investment Company Act, I am proposing a more limited exemption which would assure that there are adequate safeguards for investor protection.

Specifically, the bill would exempt from the Investment Company Act only those venture capital companies which meet certain requirements. Among these are that each company exempted:

Has been engaged in the venture capital business for at least 5 years;

Has a board of directors a majority of whom are "independent";

Has subjected itself to the full regulatory system embodied in the Securities Act of 1933 and the Securities Exchange Act of 1934, even if it would not otherwise be required to do so.

Is required to refrain from the type of trading activities which are a significant focus of the Investment Company Act; and

Accepts restrictions on the ownership by its officers, directors and controlling persons of securities issued by companies in which it invests.

These restrictions are designed to assure that, in exempting venture capital companies from the act, due regard is given to appropriate investor protections contained in the securities laws.

By limiting the exemption to companies which have been in the venture capital business for at least 5 years, the bill would require that the company have a "track record" which prospective investors can look to before investing. The other limitations are designed to assure adequate investor protection in several ways, including the participation on the board of directors of a majority of independent directors. The Supreme Court said only a few weeks ago that the participation of outside, independent directors on the board of a mutual fund is the "cornerstone of the Investment Company Act's effort to control conflicts of interest within mutual funds." Requiring the participation of independent directors for exempted venture capital companies will be an excellent way of looking out for the interests of investors while at the same time freeing these companies from the unworkable regulatory system of the Investment Company Act. And while the Investment Company Act requires that 40 percent of the directors be independent, this bill would require that an exempted venture capital firm have a majority of independent directors.

Significantly, any exempted venture capital company with more than 100 shareholders would still be subject to all of the provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, the statutes applicable generally to publicly owned companies. These require, among other things, the disclosure of material facts and the dissemination of periodic information regarding the operations and financial condition of the issuer.

It is incumbent upon the Congress to take decisive actions to untangle the regulatory web impeding the successful operations of the private sector. The Venture Capital Company Act of 1979 will do this by targeting a specific regulatory system unsuited to the needs of the venture capital industry, and replacing it with a simple and rational approach in which members of the private sector assume greater responsibility for the operations of venture capital companies.

I am hopeful that this bill will receive prompt consideration and favorable action by the Senate, so that emerging businesses, enterprises and investors can begin to derive the benefits of a strong, vibrant venture capital industry. These results can be advanced without any costs to the Federal Treasury, and without compromising the legitimate purpose of the Federal securities laws.

Mr. President, I ask unanimous consent that the text of the Venture Capital Company Act of 1979 be printed in the RECORD.

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

S. 1533

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Venture Capital Company Act of 1979".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the economy of the United States would be strengthened and diversified by a policy facilitating the formation and growth of venture capital companies which provide long-term capital to industry, finance the development of promotional enterprises, and engage in similar activities;

(2) the Investment Company Act of 1940 unnecessarily restricts the formation and growth of venture capital companies by imposing on such companies a complex and cumbersome regulatory system unsuited to the operations of venture capital companies;

(3) the interests of investors in qualified venture capital companies will be adequately protected through existing securities laws other than the Investment Company Act of 1940; and

(4) It is therefore in the public interest to amend the Investment Company Act of 1940 to provide an exemption for venture capital companies which meet certain standards assuring the adequate protection of investors in such companies.

DEFINITION OF VENTURE CAPITAL COMPANY

SEC. 3. Section 2 (a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2 (a)) is amended by adding at the end thereof the following:

"(46) 'Venture capital company' means any company which meets both of the following conditions:

"(A) it is engaged or proposes to engage primarily in the business of furnishing capital (other than short-term paper) to industry, financing promotional enterprises, purchasing securities of issuers for which no ready market is in existence, or reorganizing companies or similar activities; and

"(B) at least 60 per centum of its net assets at cost (exclusive of Government securities, short-term paper and cash items) consists of securities which were—

"(i) acquired directly from the issuer thereof in a transaction or transactions not involving the registration of the securities under the Securities Act of 1933 or pursuant to the exercise of options, warrants, or rights acquired in such transactions;

"(ii) received in a reorganization or in an exchange offer in exchange for securities acquired pursuant to clause (i) of this paragraph; or

"(iii) distributed on or with respect to any securities referred to in clause (i) or clause (ii) of this paragraph.".

DEFINITION OF ESTABLISHED VENTURE CAPITAL COMPANY

SEC. 4. Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)) is amended by adding at the end thereof the following:

"(47) 'Established venture capital company' means any company that is and has been a venture capital company for at least five preceding continuous years.".

EXCLUSION OF ESTABLISHED VENTURE CAPITAL COMPANY

SEC. 5. Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(3)) is amended—

(1) by striking out "or" immediately after "guardian"; and

(2) by inserting immediately before the period at the end thereof the following: "; any established venture capital company having a class of its equity securities registered under section 12 of the Securities Exchange Act of 1934; or (A) any established venture capital company, but only for a period of 180 days after its outstanding securities (other than short-term paper) become beneficially owned by more than one hundred persons as determined under paragraph (1) of this subsection, or (B) any established venture capital company which presently proposes to make a public offering of its securities, but only (i) for a period of 180 days after the filing with the Commission of its registration statement (or its notification under Regulation A) under the Securities Act of 1933, (ii) for a period of 60 days after the effective date of such registration statement (or the first sale of any securities offered by means of an offering circular under Regulation A), or (iii) until the withdrawal of the registration statement without its having become effective (or the withdrawal of the notification under Regulation A), whichever event specified in clause (i), (ii), or (iii) last occurs".

RESTRICTIONS ON ESTABLISHED VENTURE CAPITAL COMPANIES

SEC. 6. Section 7 of the Investment Company Act of 1940 (15 U.S.C. 80a–7) is amended by adding at the end thereof the following:

"(e) An established venture capital company which is not an investment company within the meaning of this title solely by reason of section 3(c)(3) and the outstanding securities of which (other than short-term paper) are beneficially owned by more than one hundred persons as determined under section 3(c)(1) of this title may not—

"(1) engage in any business in interstate commerce unless a majority of the members of the company's board of directors would not be deemed interested persons of the company if it were an investment company within the meaning of this title; or

"(2) sell, or otherwise dispose of, any securities (exclusive of Government securities, short-term paper and cash items) owned by it, whenever and however the securities were acquired by it, except in such manner and amounts and at the times as the company would be permitted to do if the securities had been acquired by it in a transaction not involving any public offering within the meaning of the Securities Act of 1933 and the rules thereunder.

If, by reason of the death, disqualification, or bona fide resignation of any director or directors of any company, the requirements of clause (1) of the preceding sentence are not met, the application of the preceding sentence shall be suspended as to that company for a period of 180 days or for such longer period as the Commission may prescribe, upon its own motion or by order upon

application, as not inconsistent with the protection of investors.

"(f) No director, officer, employee, or controlling person of an established venture capital company which is not an investment company within the meaning of this title solely by reason of section 3(c)(3) and the outstanding securities of which (other than short-term paper) are beneficially owned by more than one hundred persons as determined under section 3(c)(1) of this title may beneficially own or purchase securities or other property of any issuer other than the established venture capital company whose securities (other than Government securities, short-term paper and cash items) are beneficially owned by the established venture capital company; and no affiliated person of any such person shall beneficially own or purchase securities or other property of any issuer other than the established venture capital company whose securities (other than Government securities, short-term paper and cash items) are beneficially owned by the established venture capital company, unless the ownership or purchase is approved by a majority of the members of the established venture capital company's board of directors who have no financial interest in the ownership or purchase, including a majority of the members who would not be interested persons of the company if it were an investment company within the meaning of this title, on the basis that—

"(1) terms thereof, including the consideration to be paid or received, are reasonable and fair to the shareholders of the established venture capital company and do not involve overreaching of the company or its shareholders by another party; and

"(2) the ownership or purchase is not contrary to the interests of the shareholders of the established venture capital company and is consistent with the policy of the company as recited in its articles of incorporation and any other documents made available to its shareholders generally.

For purposes of this subsection, beneficial ownership of securities or other property acquired by a director, officer, employee, or controlling person is not prohibited if the beneficial ownership was acquired otherwise than by means of a purchase and if the person, as soon as reasonably practicable, sells or otherwise disposes of the securities or other property upon a determination by the members of a majority of the established venture capital company's board of directors who have no financial interest in the ownership, including a majority of the members who would not be interested persons of the company if it were an investment company withing the meaning of this title, that the terms of the sale or other disposition, including the consideration to be received, are reasonable and fair to the shareholders of the company and do not involve overreaching of the company or its shareholders by another party. The sale or other disposition must be effected within 180 days after the acquisition, unless a majority of the members of the established venture capital company's board of directors who have no financial interest in the sale or other disposition, including a majority of the members who would not be interested persons of the company if it were an investment company within the meaning of this title, approve a longer period, which shall not exceed one year from the date of acquisition of the securities or other property.". ●

● Mr. LUGAR. Mr. President, I am very pleased to join with Senator TOWER in introducing the Venture Capital Company Act of 1979. The bill would remove specific statutory and regulatory impediments which act as a powerful disincentive to the formation and growth of the venture capital industry, a segment of the business community which has the potential to make a valuable contribution to our economy.

A great deal has been said recently about the need to reduce the extent of Federal regulation, particularly that which is overbroad and burdensome to the conduct of honest business activities. The application of the Investment Company Act of 1940 to venture capital companies provides a good example of the adverse effects which result from the imposition of a broad regulatory system on the activities of companies which are covered only marginally, if at all, by the purposes of the act. Our bill provides an excellent opportunity for Congress to show its willingness to act positively to encourage the development of new companies, new products and new services for the economy.

The need to encourage the formation and mobilization of venture capital is obvious, and the Venture Capital Company Act of 1979 will do so without compromising the strong investor protections provided by the Securities Act of 1933 and the Securities Exchange Act of 1934. As the ranking Republican member of the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs, I look forward to the prompt consideration of this bill by the subcommittee.●

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

S. 1535. A bill to name a certain Federal building in Rochester, N.Y., the Kenneth B. Keating Building; to the Committee on Environment and Public Works.

● Mr. JAVITS. Mr. President, today I am introducing legislation to name the Federal building in Rochester, N.Y., after one of our country's ablest and most distinguished public servants of the last quarter century: the late Senator Kenneth B. Keating. Companion legislation to this bill is today being introduced in the House of Representatives by Congressmen STRATTON, WYDLER, CONABLE, and HORTON.

Honored military leader, resourceful legislator in both Houses of Congress, distinguished jurist, and talented ambassador are the distinctions and estimable accomplishments of Ken Keating, a great American. Few people have served this Nation in more ways or with greater distinction. Having worked alongside him in both the House and Senate I knew him as a close personal friend and an esteemed colleague. His was a remarkable record of public service.

Entering the Army as an enlisted man in World War I, he served his country also in World War II and had risen to the rank of brigadier general by the time the war had ended. He spent six terms in the House, representing western New York and the Rochester area, before his election to the Senate in 1958. He was one of the great spokesmen for the 1964 Civil Rights Act. When he was defeated in his bid for a second Senate term, instead of settling back in the well-earned glow of a distinguished congressional career, Ken Keating continued tirelessly to devote his life to the public good.

He ran and was elected to an associate judgeship on the New York Court of Appeals, the State's highest tribunal and one of this land's most respected State courts. Returning to national service in 1969, he was named Ambassador to India and represented the United States during the tension-filled Indo-Pakistani conflict over Bangladesh. As a capstone to his career he became envoy to Israel, helping to steer our course during the Yom Kippur war. His service in Israel for the United States was a source of security and reassurance to Israel's people.

Mr. President, it is, indeed, fitting that the Federal Building in Rochester should be named for Kenneth Keating. He was one of western New York's most revered citizens. A distinguished Rochester attorney in the years prior to World War II, he could not walk through the city's downtown without being greeted by people from all walks of life. His lively spirit and outgoing character, his sound judgment and heartfelt concern made him a friend of all who had contact with him. And it was from Rochester that he was sent to Congress and from which his national career began.

Mr. President, I believe that in recognition of his unparalleled past service to his State and country and his undiminished vigor in working in the people's behalf, it is appropriate that we memorialize Kenneth Keating by naming the Federal Building in Rochester the Kenneth B. Keating Federal Building.●

By Mr. PERCY:

S. 1537. A bill to provide specific encouragement to localities for the development of programs to promote energy conservation and the expanded use of renewable energy resources; to the Committee on Governmental Affairs.

LOCAL ENERGY MANAGEMENT ACT OF 1979

Mr. PERCY. Mr. President, few today would deny the urgent need to reduce our dependence on oil. Gas lines are not merely a temporary inconvenience, and skyrocketing prices are not just a passing phenomenon. Both are signs that the days of cheap, abundant oil have passed.

In recent weeks, many of my colleagues in Congress have turned their focus to synthetic fuels as a new energy panacea. I must warn my colleagues against embracing this new technological "fix" too readily. Synthetic fuels will not contribute significantly to our energy needs before the late 1980's. What we are going to do in the interim, to protect American consumers from rapidly rising oil prices and to gird our economy against crippling oil shortages?

An aggressive national effort to conserve energy offers our brightest energy prospect for the 1980's. The President's Council on Environmental Quality has determined that, by using known conservation techniques, we could reduce our overall energy consumption by 30 to 40 percent, while maintaining our current standard of living.

Developing our Nation's renewable, or "solar," energy resources should be another priority for the 1980's. Numerous "solar" technologies are now ready for widespread commercial development.

These include small-scale hydroelectric dams, solar heating and cooling systems for buildings, wind generators, and "gasohol," a liquid fuel derived partially from grain.

In developing energy alternatives, we must draw fully upon the ingenuity and versatility of the American people. Our Nation's cities, counties, towns, and villages are uniquely capable of tapping this great innovative potential.

Several units of local government have already undertaken impressive energy initiatives. Some have focused their efforts on restructuring their internal operations, while others have branched out into other sectors of the community.

Dade County, Fla., has been particularly effective in eliminating energy waste from its internal operations. By purchasing more fuel-efficient equipment, the county cut the fuel consumption of its automobile fleet by 37 percent between 1972 and 1978. During 1977, the county implemented conservation measures which reduced electricity consumption in nine county-owned buildings by 20 percent. Additionally, the county is now building a solid-waste facility which will recover usable materials such as metals and glass while burning combustible wastes. Seventy megawatts of electricity will be generated by this process—enough to fulfill the needs of 41,000 families.

The city of Davis, Calif., has focused its efforts on the residential sector. In 1975, the city passed an energy-conserving code for new residential construction. Since that time, the use of electricity and natural gas in Davis homes has dropped by an astonishing 18 percent. This major reduction is particularly impressive in light of the fact that only a small percentage of the city's homes have been built since the code went into effect. Local officials attribute much of the savings to voluntary actions taken by Davis residents, whose awareness of the energy problem was heightened by the months of public debate preceding the code's adoption.

Seattle, Wash., offers yet another inspiring example of the enormous energy savings which effective local programs can produce. Faced with rising electricity demand, Seattle's municipal utility proposed to purchase a 10-percent share in a $5 billion regional nuclear power project. Concerned local citizens questioned whether this added capacity was really needed, and asked the city to explore the issue. An "Energy 1990" citizens overview committee undertook the challenge. This committee reflected a broad range of community interests, including industry, labor, commerce, low-income and minority groups, the elderly, and environmentalists. After lengthy study, the committee recommended against the nuclear plan, and instead proposed an aggressive conservation program aimed at reducing Seattle's projected 1990 electricity needs by 20 percent.

In July 1976, the Seattle City Council voted to support the conservation effort; $800,000 was provided for the first year's programs, and the result, by the end of 1977, was an 8-percent reduction in citywide electricity demand. Some claim that unusual weather conditions contributed to this extraordinary reduction. Nevertheless, Seattle officials are optimistic that the 1990 conservation goal will be reached—at a fraction of the cost of purchasing new generating capacity.

Seattle's experience highlights several of the positive impacts which can result from well-conceived local initiatives. First, Seattle's conservation measures yielded significant and immediate energy savings. Second, the citizen's overview committee allowed for broad public participation—an important means of insuring that the resulting policy would not be dominated by any single interest. Third, the programs implemented under the "Energy 1990" banner affected large segments of Seattle's population, thereby enhancing the visibility and credibility of conservation as an energy strategy. Already we have seen, in the Davis case, that heightened public awareness can be a major catalyst to conservation.

I would also like to draw my colleagues' attention to the cost-effectiveness and rapid payback of many local initiatives. In 1978, the city of Oakland, Calif., received $4.7 million from the Economic Development Administration to install energy-efficient street lamps. With annual energy savings of over $900,000, this investment will pay for itself in about 5 years. In my home State of Illinois, the city of Carbondale will soon retrofit its water treatment plant with energy-saving equipment. City officials predict that the $20,000 investment will be recovered in less than a year, through lowered energy costs. Local taxpayers will be the beneficiaries of these savings.

Davis, Calif., offers perhaps the most striking evidence that local initiatives can be cost-effective. Houses which adhere to the new building code require 50 percent less energy for heating and cooling than conventional homes of comparable comfort. Astonishingly, these homes cost no more to build than their conventional counterparts. Sensible siting and design techniques are the keys.

The potential benefits of sound local energy management abound. Yet only a small fraction of America's several thousand local communities have seriously explored the energy options available to them. The lessons learned in Dade County, Davis, Seattle, and elsewhere remain largely hidden from general view. Lacking access to this backlog of experience, localities embarking on new energy initiatives waste valuable time and resources stumbling over terrain which, though new to them, has already been charted.

Mr. President, today I am introducing the Local Energy Act of 1970, as a stimulus local involvement in innovative energy management. The Local Energy Management Act would establish three modestly funded, interlocking programs.

First, the act would create a demonstration grants program, to provide funding to selected localities for the development of energy plans. Participating localities would be required to examine their energy consumption patterns and develop strategies to save energy or expand local use of renewable energy resources.

The demonstration grants program would stimulate energy innovation within individual localities. It would not, however, improve communication between localities—an equally vital need. To achieve this latter purpose, the act establishes two additional programs: A documentation and distribution grants program and a local energy reference center.

The documentation and distribution grants program would provide funding to a limited number of localities which have already developed innovative energy programs. Localities receiving these grants would prepare and publish practical brochures on the energy measures they have undertaken, and would make this information available, free of charge, to other localities.

Localities such as Dade County, Davis, and Seattle would find the documentation and distribution grants program particularly useful. Officials from these localities find themselves flooded with information requests which they have neither the time nor the resources to handle. Davis alone receives over 100 requests per month regarding its energy-conserving building code. This past year, the city has sent out more than $10,000 in printed information to interested localities and individuals. The documentation and distribution grants program would significantly ease this burden.

The act's third component is a local energy reference center. This center would serve as a data bank and information clearinghouse on local energy initiative. The center would draw upon the information gathered through the documentation and distribution grants program as well as other sources.

To date, the Federal Government has done little to tap the innovative energy potential of local governments. Within the Department of Energy, the recently established Energy Extension Service primarily benefits individual consumers and small businesses. Another Department of Energy undertaking, the comprehensive community energy management program, is now assessing the energy management capacities of 17 local communities, but the program has done little to strengthen the flow of information between local government officials.

I first introduced the Local Energy Management Act 3 months ago. Since that time, the bill has attracted widespread interest and support. Among the bill's supporters are the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, and top officials from numerous localities. I am especially pleased that village officials as well as big-city mayors have praised the bill as sensitive to their needs. I will ask that an attachment containing the comments of a few of the bill's supporters be printed in the RECORD following my remarks.

Along with these numerous endorse-

ments, I have received valuable and perceptive criticism of the original Local Energy Management Act. The revised bill, which I am introducing today, responds to many of these concerns.

Before closing, I would like to draw my colleagues' attention to a few of the remarks which President Carter made 2 days ago, when he addressed the National Association of Counties, in Kansas City. On that occasion, the President called upon counties and other localities to work actively and aggressively to conserve energy. I would like to quote briefly from the President's remarks:

The heartbreaks and the triumphs of each county, each city, each neighborhood, the successes or the failures are also the successes and failures, the triumphs and the heartbreaks of our nation.

The tragedy of an elderly family who are not able to pay for heat in the winter is a national tragedy, just as the success of a local weatherization program or car pool program is a triumph of or success for the whole Nation.

I ask you to work with me throughout the counties of America to plan conservation efforts. . . . As you work with local citizens and community leaders in taking up this call to action, you can count on the support and you can count on the help of Federal officials, including myself, to live and to work with you to make this dream, this challenge, a reality.

The Local Energy Management Act provides an important step toward making "this dream a reality." I am very pleased to have Senators BAUCUS, COHEN, DOMENICI, HATFIELD, HEINZ, KENNEDY, SARBANES, and TSONGAS as cosponsors of this bill.

Mr. President, I ask unanimous consent that the attachment containing comments on the Local Energy Management Act, followed by a summary of the bill and the text, be printed in the RECORD.

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

S. 1537

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 "Local Energy Management Act of 1979".

TITLE I—FINDINGS, DECLARATION OF PURPOSE, AND DEFINITIONS FINDINGS AND DECLARATION OF POLICY

SEC. 101. (a) The Congress hereby finds and declares that—

(1) local units of government are highly appropriate vehicles for the promotion of energy conservation and renewable resource-based technologies, because of their sensitivity to geographic and climatic variations, their ability to make effective use of available human skills and economic resources, their high visibility, and their capacity to accommodate a high degree of direct citizen involvement in the study, implementation, and demonstration of new programs;

(2) local units of government can play an important role in stimulating the involvement of private industry, particularly small businesses, in energy conservation and renewable energy resources development;

(3) many localities have already developed innovative and effective programs which promote energy conservation and the development of renewable energy resources;

(4) geographic and economic constraints have generally discouraged localities with successful programs in the energy field from sharing their knowledge and experience with other localities;

(5) the Federal Government has provided only scattered and insufficient information and financial assistance to localities for the purposes of encouraging energy conservation and the development of renewable energy resources; and

(6) the Department of Energy should encourage localities to implement energy conservation measures and to expand their use of renewable energy resources.

(b) It is the purpose of this Act to provide broader Federal assistance to localities by—

(1) establishing a Demonstration Grant Program applicable to localities which propose to develop plans to promote energy conservation or the expanded use of renewable energy resources;

(2) establishing a Documentation and Distribution Grants Program, to enable localities to document and distribute practical information on programs which they have undertaken, or propose to undertake, to promote energy conservation or the expanded use of renewable energy resources; and

(3) establishing a Local Energy Reference Center and a Technical Assistance Panel, to facilitate information-sharing among local officials with respect to energy conservation and the expanded use of renewable energy resources.

DEFINITIONS

SEC. 102. For the purposes of this Act, the term—

(1) "management" means the development and sharing of practical information and plans by local units of government, for the purpose of promoting energy conservation or the expanded use of renewable energy resources;

(2) "Department" means the Department of Energy;

(3) "Secretary" means the Secretary of the Department of Energy;

(4) "Assistant Secretary" means the Assistant Secretary for Conservation and Solar Applications;

(5) "locality" means any city, county, town, municipality, or other political subdivision which is a unit of general purpose local government of a State or United States territory;

(6) "local official" means an elected representative of a unit of local government or, if designated by the elected representative, an employee of a local unit of government;

(7) "energy conservation" means a capital investment or a practice which leads to a net saving in energy;

(8) "renewable energy resources" means those sources of energy which cannot be permanently exhausted, including agricultural and forest products and excluding nuclear fission and fusion materials;

(9) "demonstration" means the development of a local plan, for the purpose of conserving energy or expanding the use of renewable energy resources;

(10) "sector" means a segment of a locality which accounts for an identifiable portion of the locality's energy consumption;

(11) "documentation" means the preparation and publication by a locality of informational materials on local measures fostering energy conservation or the expanded use of renewable energy resources, in accordance with title IV of this Act;

(12) "distribution" means the mailing of informational materials by a locality receiving assistance under title IV of this Act to other localities which have requested information pertaining to the promotion of energy conservation or expanded use of renewable energy resources;

(13) "technical assistance" means the transmittal of practical information to a local official, through printed publications, computer data, or personal visitation, by a member of the Technical Assistance Panel, in accordance with title VII of this Act; and

(14) "Center" means the Local Energy Reference Center established under title VI of this Act; and

(15) "Panel" means the Technical Assistance Panel, established under title VII of this Act.

TITLE II—PROGRAM ADMINISTRATION

GENERAL

SEC. 201. The Department of Energy shall be responsible for carrying out the provisions of this Act. The Secretary shall carry out the responsibilities of this Act through the Assistant Secretary for Conservation and Solar Applications.

REPORTS

SEC. 202. The Secretary shall transmit to the Congress and the President, not later than ninety days after the end of each fiscal year, a comprehensive report on all activities of the programs established under this Act, conducted during the previous fiscal year. Each such report shall include—

(1) a statement of specific and detailed objectives for the activities and programs conducted and assisted under this Act;

(2) a statement of conclusions as to the effectiveness of such activities and programs in meeting the stated objectives and the purposes of this Act, measured through the end of each fiscal year;

(3) a statement outlining the coordination of the activities and programs conducted and assisted under this Act with the activities and programs of other public and private agencies, as described in section 203;

(4) recommendations with respect to such legislation which the Assistant Secretary deems necessary or desirable to assist locally based energy conservation and renewable energy resources development efforts; and

(5) plans for activities and programs during the next fiscal year.

COOPERATIVE EFFORTS

SEC. 203. The Secretary shall consult and cooperate with the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, the Secretary of Health, Education, and Welfare, the Community Services Administration, the Secretary of Commerce (and the Regional Centers of the Economic Development Administration in the Department of Commerce), the Administrator of the Small Business Administration, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving maximum coordination with other related programs, and for the purpose of ensuring to the maximum extent possible that all energy conservation and new energy technology information disseminated by or through Federal programs in a given area are consistent and are fully coordinated in order to minimize duplication of effort and to maximize public confidence in the credibility of Federal or federally assisted programs. It shall also be the responsibility of the Secretary to promote the coordination of programs under this Act with the activities and programs of other public and private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local government officials; private, nonprofit organizations; and private industry.

TITLE III—DEMONSTRATION GRANTS PROGRAM

ESTABLISHMENT OF PROGRAM

SEC. 301. The Secretary may make nonrenewable grants to localities for the development of measures to conserve energy and develop renewable energy resources. The Secretary shall have discretion to determine whether such grants shall be of one- or two-year duration.

APPLICATION REQUIREMENTS

SEC. 302. (a) Grantees shall be limited to units of local government.

(b) Grant application procedures and grant response time shall be kept to a minimum.

(c) Grant applications shall contain at a minimum—

(1) an estimation of the overall energy consumption if the locality, by sector;

(2) general information as to the population size of the locality, employment by sector, economic activities, transportation facilities, and other demographic characteristics which the Secretary deems relevant to the purposes of this Act; and

(3) a description of projected mechanisms for exploring energy conservation or renewable energy resources development options, including a description of projected mechanisms for involving the public in energy policy development.

PROGRAM REQUIREMENTS

SEC. 303. Each participating locality shall, within one hundred and twenty days after termination of the grant period, submit to the Secretary a report containing—

(1) a description of the measures which the locality has introduced or proposed to introduce, to promote energy conservation or the use of renewable energy resources;

(2) evidence of the effectiveness of such measures in promoting energy conservation or the use of renewable energy resources;

(3) an estimation of the capital requirements and administrative costs of implementing such measures;

(4) a description of funding mechanisms adopted or proposed by the locality to underwrite the capital requirements and administrative costs of such measures;

(5) an estimation of the pay-back period for such measures;

(6) a description, where applicable, of the mechanisms adopted or proposed by the locality for the purpose of stimulating the involvement in private industry, particularly small businesses, in energy conservation or renewable energy resources development;

(7) a description of the mechanisms adopted by the locality for the purpose of involving the public in energy policy development; and

(8) a description of the views of all major interested parties, including low-income individuals where applicable, regarding the established and proposed measures.

FUNDING

SEC. 304. No grant to a locality under this title shall exceed $80,000.

TITLE IV—DOCUMENTATION AND DISTRIBUTION GRANTS PROGRAM ESTABLISHMENT OF PROGRAM

SEC. 401. The Secretary may make renewable, one-year grants to localities to enable such localities to document and distribute practical information on programs which they have undertaken, or propose to undertake, to promote energy conservation or the development of renewable energy resources.

APPLICATION REQUIREMENTS

SEC. 402. (a) Grantees shall be limited to units of local government.

(b) Localities which have received assistance under title III of this Act may apply for assistance under this title, providing that such localities have fulfilled the provisions of section 303, as determined by the Secretary.

(c) Localities which have not received assistance under title III may also apply for assistance under this title.

(d) Grant application procedures and grant response time shall be kept to a minimum. Grants shall be awarded to localities whose proposed publications would offer a unique contribution to the body of knowledge concerning local government measures to conserve energy and develop renewable energy resources.

(e) Localities must, at a minimum, include in their applications—

(1) a brief description of their current and proposed energy conservation and renewable energy resources development measures;

(2) preliminary evidence, where possible, that such programs have been or will be effective in promoting energy conservation or the use of renewable energy resources in at least one sector;

(3) a brief description of the mechanisms adopted for the purpose of involving the public in energy policy development;

(4) a brief description of projected mechanisms for developing documentation which will be of practical use to other localities wishing to promote energy conservation or the use of renewable energy resources; and

(5) a brief description of projected mechanisms for giving major interested local parties an opportunity to have their viewpoints represented in the documentation process.

FUNDING GUIDELINES AND GRANT SELECTION CRITERIA

SEC. 403. (a) The Secretary may award up to sixty grants under this title each year.

(b) Grants given under this title shall compensate recipient localities for the costs of preparing, printing, and mailing the document or documents published under this title.

(c) The Secretary may provide renewed funding to localities which have received grants under this title in previous years, for the purpose of updating published documents, and for the purpose of meeting ongoing printing and mailing costs. Renewed grants shall not be considered as contributing to the total authorized number of grants to be given under this title in a single year, as specified in section 403(a).

PROGRAM REQUIREMENTS

SEC. 404. (a) Each locality receiving assistance under this title shall, within sixty days after grant receipt, publish a document or series of documents describing its current and proposed energy conservation or renewable energy resources development programs. Such document or documents shall include information comparable to that required of title III grant recipients, as established in section 303.

(b) Each locality receiving assistance under this title shall make all materials published in accordance with subsection (a) available to other localities, either in response to direct requests from localities or through the services of the Local Energy Reference Center, in accordance with section 602. No fee shall be charged to distributees of such materials.

(c) Each locality receiving assistance under this title shall designate one person to serve for three years on the Technical Assistance Panel, established under title VII. This person may be a local official or other individual who is knowledgeable and experienced in the areas of energy conservation and renewable energy resources development.

TITLE V—GENERAL GRANT GUIDELINES

GUIDELINES

SEC. 501. Grants under title III and title IV shall be awarded, to the maximum extent feasible, in a manner which ensures—

(1) representation of a broad range of local government energy conservation and renewable energy resource development initiatives;

(2) an equitable distribution among localities of varying population size, and a fair representation of different types of political subdivision;

(3) an equitable distribution among localities within each of the ten Federal administrative regions; and

(4) adequate consideration of other demographic characteristics which the Secretary may deem relevant to the purposes of this Act.

TITLE VI—LOCAL ENERGY REFERENCE CENTER

ESTABLISHMENT OF LOCAL ENERGY REFERENCE CENTER

SEC. 601. (a) The Secretary shall establish a Local Energy Reference Center, to serve as a data bank and information resource for localities throughout the Nation. The Local Energy Reference Center shall be established through a contractual arrangement with an organization experienced in information dissemination to localities, such as a national organization representing elected local government officials, or a consortium of such organizations.

(b) The local Energy Reference Center shall have a paid, full-time director who is responsible for carrying out the provisions of section 602 and 603.

RESPONSIBILITIES

SEC. 602. The Local Energy Reference Center shall, to the maximum extent feasible—

(1) keep on file all documents published under title IV, and compile a periodically updated list of such documents;

(2) collect additional information which is relevant to the purposes of this Act;

(3) develop a computer data base which maximizes the availability, flexibility, and usefulness of all information relevant to the purposes of this Act;

(4) coordinate the activities of the Technical Assistance Panel, established under title VII;

(5) respond to requests by local officials for information on locally based measures to conserve energy or develop renewable energy resources, by—

(A) drawing upon the resources of the computer data base;

(B) providing copies of documents published under title IV of this Act;

(C) referring such requests to a member of the Technical Assistance Panel, established under title VII; or

(D) referring such requests to appropriate public or private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local government officials; private, non-profit organizations; and private industry;

(6) organize conferences and seminars for local officials on issues relevant to the purposes of this Act; and

(7) publicize to units of local government the services offered by the Center.

TITLE VII—TECHNICAL ASSISTANCE PANEL

ESTABLISHMENT OF PANEL

SEC. 701. The Local Energy Reference Center shall have responsibility for coordinating the activities of a Technical Assistance Panel, which shall serve as an information

resource for localities seeking to establish measures to conserve energy or develop renewable energy resources.

MEMBERSHIP

SEC. 702. (a) Each locality receiving assistance under title IV shall designate one person to serve on the Technical Assistance Panel, in accordance with the provisions of section 404(c).

(b) The Secretary may appoint to the Panel up to 10 additional persons per year. These persons shall be knowledgeable and experiences in the areas of energy conservation and renewable energy resources development, and may be—

(1) officials from localities which have not received assistance under title IV; or

(2) other members of the public.

PANEL FUNCTIONS

SEC. 703. (a) Panel members shall respond to information requests from localities and the Local Energy Reference Center by—

(1) sending copies of the document or documents which they have published under title IV; or

(2) engaging in direct consultation via telephone or written correspondence.

(b) Panel members may, subject to the approval of the director of the Local Energy Reference Center, undertake site visits to assist local officials in investigating measures to conserve energy or develop renewable energy resources. Localities receiving assistance through site visits shall provide a minimum of 50 percent of the expenses of such visits. The Local Energy Reference Center shall provide the remaining expenses.

TITLE VIII—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATIONS

SEC. 801. (a) There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, $15,000,000 for the fiscal year ending September 30, 1980; $20,000,000 for the fiscal year ending September 30, 1981; and $20,000,000 for the fiscal year ending September 30, 1982.

(b) Not less than sixty percent of the amount appropriated each year under subsection (a) shall be distributed to localities according to the provisions of title III.

(c) Not less than eight percent of the amount appropriated each year under subsection (a) shall be distributed to localities according to the provisions of title IV.

(d) Not less than seven percent of the amount appropriated each year under subsection (a) shall be used according to the provisions of titles VI and VII.

COMMENTS ON THE LOCAL ENERGY MANAGEMENT ACT

"As mayor of a large Northeastern city, I understand fully the problems of our nation's overdependence on imported oil and the need to develop viable energy conservation measures. The Northeast, with 70 percent of its residential oil and 30 percent of all its petroleum products coming from foreign markets, is particularly vulnerable to rising OPEC prices and is thus intensely concerned with the development of alternatives to energy derived from fossil fuels.

"I am extremely interested in and supportive of the Local Energy Management Act of 1979. . . . This Act would finally provide local governments with both the incentives and the resources to pursue solutions to their energy problems. . . . Given the opportunity, local governments will display a level of creativity in resolving their energy problems seldom seen on either the Federal or State level."—Mayor Kevin H. White, Boston, Mass.

"We read with great pleasure your introduction of the Local Energy Management Act of 1979. . . . We foresee great energy savings from this proposal at a very small Federal investment."—Bernard F. Hillenbrand, Executive Director, National Association of Counties.

"The Local Energy Management Act of 1979 should certainly provide much-needed assistance to local governments. . . .

"Davis has been besieged with demands from all over the United States and other countries . . . for information, presentations, and explanations about its program. . . .

"It is time for the Federal government to recognize and respond to the needs of local governments for information and technical assistance. The type of response at the local level to energy conservation is highly important to the achievement of national goals in the supply of energy."—Mayor Thomas J. Thomasi, Davis, Calif.

"Your legislation shows a clear recognition of what the local level is capable of accomplishing when working to conserve energy."—Mayor Charles Royer, Seattle, Wash.

"I support the Local Energy Management Act as an appropriate means to stimulate energy conservation at the local government level. I am pleased that funds from this proposed legislation will be distributed among localities of varying population. Too often, smaller cities such as Galesburg cannot utilize the technology implemented in larger cities."—Mayor Robert W. Kimble, Galesburg, Ill.

"The Local Energy Management Act. . . . would for the first time provide an organized system of energy assistance to local governments designed to encourage city creativity, fill urban information gaps and make expert advice available to local policymakers. The benefits the nation would derive from this legislation are likely to far outdistance the costs.

". . . we are hopeful that this will be the year in which the door is open for the full participation of cities in the development and implementation of national energy policy."—John J. Gunther, Executive Director, U.S. Conference of Mayors.

SUMMARY: LOCAL ENERGY MANAGEMENT ACT OF 1979 (SENATOR PERCY)

GENERAL PURPOSES

Localities * can play a central role in determining our nation's energy policy. These units of government can stimulate major energy savings and can foster the development of renewable resource-based technologies, through building regulations, zoning codes, procurement guidelines, transportation policies, loan programs, and educational campaigns. A concerted effort by localities nationwide to conserve energy and develop renewable energy resources could significantly lessen America's need for imported oil.

In spite of their enormous potential, localities are often crippled by a lack of information and technical expertise in the energy field. To date, the Federal government has done little to address this problem.

The Local Energy Management Act of 1979 is designed to stimulate broader local involvement in energy conservation and renewable energy resources development. The three interlocking programs created by this Act would be assigned to the Secretary of Energy, who would administer them through the Assistant Secretary for Conservation and Solar Applications. These programs are outlined below.

DEMONSTRATION GRANT PROGRAM

The Demonstration Grants Program would offer grants to selected localities for the development of measures to conserve energy or promote the expanded use of renewable energy resources. In applying for such grants, localities would be required to provide general demographic information and a brief description of their projected mechanisms for exploring energy conservation or renewable energy resources development options.

At the end of the grant period, each participating locality would be required to submit to the Secretary a report describing: (1) those measures which it has introduced, or proposes to introduce, to conserve energy or develop renewable energy resources; (2) the present or potential effectiveness of such measures; (3) the capital requirements and administrative costs of implementing such measures; (4) the adopted or proposed funding mechanisms for such measures; (5) the pay-back period for such measures; (6) the mechanisms adopted or proposed for the purpose of stimulating the involvement, where applicable, of private industry, particularly small businesses; (7) the mechanisms adopted for the purpose of involving the public in energy policy development; and (8) the views of major interested parties, including low-income individuals where applicable, regarding the adopted and proposed measures.

Demonstration Grants would be of one- or two-year duration, to be determined by the Secretary, and in no cases would exceed $80,000 per grantee.

DOCUMENTATION AND DISTRIBUTION GRANTS PROGRAM

The Documentation and Distribution Grants Program would provide funding to a maximum of sixty localities per year, for the purpose of preparing and distributing practical information on measures which they have undertaken, or propose to undertake, to conserve energy or develop renewable energy resources. Grants would be awarded to localities whose proposed publications would offer a unique contribution to the body of knowledge in these areas. Prior recipients of Demonstration Grants as well as other localities would be able to apply for grants under this program.

Each recipient of a Documentation and Distribution Grant would be required to: (1) publish, within 60 days, a document or series of documents describing in detail its current and proposed energy conservation and renewable energy resources development measures; (2) make these published materials available to other localities free of charge, either in response to direct requests from localities or in response to requests from the Local Energy Reference Center (described below); and (3) appoint one person to serve on a Technical Assistance Panel (described below), which would be coordinated by the Local Energy Reference Center.

The Secretary would have discretionary power to waive or amend the general program requirements listed above, in cases where localities presented innovative proposals for preparing and distributing information about their programs (e.g., audio-visual presentations, mobile workshops, etc.)

Documentation and Distribution Grants would be renewable, to meet ongoing printing and mailing costs. Renewed grants would not count towards the yearly maximum of sixty grants.

LOCAL ENERGY REFERENCE CENTER

The Local Energy Reference Center would serve as a data bank and clearinghouse for information on locally based energy conservation and renewable energy resources development efforts. To minimize the Department of Energy's administrative burdens, and to make maximum use of existing resources, the Local Energy Reference Center would be established outside of the Department, through a contractual arrangement with an organization or a consortium of organizations

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* For the purposes of this Act, "locality" or "local unit of government" means any city, county, town, municipality, or other political subdivision which is a unit of general purpose local government of a State or United States territory.

currently involved in disseminating information to local government officials. The contracted organization or consortium of organizations would appoint a paid, full-time director of the Center.

The Center's responsibilities would be: (1) to keep on file and compile a periodically updated list of all materials published through the Documentation and Distribution Grants Program; (2) to collect information on other locally based initiatives; (3) to develop a computer data base to maximize the flexibility and usefulness of the available information; (4) to assemble a Technical Assistance Panel (described below); (5) to respond to information requests from local officials, by drawing upon its own information resources or by referring such requests to a member of the Technical Assistance Panel or an appropriate public or private agency; (6) to organize conferences and seminars for local officials on issues pertaining to energy conservation and renewable energy resources development; and (7) to publicize the services offered by the Center.

The Center would also be responsible for creating and maintaining a Technical Assistance Panel, to provide a vehicle for direct communication between localities which are working to conserve energy or develop renewable energy resources. All localities receiving Documentation and Distribution Grants would be represented on the Panel. The Secretary would be empowered to appoint a maximum of ten additional qualified individuals per year to serve on the Panel.

Panel members would respond to information requests from localities and the Local Energy Reference Center by: (1) sending documents describing efforts with which they have been affiliated; (2) engaging in direct consultation via telephone or written correspondence; or (3) undertaking site visits. Localities receiving assistance through site visits would pay a minimum of 50 percent of the expenses of such visits. The Local Energy Reference Center would pay the remaining expenses.

FUNDING

Funding for the Local Energy Management Act would be $15 million for the first year, and $20 million for each of the second and third years.

The Demonstration Grants Program would receive a minimum of 60 percent of the authorized funds; the Documentation and Distribution Grants Program would receive at least 8 percent of the funds; and a minimum of 7 percent of the funds would be allocated to the Local Energy Reference Center, with some portion thereof, to be determined annually by its Secretary, to be earmarked for site visits by the Technical Assistance Panel.

By Mr. JOHNSTON:

S. 1538. A bill to amend section 210 of the Agriculture Act of 1956 (7 U.S.C. 1859) to permit the donation of agricultural commodities acquired through operations under section 32 of Public Law 320, 74th Congress, as amended (7 U.S.C. 623c), to certain penal and correctional institutions; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. JOHNSTON. Mr. President, today I am introducing legislation to amend section 210 of the Agriculture Act of 1956 to permit the donation of agricultural commodities to certain charitable institutions under section 32 of Public Law 320, the Agriculture Act of 1935.

Section 32 of the Agriculture Act of 1935 empowers the Secretary of Agriculture to purchase and distribute surplus perishable commodities. These commodities including canned and frozen meats, cheeses, and various types of fruits and vegetables, are only available to school lunch programs, senior citizen nutrition programs, and State correctional institutions for minors. This change would allow section 32 commodities to be distributed to State and county correctional facilities classified as charitable institutions.

With local correctional facilities facing the all too familiar budgetary squeeze caused by skyrocketing energy and, food prices, it is becoming increasingly more difficult for these facilities to provide adequate diets for those confined. An extension of section 32 would help ease the squeeze and provide more flexibility for the facilities limited dollar. Inasmuch as these institutions are eligible for section 416 commodities, the mechanism is in place to distribute these commodities with little additional personnel. In addition, this change would save storage costs for surplus goods.

I believe this is a needed change and I hope it will be approved.●

By Mr. PROXMIRE:

S. 1539. A bill to provide for a study of foreign acquisitions of domestic financial institutions, to impose a moratorium on such acquisitions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FOREIGN BANK TAKEOVER ACT

Mr. PROXMIRE. Mr. President, I send to the desk for appropiate reference a bill which will place a moratorium on the acquisition of U.S. banks over $100 million in assets by foreigners until April 1, 1981.

A healthy banking system is essential to the well being of our economy. Bank credit to communities is the lifeblood of commerce and industry. Monetary policy set by the Federal Reserve is translated into reality in the marketplace by banks. Since the banking system is so central to our way of life it is important that Americans control their own financial destiny.

Foreign banks have been and are welcome in the United States. Until recently foreign banks enjoyed privileges that our own banks did not have to establish domestic deposit taking branches across State lines. In the last Congress, with the passage of the International Banking Act, the principle of competitive equality between foreign and domestic banks operating in the United States was established.

Competitive equality means foreign banks are welcome here and are accepted and treated as our own. We expect our banks to be treated the same in countries where they operate.

Unfortunately, foreign banks continue to operate in the United States in a manner which our own banks are forbidden and ways in which our own banks could not operate abroad. I refer, of course, to the ability of large foreign banks to acquire large American banks. Since 1970 59 American banks with assets over $20 billion have been acquired by foreign banks. Many of these have been in the multibillion range.

We must proceed with caution, Mr. President, lest we wake up one morning and find some of our largest banks the subject of foreign takeovers.

That is why this legislation I am today introducing places a moratorium on big bank acquisitions until the matter is thoroughly studied and Congress has had a chance to act.

Mr. President, I want it clearly understood that foreign banks are welcome in the United States. During the period of the moratorium foreign banks can freely enter the United States de novo or by acquiring a small bank. This type of entry improves competition and does not pose a threat of a world oligopoly by big foreign banks or to our own domestic interests.

During the period of the moratorium the President is mandated to study and make recommendations to the Congress on the competitive foreign policy, credit granting, monetary policy, and safety and soundness implications of foreign bank takeovers of large U.S. banks.

Mr. President, this bill will give this Congress a chance to make an informed decision respecting foreign bank takeovers. I commend this legislation to my colleagues and 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. 1539

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Foreign Bank Takeover Act".

MORATORIUM

SEC. 2. No foreign person may acquire any United States financial institution with assets of over $100 million prior to April 1, 1981.

STUDY

SEC. 3. The President, in consultation with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall conduct a study to determine—

(1) the effect of foreign takeovers of domestic financial institutions on competition in world banking markets, in the national banking market of the United States, and in the regional banking markets within the United States;

(2) the effect of foreign takeovers on credit-granting by domestic financial institutions;

(3) the effect of foreign takeovers of domestic financial institutions on the monetary policy of the United States;

(4) the potential impact of various possible foreign policy changes, including changes of foreign governments, on domestic financial institutions which are owned or controlled by foreign persons; and

(5) the adequacy of the current regulatory structure and of the laws relating to domestic financial institutions to provide for the effective handling of any problems identified in the course of such study.

The President shall transmit to the Congress, not later than July 1, 1980, a report of the results of such study, including such recommendations for legislative, administrative, or other action as he deems appropriate.

DEFINITIONS

SEC. 4. As used in this Act—

(1) "domestic financial institution" means any bank, mutual savings bank, or savings and loan association organized under the laws of any State or of the United States;

(2) "foreign person" means any foreign organization or individual resident in a foreign country or any organization or individual owned or controlled by such organization or individual; and

(3) "takeover" means any acquisition of the stock or assets of any domestic financial institution if, after such acquisition, the amount of stock or assets held is or will be five percent or more of the institution's stock or assets.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 96. A joint resolution authorizing the President to proclaim September 28, 1979, as "National Indian Day"; to the Committee on the Judiciary.

AMERICAN INDIAN DAY

● Mr. GOLDWATER. Mr. President, it is my privilege today to introduce a joint resolution, together with my colleague from Arizona (Mr. DECONCINI), to proclaim September 28, 1979, as "National Indian Day."

Mr. President, Indians, as we know them, settled in what we call the United States over 10,000 years ago. They have lived across the length and breadth of this land during those years and became concentrated originally in large tribes which today have been reduced in their numbers but, nevertheless, remain high with about 400 tribes within the continental limits of the United States.

We call ourselves Americans and we do this with great pride, but if there are original Americans living within the confines of the United States, those people have to be the American Indian.

The impact of these people upon our daily lives is little realized by the average citizen of our country. There is hardly a State that does not contain many Indian names within their boundaries, names of rivers, mountains, valleys, and towns. The cultural contributions of the American Indian to our way of life is probably greater than any other source of culture and, yet, we fail to recognize this contribution.

We have days named after nearly every source of origin of people in this country except the original ones, the Indian. Keep in mind that they have been here over 10,000 years and the first non-Indian set foot within the United States just a little over 400 years ago. If there is anyone or any group who should be recognized by an official day by our Government, it is the American Indian.

Mr. President, our proposal passed the Senate unanimously on May 8, 1975, but it was not acted on by the House of Representatives. I hope, and urge, that the legislation will receive prompt attention in both Houses this year, and that the designation of "National Indian Day" will contribute to a greater public understanding of the American Indian.

Mr. President, I ask that the text of the resolution be printed in the RECORD.

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

S.J. RES. 96

Whereas American Indians have made important contributions to the cultural and social history of the Nation; and

Whereas American Indians are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to American Indians for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 28, 1979, as "National Indian Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 1070

At the request of Mr. PERCY, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 1070, a bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residency to have a sponsor who will contract to support him for 3 years, or to have other means of support.

S. 1112

At the request of Mr. LEAHY, the Senator from Michigan (Mr. LEVIN) 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. 1246

At the request of Mr. KENNEDY, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 1246, the Energy Antimonopoly Act of 1979.

S. 1250

At the request of Mr. STEVENSON, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 1250, the National Technology Innovation Act of 1979.

S. 1270

At the request of Mr. JAVITS, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Rhode Island (Mr. PELL), the Senator from Vermont (Mr. STAFFORD), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1270, the Basic Fuel Assistance Act of 1979.

S. 1289

At the request of Mr. HEINZ, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 1289, a bill to amend title XVIII of the Social Security Act to eliminate discrimination with regard to coverage for treatment of mental illness under medicare and to include community mental health centers among the entities which may be qualified providers of service for medicare purposes.

S. 1465

At the request of Mr. TALMADGE, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

SENATE RESOLUTION 184

At the request of Mr. HELMS, the Senator from California (Mr. CRANSTON) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Resolution 184, regarding the matter of Josef Mengele.

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. GLENN, he and the Senator from North Carolina (Mr. HELMS) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Concurrent Resolution 17, to express the sense of the Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

SENATE RESOLUTION 198—ORIGINAL RESOLUTION REPORTED INCREASING THE LIMITATION ON EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAYH, from the Select Committee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 198

Resolved, That the first section of Senate Resolution 76, Ninety-sixth Congress, authorizing expenditures by the Select Committee on Intelligence, agreed to March 7, 1979, is amended by striking out "$12,000" and inserting in lieu thereof "$42,000".

AMENDMENTS SUBMITTED FOR PRINTING

EXPORT ADMINISTRATION ACT OF 1979—S. 737

AMENDMENTS NOS. 340 THROUGH 352

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

Mr. JACKSON (for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, JR., Mr. TOWER, and Mr. MOYNIHAN) submitted 13 amendments intended to be proposed by them, jointly, to S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

○ Mr. JACKSON. Mr. President, on behalf of myself and Senators NUNN, HOLLINGS, COHEN, HATCH, HARRY F. BYRD, Mr. TOWER, and MOYNIHAN, I am today submitting several amendments to S. 737, the Export Administration Act of 1979.

In recent days there have been confirmed reports that the Kama River truck plant, built in the U.S.S.R. with American technology is turning out diesel engines for military vehicles. Also, in recent testimony before a House subcommittee, the then Acting Director of the Office of Export Administration (OEA) at the Commerce Department said that the export control process is "a shambles." In this connection, he pointed out that Department of Commerce's judgments on license applications are not reliable because of the "very, very strong trade promotion focus of the Department and a significant application backlog which precludes ade-

quate analysis of applications. These matters are discussed in newspaper articles by Jack Anderson (Washington Post—July 16 and 17, 1979) and Richard Burt of the New York Times (May 24, June 2 and 18, 1979).

The proposed amendments are intended to encourage a more effective framework for the identification and effective control of exports of critical technologies which would make a significant contribution to the military potential of the Soviet Union and other countries which threaten U.S. national security. The improvements that would result from these amendments would also permit relaxation and elimination of unnecessary controls. These amendments are discussed in a "Dear Colleague" letter and in the explanations following each amendment.

Mr. President, I ask unanimous consent that the aforementioned newspaper articles, the text of the amendments and explanatory statements, and the "Dear Colleague" letter be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C. June 16, 1979.

DEAR COLLEAGUE: The Senate will soon be considering S. 737, the Export Administration Act of 1979, which would amend and replace the existing Export Administration Act of 1969. This law is the fundamental legislative charter for the control of exports of commercial and other civilian goods and technologies which also have military applications. Export controls are intended to prevent the transfer to nations which pose a threat to our national security of goods and technologies which would make a significant contribution to their military potential.

In the last decade the Soviet Union has spent, for strategic nuclear forces alone, $104 billion more than the United States. Only because of our considerable lead in sophisticated technology have we been able to maintain a military balance in the face of a massive Soviet investment in armaments and military forces. However, improvident, shortsighted sales of advanced technology to the Soviet Union and a loose and inefficient export control system threaten to undermine the narrowing technology gap on which our security increasingly depends.

In recent days there have been confirmed reports that the Kama River truck plant, built in the USSR with American technology is turning out diesel engines for military vehicles. Also, the Acting Director of the Office of Export Administration (OEA) at the Commerce Department recently testified to a House Subcommittee that the export control process is "a shambles." In this connection, he pointed out that Department of Commerce's judgments on license applications are not reliable because of the "very, very strong trade promotion focus of the Department" and a significant application backlog which precludes adequate analysis of applications.

With a view to encouraging a more coherent system of controls on the export of sophisticated technology to the Soviet Union and other countries whose military forces might threaten the United States and its allies, we have prepared several amendments to S. 737. These amendments would not impose any additional burdens on trade. Rather, they would provide a more effective framework for the identification and effective control of truly security sensitive technologies and for the relaxation and elimination of unnecessary controls.

One series of proposed amendments would place the primary responsibility for formulating a list of technologies and goods that would be subject to national security controls where it properly lies—with the Secretary of Defense. At present and under S. 737 this responsibility is lodged in the Department of Commerce and the Secretary of Defense has only an advisory role. The Commerce Department is over-burdened with some 70,000 license applications each year, and lacks the expertise to formulate the list of critical military technologies.

The bill provides that national security controls should give priority to critical technologies and goods which transfer such technology, but fails to specify the form of control that should be imposed. If a critical technologies approach to national security export controls is to achieve its purpose, there must be a clear policy directive from Congress as to how these technologies and related goods should be controlled.

Experience has shown that the Soviet Union and other Warsaw Pact nations have acquired and will continue to seek advanced American technologies in order to enhance their military power. The bill would merely continue the status quo in which determinations of whether to permit export of an item to a Communist nation are made on an ad hoc basis in the licensing process. Licenses may be granted on the basis that the recipient nation makes a representation that the "end-use" will be non-military or on the basis that there are safeguards against diversions to military use.

However, end-use statements and safeguards provide no protection against the diversion of "critical" technology or goods. By definition, they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. A proposed amendment would direct that, to the maximum practicable extent consistent with the provisions of the Act, exports of critical items shall be prohibited to nations threatening U.S. security. This would also have the benefit of obviating many unnecessary license proceedings.

A related proposed amendment would direct that export of critical goods and technologies to non-Communist nations be subject to validated license controls which are reasonably designed to prevent the re-export of such critical items to Communist nations. Present export regulations generally do not control such exports of technologies. As a consequence, many sensitive technologies—including those employed in the Cruise Missile System—can be exported to most non-Communist nations without having to obtain advance clearance from the Government. Given this loophole, the opportunities for Soviet acquisition of U.S. technologies are alarming.

In order to enable the Department of Defense to carry out its responsibilities under the Act, an amendment would provide a specific authorization for appropriations.

We also propose to amend the Act by setting down a more serious evidentiary test before concluding that advanced technologies or goods are available from sources other than the United States. Too often a mere assertion of "foreign availability" has been used to justify licenses to export when close investigation might have revealed that United States suppliers exercised effective control over the goods or technology involved.

In the event that potential foreign availability exists, a related amendment would require the Secretary of State to certify that negotiations with the appropriate foreign governments to eliminate such availability have not been successful prior to permitting an export. Also, in order to strengthen our Government's hand in eliminating foreign availability of critical goods and technologies, we propose to authorize the President to take effective countermeasures against nations that permit the sale of such technologies or goods to countries threatening U.S. security. This provision would give the United States leverage it does not now have to discourage other countries from exploiting our effort to exercise reasonable controls on the flow of advanced technology to the Soviet Union and adversary nations.

Another proposed amendment deals with a section of the bill which would provide for the automatic decontrol of goods and technologies based upon projections of obsolescence. It is extremely difficult to predict with any degree of accuracy when goods or technologies will become obsolete (i.e., no longer used) by U.S. standards. However, it is impossible to predict the rate of obsolescence by the standards of the Soviet Union or other nations subject to national security controls. To suggest by law that these relative rates of obsolescence can be predicated with mathematical precision is dangerous folly. Accordingly, the amendment would delete this automatic decontrol provision.

We urge your consideration and support of the foregoing and other attached amendments. If you would be interested in sponsoring or co-sponsoring one or more of those amendment, please have a member of your staff contact Richard Perle at Ext. 4-9732 or Peter Sullivan at Ext. 4-9882.

Sincerely,

Henry M. Jackson, Ernest Hollings, Orrin G. Hatch, John Tower, Sam Nunn, Bill Cohen, Harry F. Byrd, Jr., Daniel P. Moynihan.

[From the Washington Post, July 16, 1979]

(By Jack Anderson)

SOVIETS BUYING SENSITIVE U.S. COMPUTERS

Greedy American businessmen, reluctant bureaucratic regulators and detente-smitten presidents have combined to provide the Soviet Union with sophisticated militarily useful machinery from our technological arsenal.

The workings of this incredible triple whammy were described a few weeks ago to the House Armed Services Committee in secret testimony by Larry Brady, who was then the acting director of the Commerce Department's export office.

Some years ago, remembering Pearl Harbor and the U.S. scrap iron that had helped to build the Japanese war machine, Congress passed a law designed to ban the sale of "sensitive" products that could be converted to military use by our communist adversaries. Several thousand items on the "Commodity Control List" can be exported supposedly only after careful review and approval by federal watchdogs.

But Brady told the House committee bluntly "The export control system, as it is today, is a total shambles." The safeguards written into the regulations are "not worth the paper they're written on," he said.

For example, before the Russians can get permission to purchase certain products, they must sign a statetment that they won't use the American-made hardware for military purposes. "Otherwise, we wouldn't approve it," Brady explained.

But sources told our associate Dale Van Atta that there is no effective way to make sure the Soviets live up to their promise. Instead, the Commerce Department relies on the fox to guard the henhouse; on-site inspections are made by representatives of the U.S. companies that sold the products. Not only are these employes often non-Americans but they have a strong motive for ignoring any Soviet violations. Explained Brady: "The company wants to sell more . . . and he knows very well that if he reports a diversion [to military use], he's not going to be able to sell more."

For the same selfish reason, American company executives are unlikely to squeal on their customers, another Commerce Depart-

ment official told us. "Unless, they're super-patriots, they have a very large stake in not informing," he said.

Yet sources told us it can be assumed anything that can be used for military purposes will be put to such use by the Russians. Brady cited one example to the committee: the huge Soviet truck plant on the Kama River, largest of its kind in the world. It was built with some $500 million worth of American designs, tools and computers.

Brady testified that he had recently confirmed the use of the Kama River plant to make military vehicles and parts. "The file indicates that we knew at the time the license was made . . . at the White House in 1974 . . . that they would manufacture more engines than trucks," he said.

Another top official told us, "Any reasonable individual knew then that the extra engines and other things would go to the military." Despite objections on this score, then-Secretary of State Henry Kissinger approved the sale.

Computers are the source of the most intense controversy. "For all practical purposes, when you export a computer, you lose control over it," Brady explained. There is, he said, "no real way" it can be determined whether a computer has been diverted to military use. But last year President Carter approved the sale of a large plant for producing oil drill bits, and the plant includes a computer.

One congressman expressed concern over the sale of computers in a fully automated traffic-control system for Kova Airport in Russia, noting the presence of "many bunkers" and jet fighters at the facility.

Business firms and their political allies have been pressuring the Commerce Department to loosen the controls on exports still further. "We should begin to have a little more backbone in the process," the outspoken Brady told the House committee.

Washington Whirl—More than one irate motorist has thought it might be worthwhile to "let 'em eat sand"—that is, to withhold U.S. grain and other commodities from the oil-producing nations that are ripping us off. In December 1974, Iran's Shah Mohammed Reza Pahlevi, of all people, had a better idea. Concerned at the way inflation was driving up the cost of necessities the oil exporters were buying from the West, the shah proposed that the price of oil be tied to the price of 20 or 30 imported commodities. The price-indexing system found favor among several of the oil cartel nations, a State Department official told us. But no one in this country took the idea seriously. Lost opportunities get zero miles per gallon.

[From the Washington Post, July 17, 1979]

(By Jack Anderson)

TWO WHO TALKED ARE SHIFTED

Now and then, a brave soul will step out of the shadows of government, stand in the glare of publicity and declare the truth to all who will listen This may lay him open to the most depressing harassments, for our society has not yet outgrown the hoodlum ethos, which honors the man who covers up his boss's deviousness above the employe who exposes it. Here is the story of two men who dared to speak up.

Larry Brady: He is a Commerce Department official who was rash enough to give a congressional committee his honest opinion about the Carter administration's dealings with the Soviet Union. His boss, Stanley Marcuss, had just finished painting a rosy picture of the export office's control over what is sold to the Russians.

As we reported earlier, Brady told the committee that the export office was approving sales to the Soviets of sophisticated computers and other technology that could be diverted to military purposes. The testimony, taken in secret, has not yet been released to the public.

For giving Congress testimony that contradicted the official line, Brady already has been reprimanded, transferred and advised to stop talking to Congress or reporters.

Brady was acting director of the export office when he was called as a witness. He entered a mild demurrer to his superior's testimony, stating that in his opinion the safeguards against military use of American imports were not adequate.

Next day, when Brady resumed his closed-door testimony, he told the congressmen he had been called that morning by Marcuss, who "indicated he was a little uptight with the remark I had made last night about safeguards."

Chairman Richard Ichord (D-Mo.) asserted the committee's right to get straight testimony from government witnesses. He noted that the Office of Management and Budget had threatened several witnesses during the export hearings. Such threats, he warned, "could very well be the subject of separate hearings."

Perhaps emboldened by this encouragement, Brady proceeded to speak frankly: The export control system, he said, "is a total shambles." Shortly after his heretical testimony, he was bounced from his job. Yet sources told our associate Dale Van Atta that Brady had been considered "very competent" until he testified so forthrightly.

Brady wasn't actually fired. He was given the post of deputy director of the export control unit—but only on condition that he not talk to Congress or the press without prior clearance from his higherups. Our sources say he hasn't yet agreed to this condition.

When we contacted him, Brady said he couldn't comment on either his secret congressional testimony or his present job situation.

Dennis Bossard: He was a court stenographer who refused to be bullied into lying to cover up an improper remark by U.S. District Judge John H. Pratt. For defying the judge and sticking to the truth, Bossard was fired.

As we reported earlier, Judge Pratt, aware of the impropriety of a remark he had made on the bench, sent his secretary to persuade Bossard to delete the remark from his transcript of the court proceedings. Destroying court records happens to be a felony, and Bossard quite rightly refused the request. Instead, he blew the whistle on Pratt.

During the subsequent FBI investigation of the incident, Pratt denied having an incriminating conversation with Bossard—unaware that the court reporter had secretly taped the conversation. Despite the damning evidence of the tape, both Pratt and his secretary got off scot free.

Bossard was not so lucky. Though he taped the conversation for his own protection and the tape was turned over to the FBI, he was left to the mercy of the judge's wrath.

Pratt angrily notified Bossard's boss that he no longer would allow the stenographer to work in his courtroom. The judge cited other reasons for his action, but court sources told our associate Gary Cohn there was no doubt Pratt was taking vengeance on Bossard.

Then one of Pratt's buddies, Judge John Lewis Smith Jr., also ruled that Bossard would not be allowed in his courtroom. And another, Judge Oliver Gasch, grilled court employes about Bossard and turned the results of his "investigation" over to Pratt.

The court clerk, James Davey, finally told Bossard he was fired because he had taped the embarrassing conversation with Pratt. Still hoping the system works, Bossard has filed an appeal with Chief Justice William B. Bryant of the Washington, D.C. district. Bryant has put Bossard back on the payroll for the time being until he makes his final decision in the next few weeks.

[From the New York Times, May 24, 1979]

SOVIET TRUCK PLANT LINKED TO MILITARY

(By Richard Burt)

WASHINGTON.—United States intelligence officials said today that a Soviet truck-manufacturing plant built with American help was producing engines for military vehicles.

According to the officials, a Central Intelligence Agency officer, testifying at a closed hearing of the House Armed Services subcommittee, confirmed a secret Government report that said some of the 50,000 diesel engines produced annually at the truck plant were being installed in military vehicles.

The witness Hans Heymann, who is the C.I.A.'s national intelligence officer for political and economic affairs, did not say how many of the diesel engines were being diverted for military use.

Officials of the Defense Department and the Commerce Department said the apparent production of the engines for military use did not violate any existing trade understanding. They also said that the equipment sold to the Soviet Union for the construction of the truck plant had been considered to pose no significant security risks to the United States.

DEBATE OVER EXPORT LICENSING

The disclosure comes in the middle of a debate on Capitol Hill over proposed amendments to the 1969 Export Administration Act that would modify procedures for approving the sale of industrial goods to the Soviet Union. Critics of the amendments said Mr. Heymann's testimony demonstrated the risks of loosening restrictions on the transfer of technology.

The truck plant, which is located on the Kama River at Naberezhnyye Chelny, 500 miles east of Moscow, was designed to produce 150,000 trucks and 250,000 engines a year when completed. The first stage of the plant that has been completed assembled its first trucks in 1976 and, according to Soviet plans, is scheduled to turn out 70,000 trucks this year.

About 30 percent of the plant's equipment is said to have been purchased from American concerns, including International Business Machines Corporation, Swindell-Dressler Company of Pittsburgh and Ingersoll-Rand of Rockford, Ill. The equipment consists of $500 million worth of machine tools, computers, foundries and industrial designs..

U.S. EXPECTED SOME MILITARY USE

Pentagon officials have said that, while the United States recognized that the complex could be used for military purposes, the sales had been approved on the assumption that the plant would be used mainly to produce civilian trucks.

But the Defense Department officials acknowledged that the American Embassy in Moscow, in a report to Secretary of Defense Harold Brown in March, said that, in line with Soviet practice, the plant was being used for both civil and military production.

The embassy report, which was obtained by The New York Times, said that a team of Ingersoll-Rand engineers had visited the plant earlier this year and later told embassy officials: "From what we saw, it appears that many of the engines are going into military trucks and other military vehicles, such as armored personnel carriers and assualt vehicles."

"In approving the sales, our basic consideration was that if we did not make the sales, other Western nations would," a Pentagon official said.

Nevertheless the reports of military production have fostered opposition in the House to the amendments to the Export Administration Act, which are being offered by Representative Jonathan B. Bingham, Democrat of New York, and others. The amendments would speed the process of

approving export licenses by no longer requiring the Commerce Department to approve sales on a case-by-case basis. Similar legislation is being sponsored in the Senate by Adlai E. Stevenson, Democrat of Illinois.

WOLFF OFFERS OWN AMENDMENTS

The legislation is criticized by some members of Congress who maintain that easing the granting of export licenses could work to enhance Soviet military potential. As a result, Representative Lester L. Wolff, Democrat of New York, and others are supporting their own amendments giving the Defense Department a larger role in the licensing process and restricting basic technologies that could be exploited for military ends.

So far, the Administration's position on the amendments is unclear. Secretary of Commerce Juanita M. Kreps is known to be pressing for fewer controls, but she is being resisted by officials in the Defense Department and in the White House who would like to use trade as a lever in relations with the Soviet Union.

[From the New York Times, June 2, 1979]

U.S. AIDE SAYS CURBS ON EXPORT OF TECHNOLOGY TO SOVIET ARE LAX

(By Richard Burt)

WASHINGTON.—A Commerce Department official responsible for monitoring the sale of advanced technology to the Soviet Union and other Communist countries has told a Congressional subcommittee that the Government's system of export controls is "a total shambles."

The statement was made by Lawrence J. Brady, director of the Office of Export Administration, at a closed hearing last week of the House Armed Services subcommittee on research and development.

Asked to give his view on the trade controls, Mr. Brady asserted that, at present, it was nearly impossible for the Carter Administration to insure that advanced technology equipment shipped to the Soviet Union was not diverted to military uses.

ENGINES PUT IN MILITARY VEHICLES

As an illustration, he cited a recent disclosure that engines produced by the Soviet Union's huge Kama River truck plant, built with large-scale American assistance, were being installed in armored personnel carriers and assault vehicles.

In his testimony and in an interview this week, Mr. Brady also maintained that the Commerce Department and other agencies involved in approving sales to Moscow had not been entirely candid in explaining problems of the export control system to Congress.

"The system is in really bad shape," he told the subcommittee, in testimony obtained by The New York Times. "We have a larger backlog of cases than we've ever had and we're getting more in."

Mr. Brady's views are in sharp contrast with the views of his superior, Stanley J. Marcuss, Senior Deputy Assistant Secretary for Industry and Trade, who told the House subcommittee on May 23 that the Administration's export precautions "are sufficient to insure our national security."

CONTROVERSY GROWS ON ISSUE

The split between Mr. Brady and Mr. Marcuss is indicative of a controversy that is boiling up within the Administration over the effectiveness of controls on the sale of advanced American products to the Soviet Union. In part, the controversy has been stimulated by amendments to the 1969 Export Administration Act, now being debated on Capitol Hill, which would ease the granting of export licenses.

But it also reflects a much wider debate in Government circles over whether the summit meeting between President Carter and Leonid I. Brezhnev, the Soviet leader, later this month should be an occasion for starting a new campaign to expand trade with the Soviet-bloc countries.

Several senior Administration aides, including Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance, are known to favor increased trade, but aides in the Defense Department and the White House's National Security Council are more skeptical.

LACK OF SAFEGUARDS ON USE

A notable concern of critics of the existing export control system is that the Administration has inadvertently added to Moscow's military potential by granting export licenses for equipment and then failing to insure adequate measures to guard against diversions to military use.

According to Mr. Brady, the Administration last year denied only about 200 to 300 sales to Soviet-bloc nations of a total of more than 7,000 cases considered. He said that the Commerce Department supported virtually every sale suggested by private industry and that only objections by the Pentagon had led to certain sales being turned down.

[From the New York Times, June 18, 1979]

TECHNOLOGY SALES RULES UNDER FIRE

(By Richard Burt)

WASHINGTON.—The Carter Administration's system for controlling exports to the Soviet Union is suddenly under fire. Businessmen and politicians complain that it is too cumbersome, and security-minded Government officials fear that it has failed to keep American equipment from being used for military purposes.

The system for approving sales of advanced technology by American companies to Communist nations has frequently aroused controversy in the past. But the issue has taken on new importance with the Administration's interest in finding a way to normalize trade relations with the Soviet Union, one of the matters being discussed at the current meeting between Mr. Carter and Leonid I. Brezhnev, the Soviet leader, in Vienna.

BUREAUCRATIC FEUDS CITED

In recent interviews, White House, Commerce Department and Pentagon aides disclosed that bureaucratic feuding, a lack of high-level interest and gaps in intelligence had created serious problems for administering the export system. The officials said there was also little agreement in the Administration or the Congress over how the complex licensing system might be improved.

Legislators are battling over several proposed amendments to the 1969 Export Administration Act. Some of the amendments, such as imposing deadlines for Government response to sales proposals, are designed to facilitate greater trade. But others, such as giving the Defense Department a larger role in approving trade deals, are meant to do just the opposite.

"What we have is the worst of both worlds," said one Defense official involved in approving export licenses. "Companies are furious over what they see as all the impediments in doing business with Moscow but at the same time, we are not very successful in controlling the technology with real military potential."

Within the Administration, too, proponents of increasing trade are contending with officials who are concerned about the possible danger to Western security of selling Moscow advanced computers, machine tools and electrical equipment.

Under the present system, if an item is one of the several thousand products listed on the Government's Commodity Control List, an interagency Operating Committee, headed by the Commerce Department, must pass on the proposed sale.

Representative Jonathan B. Bingham, Democrat of New York, is sponsoring legislation to streamline this process. He charges that companies can wait months and even years before their proposed sales are approved. Such delays, he added, allow suppliers in other countries to take business away from American companies. By one count, the Commerce Department has a backlog of some 2,000 requests for licenses on exports to the East.

While acknowledging the bureaucratic obstacles, Defense Department and some White House aides said that 95 percent of the nearly 7,000 requests last year for the sale of sophisticated hardware to Moscow were approved.

3-YEAR WAIT HURTS COMPANY

But Mr. Bingham cited one instance in which an American company waited more than three years to obtain an export license to sell a process for fabricating metal skin for commercial aircraft. By the time the deal was approved, he said, Moscow had already bought the technology from a French company.

Upset over the red tape involved in exporting to the East, several companies, particularly computer concerns such as the Control Data Corporation and Sperry-Univac, have begun to push for less restrictive controls on Capitol Hill. They have been aided in this effort by such pro-trade groups as the National Governors Conference.

Other critics of the system are more concerned about the national security consequences of exports.

In most cases, American companies are directed to obtain "end use" agreements with Communist governments that prohibit them from diverting American technology to military uses. But the belief is widespread in the Pentagon that the accords are not properly monitored.

As one example, in closed testimony late last month to a session of the House Armed Services Committee, Lawrence Brady, acting director of the Commerce Department's Office of Export Administration, said there was evidence to suggest that computers installed by the International Business Machines Corporation at the Kama River truck plant were being used in the production of military vehicles.

At the Pentagon, other officials contend that Moscow has used Americans seismic equipment to enhance its antisubmarine warfare potential and that American machine tools for producing precision ball-bearings have probably helped Soviet engineers to develop multiple warheads for new intercontinental missiles.

According to officials in several agencies, the problem is made worse by a lack of high-level attention given to export controls.

At the Central Intelligence Agency, officials asserted that little work had been done on whether American exports had significantly added to Soviet military potential—in part, they said, because the topic failed to excite Stansfield Turner, the C.I.A. director.

SENIOR OFFICIALS DISAGREE

Even when senior Administration aides do focus on export controls, they frequently disagree. Last summer, for example, Zbigniew Brzezinski, Mr. Carter's national security adviser, and James R. Schlesinger, Secretary of Energy, pushed for controls to be placed on the sale of oil technology to Moscow. That move was strongly resisted by Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance.

In the absence of high-level attention, disputes between middle-level officials assumed greater significance.

The infighting is apparently most intense in the Commerce Department. While Mr. Brady of the department's Office of Export Administration favors tougher controls, his superior, Stanley Marcuss, the principal deputy assistant secretary for trade and industry, backs increased trade with the East.

KEY POSTS LEFT UNFILLED

According to Mr. Brady, their dispute has contributed to delays and confusion in the export control system because the two officials have been unable to agree on how specific export requests should be handled. In an interview, he charged that morale in the Office of Export Administration was at "rock bottom" and asserted that senior Commerce Department officials had allowed key posts in the office to remain vacant for months.

In response, Mr. Marcuss denied that he had downgraded the Office of Export Administration and said a "vigorous search" was under way for qualified people for the unfilled positions. He also contended that the problems that beset the export control process were not simply a result of internal disputes.

"This is an inherently difficult system to administer," he said. "Unless you want to impose a strict embargo on trade with the Soviet Union, and nobody does, you are going to encounter differences that lead to a certain amount of delay and confusion."

Beginning with page 60, line 25, through page 61, line 1, strike out "The Secretary of Commerce, in consultation with the Secretary of Defense" and insert in lieu thereof "The Secretary of Defense, in consultation with the Secretary of Commerce, and as appropriate, other departments and agencies and technical advisory committees".

On page 63 line 15, strike out "The Secretary of Commerce" and insert in lieu thereof "Subject to the authority of the Secretary of Defense under subsection (a)(2)(B) of this section, the Secretary of Commerce".

On page 64, line 3, after the period, insert the following: "The provisions of this paragraph relating to revisions and changes in such list and assessment of foreign availability apply also to the functions of the Secretary of Defense under subsection (a)(2)(B) of this section.".

At the bottom of page 99, add the following:

"(d) The Secretary of Defense shall have the same authorities and responsibilities as the Secretary of Commerce under paragraphs (1) through (5) of subsection (c) in order to carry out his responsibilities under this Act.".

Explanation: The first part of this amendment would give the Secretary of Defense primary responsibility for identifying goods and technologies which are subject to national security controls. The primary responsibility for administration and enforcement of these controls would remain with the Secretary of Commerce.

The second part of the amendment is a conforming change reflecting the amendment giving the Secretary of Defense primary responsibility for identifying goods and technologies to be subject to national security controls.

The third party of the amendment is merely a conforming change to reflect the above amendment to Section 4(a)(2)(B) giving the Secretary of Defense the primary responsibility for preparing the list of goods and technologies subject to controls for national security purposes.

The fourth part of the amendment merely specifically authorizes the Secretary of Defense to use technical advisory committees, subject to the same conditions as those applicable to the Secretary of Commerce, to assist him in carrying out his responsibilities under the Act.

On page 60, line 22, strike out "military systems" and insert in lieu thereof "capabilities".

On page 61, lines 6 through 10, strike out "for the purpose of insuring that such controls are limited, to the maximum extent possible consistent with the purposes of this Act, to such militarily critical goods and technologies and the mechanisms through which they may be effectively transferred" and insert in lieu thereof "for the purpose of insuring that such controls cover and (to the maximum extent consistent with the purposes of this Act) are limited to such critical goods and technologies and the mechanisms through which they may be effectively transferred".

Explanation: The substitution of the word "capabilities" for the words "military systems" is intended to remove an ambiguity that could result in a misreading of the criteria for "critical" goods and technologies. The concept of critical technology and goods is not limited to technology and goods critical to the design, production, etc. of "military systems," but to any "capabilities" which would make a significant contribution to the military potential of an adversary nation. This clarifying amendment would reflect the fact that the Act deals with technologies and goods which have dual (civilian/military) uses.

The other part of the amendment would conform other language in Section 4(a)(2)(B) to the foregoing amendment and, in addition, make it clear that the purpose of the review is to insure that controls cover critical goods and technologies, as well as to insure that they are limited to such critical items.

On page 61, line 10, after the period add the following: "Rules and regulations for national security purposes shall, to the maximum possible extent consistent with the provisions of this Act, (i) prohibit the export of critical goods and technologies to nations which are deemed to be a threat to the national security of the United States; and (ii) impose validated license controls which are reasonably designed to prevent the re-export of such critical goods and technologies by other nations to nations threatening the national security of the United States.".

Explanation: There is generally no basis for permitting export to Communist nations of critical goods and technologies. There are no safeguards against directing dual-use critical technologies to military use. Also, critical goods by definition are generally those which would transfer critical technology. Thus, the amendment would direct that critical goods and technologies be subject to embargo. The amendment would have the added benefit of reducing the administrative burden of having to process many applications for licenses to export critical items to Communist nations. At the present time many technologies (including those involved in such important advanced U.S. weapons systems as the Cruise Missile) can be exported to non-Communist nations without having to obtain a validated license. The resulting lack of control creates substantial and unevaluated risks that sensitive technologies may be acquired by firms fronting for Communist nations or otherwise diverted to Communist countries. Thus the amendment would subject critical goods and technologies to validated license control to non-Communist countries. The amendment would also make clear that the types of controls specified should be imposed to maximum possible extent consistent with the policies and provisions of this Act, which would include the foreign availability provisions.

Beginning with "In" on page 81, line 14, strike out through the period on page 82, line 4.

Explanation: The provision of the bill, which this amendment would delete, suggests that the extent to which goods and technologies become "obsolete with respect to the national security of the United States" is predictable and measurable. The thrust of this provision is to use a simple minded litmus paper test of the national security significance of goods and technologies in lieu of factual investigation and technical analysis. It is certainly possible for the United States to determine whether a good or technology is obsolete by U.S. standards. But it is extremely difficult to make reliable predictions as to when goods or technologies not presently obsolete will actually become obsolete; i.e., no longer used by the United States. In any case, an item which is obsolete by U.S. standards may nevertheless make a significant contribution to the military potential of the Soviet Union or other adversary nation. Any index which removes controls on goods and technologies based upon when they will become obsolete by Soviet standards would be an exercise in dangerous speculation. The practical net result would be to assure that the technological gap between Soviets and the United States would never be greater than the increment of obsolescence specified in the index.

The second part of the amendment is only a conforming change.

On page 63, line 6, after the period insert "With respect to controls imposed for national security purposes, a finding of foreign availability which is the basis of a decision to grant a license for, or to remove a control on the export of a good or technology, shall be made in writing and be supported by reliable evidence, such as scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability, no weight may be accorded representations as to foreign availability by an applicant for an export license, unless sworn to in writing by the chief executive officer of the applicant. Such sworn representations without adequate independent corroboration shall not constitute reliable evidence.".

Explanation: Control and license decisions are too frequently based upon inadequate evidence of foreign availability, particularly as it pertains to qualitative and quantitative aspects. It appears that many foreign availability determinations are predicated upon unsworn and unverified assertions by perspective exporters. A recent GAO report found that the government has failed to implement the foreign availability provisions of the Export Administration Act. The report pointed out the lack of accountability for this function. This amendment would rectify the situation by specifying that foreign availability findings must be based upon reliable evidence reflected in written findings.

On page 63, line 11, after the period insert the following: "A technology or good which is proposed for, or subject to, export control for national security purposes and which is not possessed in comparable quality or quantity by a nation or combination of nations threatening the national security of the United States shall not be deemed to be available to such nation or nations from foreign sources until the Secretary of State certifies in writing that negotitions with the appropriate foreign governments for the purpose of eliminating foreign availability have not been successful. In order to secure cooperation of foreign governments in eliminating availability of critical goods and technologies, the President is authorized, except as otherwise prohibited by law, to impose trade or other commercial sanctions, including but not limited to prohibiting exports of all or certain technology or goods to such a nation, or prohibiting imports of all or certain technology or goods from such a nation. Within one year after the date of enactment of this Act, the President shall submit a report to Congress on the specific limitations other provisions of law impose on the exercise of his authority under this subparagraph, together with his recommendations.".

Explanation: It appears that foreign availability determinations are frequently predicated upon findings of potential foreign availability without making any real

effort to eliminate potential foreign availability by diplomacy. The amendment would require that efforts precede a finding of foreign availability. The Bill would supersede the provisions of the Battle Act which authorize the President to withdraw military or economic assistance from nations which refuse to cooperate with U.S. export controls. As a consequence, in administering controls under the Export Administration Act, the Bill would leave the President with no bargaining leverage to secure cooperation. The Battle Act authorities to withdraw economic and military assistance may have made sense in 1951 when that law was enacted, but such withdrawal is not a very effective tool today. However, the United States has a substantial potential economic leverage which it ought to employ to advance our national security interests.

Section 3(a)(4) of the Bill states that it is the policy of the United States to "use its economic resources and trade potential" to further its national security objectives. However, the Bill fails to confer upon the President any substantive authority to effectuate this policy. Thus the amendment would authorize the President to take trade and other commercial actions to secure cooperation, except as otherwise provided by law. The exception is intended to take into account the possibility that certain U.S. treaty obligations may limit the President's authority. In this connection, the amendment directs the President to report to the Congress within one year of the enactment of this legislation on the specific treaties and statistics and other laws that may limit his authority under the amendment, together with his recommendations.

On page 80, line 19, strike out "The" and insert in lieu thereof "Subject to the provisions of section 4(a)(2)(E), the".

Explanation: Section 4(n) of the Bill directs the President to enter negotiations with COCOM nations with a view toward reaching an agreement to modify the scope of the export controls imposed by COCOM member agreement to a level "accepted and enforced by all governments" participating in COCOM. COCOM operates by the rule of unanimity and one or more member nations may succumb to the temptation of short-term commercial trade advantage at the expense of their own national security.

Prior to both world wars, Germany's greatest trading partners were Great Britain and France. The lessons of history may be lost on some of our allies who want to expand trade with the Soviet Union and other Communist nations. Thus, it is important that the United States not adopt a policy which permits or might lead to controls to be established only at the level agreed to by other nations. Thus, the amendment would make Section 4(n) "subject to" Section 4(a)(2)(E), which requires negotiations to eliminate foreign availability and authorizes the President to take measures to secure cooperations in eliminating foreign availability and to impose controls notwithstanding foreign availability necessary to protect our national security.

On page 65, line 21, strike out "To" and insert in lieu thereof "Subject to sections 4(a)(2)(B) and 4(a)(2)(E), to".

Explanation: The amendment makes it clear that the preference for multilateral controls and qualified licenses are subject to the provision in Section 4(a)(2)(B) for specific controls of critical goods and technologies and the procedures in Section 4(a)(2)(E) designed to secure cooperation of foreign governments in controlling security sensitive goods and technologies.

On page 64, line 7, after the period, insert the following: "Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration and such Office shall furnish the information it gathers and receives to such departments and agencies.".

Explanation: The amendment is intended to make it clear that the various departments and agencies involved in the export control process have an obligation to furnish foreign availability information to the Office of Export Administration and that OEA, in turn, is obligated to make it available to those departments and agencies. OEA's role should be viewed primarily as one of coordination of the existing efforts by departments and agencies to avoid duplication and to assure that information is shared. The provisions of the bill and amendment relative to OEA's foreign availability functions should not be considered as an authorization by departments and agencies to reduce present efforts, unless they are determined to be duplicative. Indeed, the GAO found there is too frequently inadequate foreign availability information and that foreign availability determinations go unattended. Thus, there is a need for more, not less, of an effort to obtain foreign availability information, especially by our intelligence agencies. Obviously, OEA is not capable of performing intelligence gathering functions. Also, other departments and agencies, including DoD, which have important export control functions must continue to make independent assessments of foreign availability and to marshall foreign availability data that they obtain in their research and development, intelligence and other activities. Thus, the intent of the Senate should be clear that the foreign availability functions of OEA shall be deemed to be primarily those of a coordinator and should not be deemed to authorize reduced functions by other agencies except to the extent to avoid unnecessary duplication.

On page 111, between lines 11 and 12, insert the following:

"(c) There are authorized to be appropriated to the Department of Defense for fiscal years commencing on or after October 1, 1979, such sums as may be necessary for the Secretary of Defense to carry out his functions under this Act.".

Explanation: DoD's export control activities are not adequately funded. A major part of the problem is that DoD does not have a specific line item in its budget for this activity. Thus, personnel and funds must be borrowed from other activities. As a consequence, the manpower and financial resources devoted to DoD's export control efforts are grossly inadequate given the importance of this work. This is one important reason for the fact that DoD's undertaking to identify critical goods and technologies is far from completed even though it has been over three years since the Defense Science Board recommended this concept. The amendment would authorize funds for this activity and complement the amendment giving the Secretary of Defense primary responsibility for identifying technologies and goods to be subject to national security controls.

On page 73, strike out lines 12 through 15 and insert in lieu thereof the following:

"(9) The Secretary of Commerce, the Secretary of Defense, and any department or agency consulted in connection with a license application or a revision of a list of controlled goods and technologies and applicable controls shall make and keep accurate records of their respective advice, recommendations, or decisions, including the factual and analytical basis of such advice, recommendations, and decisions.".

Explanation: The language of this bill applies only to license applications. However, of equal, if not greater importance are the more basic decisions as to what and how to control goods and technologies. The amendment thus makes it clear that the record-keeping requirement extends to the control process. The amendment also specifies that the factual and analytical basis be recorded. These records should facilitate consistency in control and license decisions as well as permit responsible executive branch officials and Congressional Committees with export oversight duties to ascertain whether decisions are factually supported and consistent with the policies and provisions of the Act.

At the bottom of page 72, add the following:

"(D) Whenever the President exercises his authority under this paragraph to modify or overrule a recommendation made by the Secretary of Defense or exercises his authority to modify or overrule any determination made by the Secretary of Defense pursuant to section 4(a)(2)(B) or 4(b)(1) of this Act with respect to list of goods and technologies controlled for national security purposes, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense.".

Explanation: The amendment as it pertains to the requirement for a report if the President overrules or modifies a *licensing* recommendation by the Secretary of Defense is part of the 1974 Jackson Amendment in the Export Administration Act. In this connection, the Banking Committee Report (p. 10) states that the Bill makes "no substantive changes from those contained in [existing] section 4(h)" of the Act. By deleting the reporting provision, the Bill would effect a substantive change with no apparent justification for doing so. In addition, the amendment would extend the reporting requirement to situations in which the President overrules any determination made by the Secretary of Defense pursuant to the Secretary's authority to formulate a list of goods and technologies to be controlled for national security purposes.

On page 79, line 17, after the period, add the following new sentence: "The President may not delegate or transfer his power, authority, and discretion to overrule or modify any recommendation or decision made by the Secretary of Defense pursuant to the provisions of this Act.".

Explanation: This merely makes explicit what is already implicit in the present Act and the Bill.●

AMENDMENT NO. 353

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

Mr. MUSKIE (for himself, Mr. BAKER, Mr. DURKIN, Mr. ROTH, Mr. COHEN, Mr. TSONGAS, Mr. HUMPHREY, Mr. FORD, Mr. HEINZ, Mr. HELMS, Mr. LEAHY, Mr. NELSON, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to S. 737, supra.

Mr. MUSKIE. Mr. President, I submit an amendment to S. 737, the Export Administration Act for myself and Senators BAKER, DURKIN, ROTH, COHEN, TSONGAS, HUMPHREY, FORD, HEINZ, HELMS, LEAHY, NELSON, and KENNEDY be listed as cosponsors.

It is imperative to take immediate and forceful action to eliminate the threat facing the tanning and leather industries.

The facts of this situation are widely known: A worldwide reduction in cattle slaughter has reduced the supply of hides on the world market. The American supply has come under increased pressure from the major importing countries. Prices have gone through the roof.

The worldwide supply shortage is artificially aggravated by embargoes on hide exports by major producing countries. So American hide and skin production, which makes up 15 percent of the total

world supply, now accounts for 75 percent of world trade in cattle hides.

The U.S. hide supply dropped 6.8 percent last year, and 24.5 million hides were exported out of 39.5 million produced. This year's total domestic supply will be no more than 34.2 million, but exports are not expected to decline. That will cut in half the supply of hides available to domestic industry.

Four hundred thousand workers depend directly on the tanning and leather industries. The implications for these 400,000 jobs—and for the $8 billion of associated retail sales—are clear.

Our Government's efforts to make more supplies available to the international market have failed.

Clearly, we must now look to our own resources to solve the price inflation and domestic shortages which threaten our manufacturers and our own people.

It is for this reason that I am submitting an amendment to the Export Administration Act today.

WHY OUR LEATHER AND TANNING INDUSTRIES NEED RELIEF

Mr. President, the Washington Post this morning carried a full-page advertisement that graphically describes the situation facing the domestic tanning and leather industries. Excessive demand for American hides and restrictive export policies in other countries have combined with the cyclical downturn in cattle production to threaten the continued existence of American tanning and leather industries and the 400,000 jobs they provide.

Export restrictions by other major hide-producing nations have artificially exacerbated the hide shortage. Today the United States is the principal world supplier of cattle hides, even though we produce only 15 percent of the world's total skin and hide supply. Simply stated, American industry and American consumers are being asked to absorb all the costs of the worldwide shortage of this commodity.

An article that describes the origins and dimensions of this problem particularly well appeared in Retailweek recently. I ask unanimous consent that it be printed in the RECORD.

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

ON THE TRAIL FOR CATTLEHIDES

The recently launched Hide Action Program may turn out to be the domestic leather industry's last stand. Unless export controls are imposed, the U.S. leather industry won't be able to afford the price of U.S. cattlehides.

Time was, the leather industry—from tanning to turning out the finished product—was a major U.S. industry ranking right up there along with the likes of the steel industry. Today, those who are still left in the U.S. leather industry are finding it necessary to band together and attempt to impress upon Washington that this industry is in danger of becoming as extinct as the buggy whip.

Yes, everyone in Washington already knows that the shoe people in particular have been living with a knife in the back known as imports. But what the entire leather industry is trying to explain to Washington is that as difficult as it is to compete with imports of finished goods, the manufacturers of footwear as well as handbags, luggage, outerwear, sportswear *et al.* might as well throw in the sponge if they cannot buy the U.S. hides needed to make U.S. products because the majority of them are being sold to those same countries which produce the finished products, which come back to the U.S. to haunt the industry for the second time around.

The irony of the situation is that the United States is the major supplier of cattle hides to the world, representing about 15 percent of the world supply. But the majority are sold abroad with these exports representing about 75 percent to 80 percent of the world supply. This world-wide demand for U.S. cattlehides is exacerbated by the fact that other countries with substantial herds—such as all the South American countries—totally prohibit the export of hides; preferring to keep them at home to develop and protect their own leather industries. These restrictions create an inordinately high demand for U.S. cattlehides that has been abetted by the cattlemen's restrictions in the size of the cattle slaughter.

This combination of foreign demand, South America's refusal to sell hides, and a reduced U.S. cattle slaughter have caused the price of U.S. hides to skyrocket. The domestic industry's dilemma began in 1972 when Argentina cut off its sale of hides, eliminating about 12-million hides from the world market. Hide prices then jumped from 14 cents to 32 cents a pound, then stabilized in the area of 38 cents a pound. At that time the U.S. exported about 48 percent of its hide supply.

But between 1975 and 1977 U.S. cattlemen began to reduce the size of their herds. Cattle slaughter peaked in 1976 when 43.2 million hides were available, but it is estimated the the number of hides available in 1979 will be down to 34.2 million. While supply has been dwindling, however, world demand for U.S. hides has been escalating; exports are expected to take 24.5 million of the 43.2 million in 1979. This means that the U.S. in 1979 will be exporting 71.6 percent of its hide supply and supplying 75 percent to 80 percent of the world hide trade. This export level also means only about 10 million hides will be left for U.S. producers when domestic requirements for hides are between 18 and 20 million a year.

This shortage has created price levels that the industry cannot afford to pay, even if enough hides were available. The jump from 14 cents to 38 cents in the early 1970s looks like the good old days. By December 1978 prices reached 58 cents a pound; but between December 1978 and May 1979 prices zoomed to more than $1 a pound.

Neither declining supply nor higher prices have dampened the foreign appetite for U.S. hides. Where else are the Far Eastern and Eastern Bloc countries—anxious to build a business in finished leather goods but without a cattle supply of their own—to go for hides? The U.S. is virtually the only country left with both a large cattle supply and free-buying access to this supply.

The country taking the greatest advantage of U.S. policy is Japan. Though it closes its doors to U.S. finished leather products, Japan, nevertheless, has an insatiable appetite for U.S. hides; buying 35.9 percent of U.S. hide exports in 1978. The purchases of Japan and Korea combined account for more than 50 percent of exports with 30 other countries accounting for the rest. Due to an exchange rate advantageous for Japan, the price of U.S. hides has not deterred Japanese purchases. On the contrary, the Japanese have been buying more.

The upshot is that neither Brazil, Argentina, Uruguay, Mexico, India nor Pakistan—countries with substantial herds—will sell hides in the open market. They want to protect their domestic industries. Japan, Korea and the Eastern Bloc will buy almost all the hides the U.S. has to sell, but they will not take finished leather goods. They want to protect their domestic industries. That leaves countries such as Canada, Australia, New Zealand and those in western Europe as world markets for the sale of hides; but it is the U.S. that has the greatest supply. Now the U.S. leather industry is saying—enough is enough. It is saying that it doesn't object to operating within the traditional laws of supply and demand; but it cannot survive when, in reality, this means only the U.S. has the supply and every other country makes the demand.

That is why several trade associations in the industry have banded together to launch what is called the Hide Action Program (HAP). This program is an attempt to bring the plight of the industry to the forefront through demonstrations in cities hosting leather-using industries and by blitzing members of Congress and President Carter with letters and personal visits. The program's goal is to convince Washington that action is needed now in the form of export controls on U.S. hides that would both bring down the price of hides and make more of them available to U.S. producers.

HAP's message is that the alternative to action from Washington is the ultimate extinction of the domestic leather industry with the resulting loss of thousands of jobs or, at best, price increases in leather products that the industry estimates could cost customers over $1-billion a year. Given the high U.S. hide prices and the fact that foreign countries are dependent on these hides, customers switching to imported leather products is no longer a viable alternative in an effort to economize. Neither U.S. nor imported leather goods may be affordable by U.S. consumers.

Unfortunately, this recent mobilization by the industry has only a slim chance of producing results. Though it has been aware of the hide situation since 1972, Washington has never displayed any great sense of urgency in alleviating the problem. In 1972, following Argentina's action, the concept of export controls was entertained and then quickly dropped. Since then, despite preferential tariff treatment for the so-called developing countries, these same countries have ignored Washington's efforts to persuade them to sell their hides on the open market. And, negotiations with Japan have extracted only an unofficial promise that it will reduce purchases of U.S. hides by 10 percent. But, even if Japan were to honor this 'promise'—which it hasn't—this 10 percent figure is meaningless since U.S. cattlehide supplies have decreased by much more than this 10 percent figure.

Leather industry members claim that it is only their current desperate plight and past failures in attempting to resolve the problem through negotiations with foreign countries that have left no choice but to push for export controls. If this means that the U.S. leather industry is going to have to explain this 'protectionist' move—so be it. The industry prefers free trade in hides but has been unable to achieve it. Understandably, the industry is now tired of being "the unwitting patsy in the international free trade game." So it is shooting for export controls because all else has failed.

Unfortunately, there is another and more powerful lobby in Washington; they know how to use a sixshooter, too. This lobby consists of the cattlemen, or as the leather industry prefers to call them, the cowboys. They have already made it clear to Congress and the Administration that they don't hanker for hide controls. They like things just the way they are. Evidently their message has been heard, for the Administration has already also declared itself against export control of hides.

But, never fear, Washington will concoct a solution, even if it is the wrong one. Right now Washington has suggested that it might be willing to provide subsidized loans to enable U.S. industry members to afford U.S. hides. Unfortunately, Washington has over-

looked the fact that loaning money to U.S. manufacturers for the purpose of buying hides at already inflated prices will merely drive the price of hides ever higher, insuring that more and more of the domestic leather industry will surely go down the drain.

It is now high noon for the domestic leather industry. The HAP program is, at least, a sure sign that it intends to go down fighting.●

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. GLENN. Mr. President, on July 20, 1979, the Committee on Governmental Affairs will hold an additional day of hearings on S. 1377, the Synthetic Fuels Production Act of 1979, a bill to create a Synthetic Fuels and Alternate Energy Production Authority. Witnesses will include Bernard J. Clarke, chairman of the Columbia Gas System; Mr. Ray Scheppach of the Congressional Budget Office; and representatives of environmental organizations including Friends of the Earth, the Sierra Club, and the Environmental Policy Center.

The hearings will begin at 10 a.m., in room 3302, Dirksen Senate Office Building.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, July 25, 1979, at 11 a.m. in room 4232, Dirksen Senate Office Building, on the nomination of William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.●

JOINT ECONOMIC COMMITTEE

● Mr. BENTSEN. Mr. President, on Thursday, July 26, the Joint Economic Committee will hold its monthly hearing on the inflation situation and the Consumer Price Index figures for June. The witness will be the Honorable Alfred Kahn, Chairman of the Council on Wage and Price Stability. The hearing will begin at 10 a.m. in room 6226 of the Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to continue markup on S. 885, the Pacific Northwest electrical power bill, and other pending calendar business.

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

ADDITIONAL STATEMENTS

THE CONGRESSIONAL SENIOR INTERN PROGRAM

● Mr. WILLIAMS. Mr. President, I have been very pleased to have participated in the congressional senior citizen intern program and to have welcomed senior interns to my staff.

This is a program that provides particular satisfaction for me because long before we instituted a formal senior citizen intern program I utilized senior citizens in my office and learned full well the enormous contributions they can make. This point also came through to me continually as chairman of the Special Committee on Aging—senior citizens are a substantial and greatly underutilized reservoir of wisdom and talent. Thus, I was most happy to serve as principal sponsor of the legislation relaxing mandatory retirement requirements. In such a critical time, we, as a nation, can not afford not to fully employ the great abilities of our senior citizens.

This program is indeed a worthwhile one: mutually beneficial to Members of Congress and to the seniors who become valued additions to our staffs. We learn from each other. The seniors bring to us those concerns which are vital to them and give us an accurate and realistic view of how best we can serve them. We, in turn, may provide some answers to their questions, and hopefully, solutions to problems which may face them.

My most recent senior intern, Mrs. Louise Basile of Minotola, N.J., is an illustrious example of an active and caring senior citizen who devotes much of her time and talents to serving the needs of her community in volunteer activities. We were most fortunate to have had her join us for that 2-week period in May and are hopeful that her experiences here were ones which she could share with the senior citizens with whom she works so closely.

I look forward to continued participation in this program because I am convinced of the merits and benefits to all involved. I am also convinced that the senior citizens of our Nation have a great deal to offer all of us and we should never fail to depend on their wisdom and counsel.●

THE OIL GUARANTEE TO ISRAEL

● Mr. GOLDWATER. Mr. President, Americans sweating it out in gas lines and being asked to turn up their thermostats will be interested to know that President Carter's ill-timed promise to guarantee Israel's oil supply for 15 years is going ahead on schedule. Legislation to accomplish this part of the deal for an Israeli-Egyptian peace agreement has been quietly slipped into legislation which is now pending before both Houses. It is contained in identical provisions and bills which would authorize the Export Administration to exempt the Israeli oil guarantee from a general ban on the export of Alaskan oil. According to the very authoritative publication, Congressional Quarterly, the actual intent of the provision is obscured in legal jargon and the guarantee has generally gone unnoticed during congressional debate on oil exports.

As I understand it, Mr. President, the bill is scheduled for floor action in the House next week. Senate action may come as early as Friday.

As Members will recall, as a part of the Middle East treaty negotiation, President Carter promised to sell Israel oil for up to 15 years to meet "normal requirements" if that country was unable to obtain oil on its own. It should also be noted that Iran, which had been supplying half of Israel's oil needs has not exported any petroleum to Israel since October 1978. Since then Israel has been forced to obtain much of its oil from the high priced "spot" market. How long this can go on is anybody's guess. And the chances are that the United States will soon have to start making good on the promise President Carter made.

Mr. President, I bring this question up because I believe it is long past time that this country faced up to the fact that it cannot take care of all the needs throughout the world that happen to come to our official attention. Here we are in an energy crisis in the United States and the big name in that game is oil. We have no assurance that we will be able to supply even our own minimum needs over the next 15 years, but still the administration pushes ahead on a guarantee to supply another country. We can not have it all ways; and it is about time we woke up to that fact.

Mr. President, I request that the article on oil to Israel published by the Congressional Quarterly on July 7 be printed in the RECORD.

OIL GUARANTEE TO ISRAEL SLIPPED INTO BILLS

(By John Felton)

President Carter's promise to guarantee Israel's oil supply for 15 years has been quietly slipped into legislation pending before both houses of Congress.

Virtually identical provisions in legislation reauthorizing the Export Administraion (HR 4034, S 737) would exempt the Israel oil guarantee from a general ban on the export of Alaskan oil. The actual intent of the provisions is obscured in legal jargon, and the guarantee has generally gone unnoticed during congressional debate on oil exports.

"There was absolutely not the slightest bit of controversy" over the provision, said Paul R. Freedenberg, aide to the International Finance Subcommittee of the Senate Banking Committee, which handled the bill.

The bill is scheduled for floor action in the House the week of July 16. Senate action has been delayed because Ted Stevens, R-Alaska, has refused to agree to a time limit on the bill (Committee action, Weekly Report p. 881)

As part of the Middle East peace treaty negotiations, Carter promised to sell Israel oil for up to 15 years to meet its "normal requirements" if it is unable to obtain oil on its own. That promise extended a five-year oil guarantee given Israel by President Ford in 1975. So far, Israel has not called on the United States to honor its guarantee. (Peace treaty, Weekly Report p. 553)

Iran, which had supplied half of Israel's oil, has not exported oil to Israel since October 1978. Since then, Israel has been forced to obtain much of its oil from the high-priced world "spot" market.

Secretary of State Cyrus R. Vance told the Senate Foreign Relations Committee April 11 that the effect of supplying oil to Israel would be minimal. Even if the United States were called on to supply all of Israel's oil requirements, the result would be "hardly noticeable to us," he said. Israel's total oil consumption is about 165,000 barrels a day—less than 1 percent of the daily U.S. consumption of 19 million barrels. (Weekly Report, p. 727)

Vance said the guarantee was "a legal commitment on the United States" that was "an integral part of the negotiating process" toward the Mideast peace treaty. He said the administration would "promptly seek" whatever legislation was necessary to implement the agreement.

THE AGREEMENT

Carter's 15-year guarantee was contained in a March 26 tentative agreement between Vance and Israeli Foreign Minister Moshe Dayan. That agreement was updated June 22.

It will take effect Nov. 25, and will expire Nov. 25, 1994. The agreement provides that:

Israel will make its own arrangements to obtain oil through normal markets. If Israel is unable to meet its "normal domestic requirements" of oil, it will turn to the United States. The agreement does not specify what is meant by Israel's "normal domestic requirements."

If the United States can meet its own normal requirements, it will sell Israel enough oil to meet that nation's normal requirements. The United States "will make every effort" to supply the oil within 60 days of a request.

If the United States is subject to an oil embargo or is unable to meet its own normal requirements for oil, the United States will sell oil to meet Israel's "essential requirements" through the International Energy Agency emergency allocation plan devised by the United States and 19 other industrialized nations.

If Israel is unable to transport the oil bought from the United States, the United States "will make every effort to help Israel" transport it.

Israel will pay the United States "world market prices" for the oil and will reimburse the United States for the cost of supplying the oil.

EXPORT LEGISLATION

Legislation to extend U.S. export controls, which expire Sept. 30, has been reported by the House Foreign Affairs Committee and the Senate Banking Committee (S. Rept. 96-169, H. Rept. 96-200). One of the most controversial sections is a virtual ban on the export of Alaskan crude oil, a toughening of the prohibition already in existing law. Main sponsors of the ban are Rep. Stewart B. McKinney, R-Conn., and Sen. Donald W. Riegle Jr., D-Mich.

Aides to both committees said the subject of the Israel oil guarantee was raised during consideration of the bill, by the State Department and the American-Israel Public Affairs Committee (AIPAC), an influential lobby in support of Israel.

"AIPAC pointed out that President Carter had made this promise, and they said it should be kept," Senate committee aide Freedenberg said.

The Israeli Embassy also lobbied Congress on the issue, according to a State Department official.

With State Department help, the two committees drafted and approved amendments to the bills authorizing the president to export Alaskan crude oil to any nation which has an existing oil supply agreement with the United States. Israel is the only nation with a direct, bilateral oil supply agreement with the United States.

Although neither bill mentions Israel, both committees stated in their reports that the amendment applies to the Israel oil agreement.

Also exempt from the oil export ban are multilateral supply agreements, such as the International Energy Agency emergency allocation system.

Aides to both committees said the Israel amendment was adopted with virtually no debate. "There was no resistance," Freedenberg said. Carol P. Rovner, an aide to the House Foreign Affairs Committee, said, "I don't remember any real discussion of the issue."

State Department attorney David H. Small said the provision "would give us the flexibility to administer [the Israel oil guarantee] in a manner most advantageous to us." The government already has limited authority to export oil drilled from the Outer Continental Shelf, but that oil is of a much higher quality than Israel needs, he said.

OPPOSITION

Since the committees' action, opposition to the amendment has been mounted by the National Association of Arab-Americans, a Washington-based group which claims two million members.

John P. Richardson, public affairs director of the association, said the provision is "really an outrage."

"This makes Israel the sole exception to the ban on crude oil exports, at a time when the United States does not have enough oil to meet its own needs," Richardson said. "We call this the no-gas-lines-in-Israel principle."

The ease with which the amendment was inserted in the legislation shows "the exceptional Israeli access to the U.S. decision-making process," he said.

Richardson said his group will ask both houses to eliminate the Israeli oil guarantee from the bill. If that is not successful, he said, the Arab-Americans will seek amendments to allow exports to Israel only if American requirements are being met, if Israel demonstrates it has "no other recourse" in obtaining oil, if the United States cannot obtain oil for Israel from other nations, and if Israel stops building settlements on the occupied West Bank and Gaza Strip.

If all those amendments fail, Richardson said his group will ask Congress "at least to name Israel in the bill. It should be spelled out who this will benefit." ●

COMMENCEMENT ADDRESS BY SENATOR THURMOND AT ARMED FORCES STAFF COLLEGE

● Mr. LUGAR. Mr. President, on June 29, Senator STROM THURMOND of South Carolina gave the commencement address to the 65th graduating class of the Armed Forces Staff College in Norfolk, Va.

This address is worthy of the full attention of the Senate as it focused on three important issues now receiving the attention of Congress. These issues include the shifting balance of military power, the SALT II agreement and the transfer of military related technology to Communist nations.

Mr. President, Senator THURMOND's remarks were well received by the graduates and commanded considerable attention in the press. It is my view that each member of the Congress and the public at large should have an opportunity to study them as well.

Therefore, I ask that they be printed in the RECORD.

The remarks follow:

THE CHALLENGE OF THE 1980'S

Major General Hill, Chaplain Lecky, graduates, ladies and gentlemen:

It is a distinct privilege to have this opportunity to address this group of military officers and civilians from my own country and the nations of our allies. More than ever, the free nations of the world need to stand together, as those forces which threaten us grow stronger each year and our world becomes a more dangerous place in which to live.

There is a widening opinion in the United States Congress that America's role of leadership in the world is being weakened by idealistic policies. Our defense forces are no longer clearly superior to our adversaries, our dollar's value falls almost daily in foreign currency markets and many of our allies are justifiably questioning our staying power in the long struggle with Communism.

This morning I would like to comment briefly on three topics. First, the shifting balance of power; second, the SALT II agreement; and third, the transfer of Western technology to Communist nations.

1. The Shifting Power Balance:

In 1969, by any measurable standard, our military strength vis-a-vis the Soviets was clearly superior. Our technology had enabled us to counter the massive Soviet buildup which began following the Cuban crisis in 1962.

However, the first four years of the Nixon Administration were spent on supplying our forces in Vietnam and attempting to extract us from that war in an honorable manner. Next came Watergate, which mesmerized the country and saw us embrace SALT I which I supported.

When President Ford assumed office, his efforts went towards healing the wounds of Vietnam and Watergate. Then President Carter was elected, and he initiated policies which not only failed to reserve the shifting balance of military power, but in some respects, moved us towards an even weaker position.

U.S. LEAD ENDING

These trends can be illustrated quite dramatically in the area of strategic military strength. In 1969 the U.S. led the Soviet Union in nearly every measure of defense systems: the numbers of land and sea-based missiles, the accuracy of these weapons, the numbers of warheads, and the megatonnage of our missile forces. Now, with the SALT II Treaty at hand, we find the Soviet Union leads the U.S. in all categories except the numbers of warheads.

Little comfort can be taken from this one category of dominance, as our defense officials admit the Sovets will lead in the numbers of warheads by the time the SALT II Treaty ends in 1985.

Today, because we have not modernized our land-based missile forces these missiles will become vulnerable to a Soviet first strike in the early 1980's. There is little we can do about this fact, except accelerate the long delayed MX program.

The other leg of our TRIAD, besides the sea-based missiles, and the land-based missiles, is the strategic bomber. As you know, the B-1 bomber program has been canceled without any concession from the Soviet Union.

Thus, after experiencing a policy of détente and parity, after embracing SALT I and initiating trade and cultural exchanges with the Soviets, we find our defense position much weaker.

SOVIETS PRESS FOR SUPERIORITY

SALT I, which was promoted on the basis that it would moderate the growth of Soviet strategic forces, failed to do so. In fact, the Soviets have been outspending the U.S. on defense by at least 40% and by three times as much in strategic forces. They use 13% of their GNP for defense, as compared to only 5% by the U.S.

It is clear the Soviets are not interested in a position of parity, but seek a clear military superiority. This shift is better perceived overseas than here in the U.S. Recently, the former Prime Minister of Great Britain, Harold MacMillan, summed up the feelings of many when he stated, "Things are as bad for the West as they could possibly be and they are getting worse."

In my opinion, this shifting balance of power is extremely dangerous. This Soviet buildup is far in excess of any defensive needs. The Soviets view military power as the key to political influence, and rightly so. It is not so much a question of whether or not they will launch a military attack, but rather the leverage this power gives them throughout the world. They intend to use this power to bring other nations into their orbit and to deprive the free nations of access to oil resources, raw materials, and the like.

SOVIETS PROJECT POWER

Examples of their power projections abound even with the current power balance. Through their Cuban proxy troops in Africa and direct military aid, they have brought to power pro-Soviet regimes in Angola, Ethiopa, South Yemen and Afghanistan; supported the insurgents in Rhodesia and Nicaragua;

encouraged the fall of the Shah of Iran; introduced MIG–23 aircraft in Cuba; backed Vietnam in its takeover of Cambodia; and used the Vietnam-China War to gain access to South Vietnamese ports.

These events, along with the Soviet military buildup, have contributed to a deep running apprehension in the Senate as to the worth of any arms agreement with the Soviets. More Senators are coming to the realization that true meaningful arms restraints may not be possible with a Communist state. There is a feeling that the Soviets are rapidly gaining the upper hand and that this Treaty will do little to reverse that trend.

2. SALT II Agreement:

At this point, however, I have reserved final judgment on SALT II. Early this year I joined with a group of Senators urging the President to redress some of our concerns. The President has now been to the summit and returned. I plan to study the Treaty carefully, but many of its features already known to me raise the gravest of issues.

As an example, why should we allow the Soviets 308 heavy missiles, each with 10 warheads, while the U.S. is not allowed any? Even our light missiles are permitted to carry only one-half the number of warheads allowed the Soviets. Is this equality?

Further, the Soviet Backfire bomber does not count in the Treaty, although it clearly has strategic capabilities. On the other hand, the U.S. is forced to count all of our old B–52's, even some which have been cannibalized for spare parts. Is this equality?

Another example is the fact that the Soviet SS–20 missile already deployed against NATO can easily be converted to a strategic missile by adding a booster or by downloading some of the warheads. It is not counted in SALT II, but our cruise missiles are limited to 372 miles in range. Is this equality?

These issues involving our strategic posture are crucial when weighed against the dangers facing the U.S. in the 1980's. Beginning around 1983 we face a period when our land-based ICBM's will be vulnerable. If the Soviets escalate their expansionist activities throughout the world in the 1980's in proportion to their increases in military power, we could face the type of confrontation our policies seek to avoid.

CONVENTIONAL BUILDUP

Besides the strategic area of defense, an examination of the Soviet buildup in conventional arms is equally disturbing. The Soviets have added to their number advantages equipment improvements equal to or superior to those possessed in the West. A new tank, the T–80 nears production. Two new divisional self-propelled artillery pieces have been fielded since 1974. Of special concern is the fact that the Soviets have overtaken the U.S. in theater nuclear capability in NATO and have posed new problems with the deployment of the mobile SS–20 missile.

Soviet airpower forces also seem to increase daily, particularly in the area of helicopters. Growth in the Soviet navy is widely recognized as reflective of a shift from a defensive navy to one designed for sea control around the world.

3. Technology Transfers:

Now I would like to comment briefly on my third topic, the subject of the continued transfer to the Soviet Union of important defense-related technology by Western nations in general, and the U.S. in particular.

For instance, in 1961 the Soviets attempted to obtain from the U.S. grinder machines used to mass produce ultra-high precision miniature ball bearings. Congress interceded and, with the support of President Kennedy, blocked this sale. However, the Soviets persisted and finally in 1972—12 years later—these machines were sold to the Soviets. In 12 years the Soviets could not master this technology, but finally we gave it to them. Now our intelligence community believes this sale played a major role in the dramatic rate at which the Soviets have improved the precision of their own missiles to catch up with the U.S. in the field of MIRVing. The improved accuracy of Soviet missiles now threaten our Minuteman ICBM system and we face a costly $30 billion program to deploy a new mobile system.

TRUCK PLANT SALE

Also, in the early 1970's we sold the Soviets a giant truck plant on the grounds the technology was non-strategic and it would not be used for military purposes. Yet today, that plant is being used to produce military vehicles of all types, including tanks. In fact, this single plant exceeds the total U.S. production capacity of our own heavy truck industry.

Another more recent example is the sale to the Soviets last year of a plant to produce highly specialized bits used in deep-well petroleum drilling. Despite warnings this facility had "strategic implications" the sale was approved by President Carter. Once again, we have aided the Soviets by enabling them to solve some of their own fuel problems and also enter world markets with advanced drilling capabilities, the very same markets in which we are competing.

These ill-advised policy decisions by the U.S. should teach us a lesson. We have already joined with other nations to guard against such mistakes, but there as well as here, internal policies often defeat our efforts. For instance, the U.S. sold the "Redeye" missile technology to Denmark which sold it to Sweden which, in turn, sold it to the Soviets.

We must tighten up our policies in these areas, and do so at once. We must put our own house in order and ask our allies to do the same.

These three subjects—the shifting power balance, SALT II and technology transfers—are areas in which you as military leaders should take a special interest.

CHALLENGE CAN BE MET

While I have highlighted some of our problems, I am confident we can meet this challenge if we act promptly. America is still by far the most powerful nation in the world and our military forces are optimized to meet these new threats. Our biggest asset rests in dedicated military and civilian personnel such as this group here today. Our people are not only dedicated, they possess the ability to meet these increasing technological challenges.

Congress itself is addressing these issues with a new urgency. We have moved to accelerate the MX program and the President has recommended the larger MX missile for advanced development. We have added four ships to our Navy in the military bill this year by ordering conversion of the Iranian destroyers to U.S. type ships. Money is included in this year's bill for concept work on a new strategic bomber and for design of a cruise missile carrier. We have also increased funds for development of the cruise missile programs. Negotiations are underway with our European allies to develop and deploy a longer range ballistic missile and possibly the cruise missile to counter the SS–20 threat in Europe.

Other steps need to be taken. I favor more aggressive efforts in all of these areas, especially in development of an MX basing scheme and use of the cruise missile in land and sea based modes. We also need to increase support of our Reserve forces, accelerate overall modernization of Army equipment and build up the size of our Navy fleet. I am confident that with your help and the increased awareness of our problems America and her allies will continue to provide the military strength necessary to stabilize world events.

INFORM OTHERS

As you return to your jobs in the United States and in foreign countries, I hope you will impart some of the information gained here to your colleagues and, when possible, to the public at large. A wide understanding of the threat we face is essential if we are to counter it effectively. You can make an individual contribution in that respect and I urge that you do so.

In closing, I would like to quote from a book which you have not studied here, but one which I hope you read frequently. First, in the Book of Proverbs, we find this admonition—"where there is no vision, the people perish;" and second, in Luke, "when a strong man armed keepth his place, his goods are in peace."

Thank you and good luck in your career and personal life.●

FUEL ALLOCATION TO THE RECREATION INDUSTRY

● Mr. GARN. Mr. President, yesterday a number of my colleagues discussed on the floor of the Senate the question of fuel allocation to the recreation industry in times of shortage. I am sorry I was unable to be on the floor at that time, but I am too very concerned about the fairness to this important industry.

Problems sometimes have a very helpful tendency to clarify the issues at hand. I believe the spotty gas shortages we are seeing this summer have done just that for a number of people, including myself. It has helped us to see the central importance of transportation in our lives and our economy.

The movement of goods and people is essential to our jobs, to our recreation, to our shopping and to our activities as families and organizations. Take away this mobility and the social fabric of America begins to fray.

Yet actions of this administration have forced mobile users of petroleum products to bear a disproportionate share of the shortfall. In several metropolitan areas of the country, Americans wait in long lines for gas and face limits on when they can buy gas and how much gas they can buy. In other areas of our Nation, trucks are stranded because diesel fuel is unavailable.

The sad part of the story is that a large quantity of petroleum which could be put to use for transportation, particularly as diesel fuel, is now being burned to heat homes, apartments, offices, factories and warehouses. In each case, another source of energy not usable for transportation could be used for heating. And more residential and commercial oil-burning furnaces are being constructed each day, adding to the competition for oil, a competition in which transportation is handicapped because it has no other feasible alternatives.

Mr. President, the primary need of America is to maintain the mobility that has allowed us to become the great-

est free society in the world. Mobility is a cornerstone of the freedoms we cherish, an essential element in securing the goals of our Constitution.

Whether it is the energy to allow a worker to get to his job, or to allow a Pennsylvania family to travel to the West by automobile to see our national parks, or the energy needed by snowmobilers to overcome the barriers of freezing temperatures and deep snow, we need to take the steps now which will assure its availability.

As we face spot shortages of fuel in the days ahead, some groups will call upon us to take precipitous actions. We must take care to avoid treating symptoms and actually magnifying the problems we face. We face a challenge, but a challenge which can be won. As we meet the challenge, let us not do needless injustice to any American. The administration's first gas rationing plan would have done just that, as I explained to you in comments made last month.

I am happy to join this colloquy, not in support of frivolous energy use, but in support of the basic principle of fairness in times of shortage. No one is wise enough to say "snowmobiles are unnecessary, but motorboats are vital." That is why we have market systems to allocate resources, and that is the essence of fairness.●

CHURCH AND CITIZEN GROUPS SUPPORT ACTION ON REFUGEES

● Mr. KENNEDY. Mr. President, the continuing refugee tragedy in Southeast Asia illustrates once again the urgent need for Congress to reform our Nation's laws and policies governing our ability to respond to the needs of homeless refugees.

For many years, every major church group in this land—as well as all the voluntary agencies, the AFL-CIO, and many other concerned citizen groups—have urged new legislation to support refugee programs. Most recently, this concern has focused on a bill (S. 643) which I introduced—and which was introduced in the House by Congressman RODINO and Congresswoman HOLTZMAN—to reform our immigration law and vastly improve our ability to meet refugee emergencies, such as that today in Southeast Asia.

I am pleased to note that after 6 months of careful consideration of this legislation, the Judiciary Committee last week unanimously reported out S. 643, and the report on it will be filed next week.

As the Senate considers this legislation in the days ahead, I think it is extremely important to keep the voices of our Nation's church groups, and the voluntary and community agencies, in mind—and to consider their thoughtful comments and recommendations. Since S. 643 was introduced, the Judiciary Committee has received communications from every major religious and voluntary agency leader in our country, and they have been unanimous in their support of the Refugee Act of 1979. We have also received testimony and strong support from the AFL-CIO and other concerned citizen groups around the country.

I would like to share with the Senate some of these statements that have been submitted to the Judiciary Committee as it considered the refugee bill over these last several months. I ask that they be printed in the RECORD.

The statements follows:

NATIONAL CONFERENCE OF CATHOLIC BISHOPS,
Washington, D.C., June 12, 1979.

Senator EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In response to your letter of April 17, I wish to commend you for having introduced S. 643 which will revise and amend our outdated refugee legislation and for having conducted hearings so expeditiously after the introduction of the bill. I hope the measure can be brought to the floor of the Senate with the least possible delay.

As you are well aware, the Catholic Church has been in the forefront of the struggle for revision of our refugee policy, and we were very pleased to have been able to join the other voluntary agencies in testimony before your committee last March. I would like to emphasize a few points of special concern to the United States Catholic Conference.

First, it is imperative that the very restrictive definition of refugee be broadened so that a refugee from tyranny or persecution in any part of the world may be qualified for admission under United States immigration policy. We have long advocated adoption of the definition of refugee contained in the United Nations Convention and Protocol. It has been of special concern to the Church that refugees from certain political systems in Latin America over the years have been unable to qualify for special refugee processing. The definition contained in your bill will go a long way to correct this inequity in our law.

The provision by which a much increased number of refugees can be admitted into the United States under normal processing will certainly bring a great measure of order to the chaos which has marked our *ad hoc* refugee policies of the past. Whether the proposed 50,000 will be sufficient to meet the political and humanitarian concerns of the United States remains to be seen, but in providing that an additional number may be admitted after consultation with the Congress, this bill should meet nearly all of the requirements of what is categorized as the normal flow.

Flexibility of action is absolutely essential when a crisis occurs. Most people become refugees as a result of the unexpected and unanticipated. Thus the plan by which additional refugees can be brought into the country, after proper consultation with the Congress, is certainly endorsed.

Over the years the voluntary agencies have labored under severe handicaps, both in maintaining their structures in the field and in continuing their service of resettling refugees, because of a lack of proper government programs to assist the agencies in this humanitarian effort. Title III of the proposed legislation contains authorization for funding and support services. This provision should go a long way to help the voluntary agencies, in cooperation with public agencies, to provide services which meet the needs of refugees. It is also essential that all refugees be treated alike and that the vast resources of this great country be brought to bear for the benefit of all. Consideration, however, might be given to making social services available to refugees for a period beyond the two years proposed in your bill.

The record of refugee admissions by the United States over the past thirty-five years is a proud one. We of the United States Catholic Conference have been able to play a major role in providing sustenance and comfort to millions of the world's homeless. I wish to assure you that the Church will not falter in its efforts to provide new homes and new lives for the displaced and unwanted of the world.

With cordial good wishes, I remain
Sincerely yours in Christ,
Most Rev. JOHN R. QUINN,
Archbishop of San Francisco.

TESTIMONY BY THE COUNCIL OF JEWISH FEDERATIONS BEFORE THE SENATE JUDICIARY COMMITTEE ON PROPOSED AMENDMENTS TO THE MIGRATION AND REFUGEE ASSISTANCE ACT OF 1962

The Council of Jewish Federations is pleased to submit testimony on proposed amendments to the Migration and Refugee Assistance Act of 1962, which would establish a comprehensive framework for the resettlement of refugees coming to the United States.

The Council of Jewish Federations (CJF) is the umbrella organization for 215 Jewish Federations and 600 affiliated, nonprofit community service agencies which provide a wide range of health, educational, recreational, and social welfare services in over 800 communities throughout the United States. This Jewish communal service structure, represented by the CJF agencies, initially came into being in order to resettle Jewish immigrants to the United States in the 1880s. It has had extensive experience in resettling World War II refugees, and, over the past 25 years, Hungarian, Cuban, and Indochinese refugees. During these years, the Jewish community has developed a full, comprehensive, and highly individualized resettlement program which is sensitive to the refugees' needs and which facilitates self-sufficiency and social integration.

The Jewish Federations' most recent refugee resettlement responsibility has arisen from the rapidly increasing number of Soviet Jewish refugees fleeing religious and political persecution in the Soviet Union. From 1972 through 1976, the Jewish Federations around the country resettled nearly 20,000 Soviet refugees. As the United States' commitment to human rights advanced, and the Helsinki Accords emphasized American steadfastness in human rights policy, the number of refugees leaving the Soviet Union increased dramatically—from 6800 in fiscal year 1977 and 12,500 in fiscal year 1978 to an anticipated 24,000 in fiscal year 1979.

While federal funds have been made available for Soviet refugee transportation to this country through HIAS (Hebrew Immigrant Aid Society), the tasks of resettlement, job training, education, counseling, social services, and care and maintenance have, until recently, been funded almost entirely by the Jewish Federations with philantropic dollars.

Last year, in recognition of the enormous increase in the number of Soviet refugees coming to the United States and in view of the fact that special federal resettlement funds existed for Indochinese and Cuban refugees only, Congress approved a block grant

program that provides national voluntary resettlement organizations with up to $1000 per refugee, on a matching basis, to cover the entire refugee resettlement process for Soviet and other refugees not covered by the Cuban and Indochinese programs.

With the aid of these new federal funds, along with an increased use of private contributions and volunteers, the Jewish Federations have continued their tradition of providing a coordinated system of care and training for the rapidly growing Soviet refugee population. The Council of Jewish Federations continues in its role as coordinator of planning and evaluation of resettlement services and distributes the federal refugee resettlement funds to aid Jewish Federations and agencies in 101 communities which are responsible for providing the entire range of Soviet refugee resettlement services.

The local Federations find apartments for the refugees and help pay the rent until the refugee family is economically self-sufficient. The affiliated Jewish Vocational Services, Family Services, and other Federation agencies provide language, job training, and supportive services. Through a network of contacts in the community, the refugees are placed in jobs appropriate to their skills during or immediately after undergoing training. Within one year, almost all Soviet refugees are self-sufficient members of the community.

Even during the initial resettlement period, virtually no employable Soviet refugee is placed on welfare. It is the policy of Jewish Federations that use of state welfare payments for cash assistance to employable refugees would dilute the resettlement policy's insistence on economic self-reliance. Especially in light of the Soviet refugees' attempted transition from a society in which reliance on the government is taken for granted to the American, democratic, free enterprise society, the notion of sending Soviet refugees to the state welfare office is considered inappropriate.

Instead, appropriate maintenance assistance—through cash or loans—is provided to Soviet refugees by the Jewish Federations, in conjunction with training and services, in a manner designed to make the refugees economically and socially self-sufficient as soon as possible. Such a coordinated system of maintenance assistance and services facilitates the efficient resettlement of Soviet refugees.

The proposed refugee legislation should establish an equitable, comprehensive refugee resettlement policy that provides sufficient flexibility for the federal government to deal appropriately with the individual needs of the various refugee populations in the United States. While equity clearly requires that the same care and services be available to all refugees, it is essential that alternative systems of providing these services be permitted where the administering federal agency determines that such alternatives will be the most successful and cost-efficient method of refugee resettlement.

The proposed legislation authorizes federal funds for placement, resettlement and care grants to nonprofit voluntary agencies; federal reimbursement of state welfare expenses for cash and medical assistance to refugees; and grants to states and nonprofit agencies for the provision of training, social services, and special projects. Within this framework, a nationally coordinated system of voluntary agencies should be able to receive federal funds on a per capita basis to help provide the entire range of refugee resettlement services, including care and maintenance. Such a system of total responsibility for a national voluntary agency is especially appropriate for the Soviet refugee population, and it would also serve as a model and a viable alternative to the more fragmented state provision of refugee resettlement services and cash assistance.

As regards Soviet Jewish refugees, Jewish Federations should be allowed to continue to take full responsibility for the successful resettlement of this population, as has traditionally been done. The Federations would make the commitment (as is now the case) that no employable Soviet refugee would make use of cash or medical assistance through the state welfare agencies. Instead, all cash assistance would be made available by the Federation itself in conjunction with appropriate services. Coordination and evaluation would continue to be provided through the Council of Jewish Federations.

It is especially vital to the success of the Soviet refugee resettlement program that low-income Soviet refugees not be required to rely on state welfare payments for cash and medical assistance. Not only would such a requirement tend to create a disincentive for private charitable contributions to refugee resettlement efforts, but it would also militate against the program integration that makes the Soviet refugee resettlement policy successful:

1. The current community resettlement programs for Soviet Jewish refugees integrate financial maintenance with all phases of the resettlement effort. There is close coordination between the Jewish Federation agencies which are providing maintenance assistance and those which are providing training and finding employment. This coordination, and the agencies' accountability to a central planning body, would be severely hampered if separate public and private agencies were responsible for maintenance, training and services.

2. An integral part of the Jewish community resettlement policy relates the amount and form of cash assistance and appropriate services.

The staff of the Jewish Federation agencies are able to implement these policies in a highly individualized fashion because of a good staff-client ratio and the special training and supervision of the staff—including special education in the background and culture of the Soviet refugee. Many staff members are fluent in either Russian or Yiddish.

3. Because private community support of the newly arrived refugee (such as rent payments, food, and clothing) would be likely to make the refugee ineligible for state welfare payments, there would be a disincentive for charitable community contributions to new refugees if cash assistance for low-income refugees is available primarily through the state welfare agencies.

It is essential that the federal agencies administering an equitable national refugee policy have sufficient flexibility of implementation to take into consideration the existence of nationally coordinated voluntary refugee resettlement systems and to recognize the varying needs of different refugee populations. The Jewish Federations' traditional program of Soviet refugee resettlement represents one such system, under which federal grants could be made on a per capita basis to a national coordinating voluntary organization to offset the costs of a total refugee resettlement program—from training and services to cash assistance. Private community contributions for refugee resettlement would continue to support the bulk of the resettlement process. Such a system would expend fewer federal dollars, help continue a traditionally successful refugee resettlement effort, and serve as an alternative model for refugee resettlement.

We therefore hope that legislative history will make clear Congressional intent that funding for resettlement as well as for ongoing programs of maintenance and services to refugees can be made available either through the voluntary agencies or through public agencies—whichever is most appropriate under the circumstances.

RT. REV. JOHN M. ALLIN,
New York, N.Y., May 1, 1979.

Hon. EDWARD KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: As President of the Executive Council of the Episcopal Church I am pleased to convey to you that on April 19, 1979 the Council considered the substance of the Refugee Act of 1979 and unanimously carried the following Resolution:

EXECUTIVE COUNCIL OF THE EPISCOPAL CHURCH
RESOLUTION ON THE REFUGEE ACT OF 1979

Whereas, this body has considered the substance of the Refugee Act of 1979 (S. 643 and H.R. 2816) and feels that this bill contains a long-sought-after comprehensive refugee policy and program; and

Whereas, refugee concerns are a high priority with this Council and the Episcopal Church; and

Whereas, under the proposed legislation 50,000 refugees may be admitted annually and further additional refugees may be admitted by the President of the United States after consultation by the President's designees with the House and Senate Judiciary Committees, therefore be it

Resolved, that the Executive Council of the Episcopal Church in the United States of America supports, in principle, the Refugee Act of 1979 currently being considered by the Congress of the United States and urges the membership of the Church to give serious consideration to its contents and, if appropriate, encourage and support its enactment into law; and be it further

Resolved, that this body recommends that said Act be amended to provide that the authorization for any annual admission by the President of the United States over the statutory 50,000 refugees be reviewed and approved either prior or subsequent thereto by the Congress of the United States.

It is my hope and that of the Executive Council that this Resolution will be formally entered into the record of the hearings on the Refugee Act of 1979.

With kind regards and all good wishes.

Faithfully yours,

JOHN M. ALLIN,
Presiding Bishop.

LUTHERAN COUNCIL IN THE U.S.A.

RESOLUTIONS CONCERNING THE REFUGEE ACT OF 1979

Be it resolved that the Lutheran Immigration and Refugee Service Regional Consultants assembled in conference in Seattle, Washington, express our strong support for Senate Bill 643, known as the Refugee Act of 1979 as a significant step in the development of a comprehensive U.S. refugee policy. We ask your consideration of the following amendments:

1. That the definition of refugee be broadened to include those seeking political asylum and detainees.

2. That funding for certain services for transitional assistance under Title III be available for a minimum of five years (at which time refugees are eligible for citizenship) including the following:

a. Mental Health Service (Mental health problems normally surface 2–3 years after arrival);

b. English as a Second Language (essential for developing and upgrading skills necessary for self-sufficiency);

c. Social Services (essential to becoming participating and contributing members of society);

d. Employment Services.

3. That services be provided by public and private voluntary agencies who have ongoing experience in refugee resettlement.

4. That services be flexible enough to meet the varying needs of diverse refugee groups.

STATEMENT BY THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and unabiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans and most recently, Indochinese testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increasing tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the *lack of a consistent* and *coherent policy toward political refugees*. [This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, and end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish.] President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situatons.

How is it that the AFL–CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL–CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a nonissue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exists.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the "Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have, in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill." While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international travel, make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL-CIO's continuing involvement in policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL-CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of the refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiatives, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-ended policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the *Southeast Asian Refugee Fund* to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.

STATEMENT BY BAYARD RUSTIN

I am pleased to respond to Senator Kennedy's request for my views on the "Refugee Act of 1979", a much-needed bill to revise procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

America has a proud tradition of providing haven for political refugees, and this Committee, especially its Chairman, is to be commended for demonstrating leadership by drafting this bill in cooperation with the Administration and the House Subcommittee on Immigration and International Law.

The black community has a deep and continuing iterest in the fate of political refugees, whether they be victims of South Africa's apartheid, Pol Pot's perverse paranoia, Idi Amin's atrocities, Soviet inhumanity, Pinochet's systematic repression, or Vietnamese retribution. Our interest is de-

void of abstraction. We experience human misery. We know desperation. We live in constant struggle. We hunger for freedom. And, we understand what it means to be pushed aside and forgotten.

Nearly one year ago, more than 90 black leaders from civil rights, labor, business, community and professional organizations signed a statement, which appeared in the New York Times, urging the admission of Indochinese refugees into the United States. Nothing has happened in the past year, nor is anything likely to happen in the next, to change the attitudes of black leaders towards opening America's doors to greater numbers of political refugees, whether they be Indochinese, Cubans, East European or African. The reason is simple, and can be found in a passage from that statement: "Through our arduous struggle for civil, political and economic rights in America, we have learned a fundamental lesson: the battle against human misery is indivisible. If our government lacks compassion for these dispossessed human beings, it is difficult to believe that the same government can have much compassion for America's black minority, or for America's poor.

For black Americans to allow the linkage between our continuing struggle for economic and political freedom and the struggles of political refugees to be broken would surely diminish our own chances for success.

The most common objection to admitting additional political refugees into our country is that the unemployment situation is already intolerable. No group of people in the United States suffer more from unemployment than do black Americans. And yet, the 90 black leaders who signed the New York Times statement rejected such an argument as dehumanizing both to black people and American ideals. As I am sure you are aware, so has the AFL–CIO Executive Council. To accept this objection is to believe that if the United States had refused to admit 30,000 Hungarians and 660,000 Cubans there would be nearly 700,000 more jobs available for, say, black Americans. Such a notion cloaks a misunderstanding of reality in a cape of concern.

With that introduction allow me to address some of the important aspects of the "Refugee Act of 1979".

The new definition of the term "refugee" contained in the bill is most welcome. By bringing the language of our legislation closer in line with that of the United Nations Convention and Protocol Relating to the Status of Refugees, United States credibility on human rights is enhanced. As important is the fact that a greater number of political refugees from Africa will be eligible for admission if the bill passes.

Raising the admission level of refugees to 50,000 annually and increasing the worldwide limitation to 320,000 is absolutely necessary if the Act is to make our nation responsive to present international realities. There is no better way for the United States to demonstrate its commitment to individual freedom than to open its doors to such a significant number of political refugees on an annual basis. At the same time our government must forcefully urge other free nations to increase the number of refugees they accept for permanent resettlement. Regrettably, our example and attempts at moral suasion have yet to produce meaningful international results in the case of Indochinese refugees. We must, of course, continue to press for international cooperation, and I urge this Committee and other Committees of the Congress to explore ways in which our efforts can have greater effect. While doing this we must be willing to redouble our commitment in crisis situations. We must be bold international leaders in testing our own limits.

The procedures in the bill for handling emergency refugee situations seem to solve a great many problems that have surrounded the use of the Attorney General's parole authority. While the parole authority has been used effectively for large groups of refugees beginning with the Hungarians, in recent years questions have been raised about its legality. With the passage of this bill many of the frustrations associated with the parole process will disappear. And, seemingly endless delays and bottlenecks in the approval process will be a thing of the past. If any members of the Committee doubt this, I urge them to tighten up the language of this bill, making it impossible for anyone to find excuses for delay and obstruction.

My most recent involvement in refugee affairs is as a member of the Citizens Commission on Indochinese Refugees, organized by the International Rescue Committee. After twice visiting refugee camps in Southeast Asia and witnessing the terrible conditions most of these refugees must endure while they await scarce permanent resettlement opportunities, I must add some thoughts for your consideration.

The United States should accept at least 100,000 Indochinese refugees over the next year both to relieve their suffering and the pressures that their presence creates for the ill-equipped developing nations of the region. Once this decision is made, our processing and transporting of these refugees should be rapid, for every senseless bureaucratic delay contributes to unnecessary suffering among men, women, and children who have endured too much misery for too long already.

I offer my unqualified support of the "Refugee Act of 1979", and am confident that my views are shared by many others in the black community.

NEW DIRECTIONS,
Washington, D.C., May 8, 1979.

Senator EDWARD M. KENNEDY,
2241 Dirksen Senate Office Building,
Washington, D.C.

DEAR TED: At its last meeting on March 30, the Governing Board of New Directions adopted a resolution urging the passage of the Refugee Act of 1979 (S. 643, H.R. 2816). (New Directions is a citizens lobby working toward world security.)

We feel that the bill commendably reorganizes our refugee programs and will help to elevate refugee issues to a higher priority in our foreign policy.

We believe that the bill acknowledges the size and diversity of refugee populations by extending the definition of "refugee" beyond narrow geographic and ideological criteria and essentially adopting the definition of "refugee" incorporated in the U.N. Protocol Relating to the Status of Refugees, to which we are a party. We would urge, however, that the new definition be made more flexible by including within it persons displaced *in their own country,* specifically prisoners of conscience, either in detention or recently released.

New Directions applauds the realistic provisions for the admission of larger numbers of refugees and urges that the presidential restriction to "groups" and "classes" of refugees be made broad enough to conform to the new definition which abolishes existing geographical and ideological limitations.

We also welcome the reorganization of our domestic assistance programs which provide immigrant status for "normal flow" refugees. These measures will avoid many of the hardships that have existed in recent years for those refugees who have sought a new life in the United States.

The support you have given to the effort to improve our refugee programs is deeply appreciated. We look forward to working with you to secure the passage of strong and humane legislation.

Best wishes.

Sincerely,

CHARLES W. WHALEN, JR.,
President.

THE EPISCOPAL DIOCESE OF DALLAS,
Dallas, Tex., June 12, 1979.

Senator EDWARD KENNEDY,
Chairman, Committee on The Judiciary,
Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In response to the Resolution adopted unanimously by the Executive Council of the Episcopal Church, I am writing to endorse the Refugee Act of 1979 known as Senate Bill #643. [This Bill, in my opinion contains a long sought after comprehensive refugee policy and should be the highest priority both in the House and Senate.] As you may know this Diocese has long ministered to refugees throughout the world and especially to new Americans and we intend to continue this ministry under such a priority.

We would appreciate your informing the Committee of our interest.

Faithfully,

Rt. Rev. A. DONALD DAVIES,
Bishop of Dallas.

STATEMENT OF THE AMERICAN FRIENDS SERVICE COMMITTEE

AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT AND THE REFUGEE ASSISTANCE ACT OF 1962

The American Friends Service Committee welcomes the initiation of a bill to amend existing legislation regarding the admission of refugees to the United States. We believe the redefinition of the categories of people to whom the bill applies, the increase in "normal flow" to 50,000 a year, the immediate granting of immigrant status to refugees, and the provisions for additional emergency admissions are all important improvements. In what follows, we review briefly the AFSC's involvement with refugee concerns since its founding, note our current involvement and interest, and make some recommendations which we believe would add further to the effectiveness of the proposed legislation.

BACKGROUND OF INVOLVEMENT WITH REFUGEES

AFSC work for the relief of war-related suffering began with the founding of the Committee in 1917, when young conscientious objectors were sent to Europe to work in France, particularly. Major feeding programs followed the war in Germany and in the Soviet Union. During the Spanish Civil War, AFSC staff worked on both sides and, as the war ended, assisted loyalist refugees who fled across the Pyrenees into France.

In the 1930's and 1940's, AFSC was active in Europe, in the United States, and around the world, to facilitate the emigration of Jewish refugees and their resettlement and support. Work continued with displaced persons and with the integration of remaining refugees and of Volksdeutsche in Germany and Austria into the 1950's. AFSC staff were able to assist with both emergency and long-term needs of Hungarian refugees as they crossed into Austria in 1956 and some remained in that country.

Elsewhere, AFSC was one of the private voluntary organizations assisting Palestinian refugees after the partition of Palestine, working from 1948 to 1950 (when UNRRWA took over) to bring assistance to 200,000 refugees in the Gaza Strip. Since that time, AFSC has continued to send material assistance to Palestinian refugees through the Middle East Council of Churches; and since 1971, AFSC has, under UNRRWA auspices, carried on the only educational program for pre-school refugee children in the Gaza Strip, running at present 12 kindergartens serving a total of 1,300 five-year olds—15% of that age group living in the camps.

AFSC also worked with refugees in the Kunsan area of Korea from 1953 to 1957; with Algerian refugees in Tunisia and Morocco beginning in 1959, and continuing in Algeria after the cease-fire between France and Algeria permitted the refugees to re-

turn to their own country in 1962; with Chinese refugees in Hong Kong beginning in 1959 and continuing until 1967 when the work was devolved onto other organizations; and with Cuban refugees entering the United States in the 1960's.

RECENT AND CURRENT CONCERNS

Chileans and other Latin Americans from the Southern Cone. The AFSC has had a program in the field in Chile since July, 1973. At the time of the military coup in September 1973, ASFC staff were in a position to offer assistance to refugees in Chile and to Chileans subject to detention and repression because of their beliefs or their activities in support of the previous government and/or its programs of social development, particularly in the field of public health. Supports of various kinds were provided to people in Chile, to some who fled to the United States and elsewhere, and to a small group of Chilean refugees resident in Buenos Aires, Argentina. Concerned that the parole provisions of the present refugee and immigration legislation be extended to include Chilean refugees in countries of immediate asylum and to detainees and others in fear of being detained inside Chile, AFSC staff in the United States called on administration officials and members of Congress, urging such action. In conjunction with other private voluntary and church agencies, AFSC later extended this plea to include refugees from other countries of the Southern Cone, especially Uruguay and Argentina.

Haitians. Haitian refugees who have been arriving in Florida in small boats in considerable numbers (an estimated 8,000 thus far) since 1973 merit special attention. Congress has not moved to authorize their admission—as was done for Cubans and Vietnamese, for example. The Immigration and Naturalization Service has treated the Haitians as unwanted opportunists. Rather than accepting them as asylum claimants within the U.S.-signed Protocol and accommodating them until their status can be established, hundreds of men, dozens of women, and some children have been placed in jails as holding facilities. Some of the men have been held for more than a year.

Adults who had bonded out or been released were denied work authorization for several years. During a brief period in 1978, temporary permits were issued, but in recent months renewal appears to be at the whim of INS officers. Many arrivals since November 1978 have never received work permits; many others of longer residence in Florida have not obtained renewals. Nor are the Haitian refugees eligible for public assistance involving federal funds.

Calixte Lucien was a coast guardsman in Haiti, part of a group who tried to overthrow the Duvalier government. Others in the same group have been granted political asylum. In August 1978, Lucien was told that if he chose to stay in the U.S. he would be put in jail for five years and could not work. He told INS he would rather die than be sent back to Haiti. He was put in jail and kept there. When he and others staged a hunger strike on February 22, 1979, in protest, they were beaten and gassed.

AFSC and members of the Religious Society of Friends have offered assistance to Haitian refugees in two ways, both of them represented in small efforts. In the Miami area Friends have provided and continue to provide minimal material assistance and some counseling, through volunteers, especially in relation to refugees' hearings before the Immigration and Naturalization Service. We have also joined with other church-related groups in an effort to obtain just treatment for and acceptance of Haitians as refugees through appropriate changes in government policies and attitudes.

Indochinese. Beginning in 1967, the AFSC has been concerned for and worked on behalf of people displaced or disabled by the Vietnam war and its aftermath. During the war we supported a child care center and, particularly, a rehabilitation center in Quang Ngai where amputees and paraplegics received care without regard to their politics or station. We also sent medical supplies to the North Vietnamese and to the National Liberation Front, in the long standing Quaker tradition of working to meet human need on all sides of a conflict. A parallel educational effort in the United States was mounted to bring an end to the war and the terrible suffering it imposed on the Vietnamese people.

Since the war, AFSC has continued its concern for Vietnam, that normal relations with the rest of the world be restored and that vast reconstruction needs be met. Manufacturing, fishing, and agricultural equipment have been supplied, as have the necessary materials to allow the Quaker-started rehabilitation center, now in Qui Nhon, to continue to make artificial limbs and assist paraplegics. Education in the United States has focused on the needs of the Vietnamese people and the rightness of U.S. humanitarian assistance and recognition for the present government.

With the end of the fighting in 1975, the AFSC directed its help to people in Vietnam and Laos, many of whom had been displaced by the war or by government policy. In regard to the first, large wave of Vietnamese refugees to the United States. AFSC undertook a study on their conditions and reception in this country, with special concern for the opportunity and information they had to help them prepare for life here, if they wished to stay, or return to Vietnam, if that should be possible.

Because of the chaotic nature of the American evacuation in 1975, many Indochinese who had staked their livelihoods if not their lives on U.S. commitments were left behind. In Vietnam alone tens of thousands of intelligence and security-related people were abandoned, and "well over one million" persons who had been employed by the U.S. government or were their dependents were also abandoned, according to Frank Sneppe reporting in Decent Interval. The situation of refugees from Indochina thus has a special dimension for Americans. Directly or indirectly, their plight is to a large degree a consequence of American intervention. Some observers are inclined to blame the new Socialist governments for harsh policies which in turn create refugees, ignoring both disastrous weather conditions and resulting food shortages (which elsewhere would have drawn American sympathy and response) and also the American role which created or exacerbated so many of the social and economic problems which now have to be resolved—resolved without any financial or technical help from the United States.

Currently two Vietnamese-speaking AFSC staff are on assignment in Malaysia to explore services that AFSC might offer on behalf of the boat people from Vietnam. The AFSC staff are also studying the situation of Indochinese refugees in Thailand and may make recommendations for program with them.*

Southern Africa. The AFSC has been in touch with refugees from white supremicist states in southern Africa since the outset of its work in that part of the world in the 1950's. Direct assistance to refugees began only recently, however. This assistance has included grants to African agencies responsible for South African student refugees in Botswana and shipments of clothing, textiles, shoes, soap and medical supplies through nationalist Rhodesian groups for black Rhodesian refugees in Zambia and Mozambique. The Board of Directors of AFSC has just approved a major new program of technical and material assistance to refugees, especially in Zambia, Tanzania, and Mozambique.

In the United States AFSC works with South Africans exiled for political reasons. It has employed a black South African exile to administer part of its Southern Africa Program and has provided forums for others through which to share their experiences. These refugees have included white South Africans in exile because they have resisted conscription or left their military units.

The AFSC feels there are potentially many thousands of white and black persons from southern Africa who for reasons of conscience or resistance to oppression will need sanctuary in the years ahead. The United States can be one of the places of refuge for them, just as it has tried to be a country of refuge for persons from Communist states.

COMMENT AND RECOMMENDATIONS

Current refugee legislation has led, we believe, to a number of gross inequities and injustices. Hundreds of thousands of refugees have been admitted to the United States from Vietnam, Cuba, and Hungary. From Chile and other southern cone countries suffering under notoriously repressive governments, a total of only 600 refugees and their families have been allowed entry; the program not only was severely limited in size but also has required an unconscionably long time to be realized. Haitian refugeees have been subjected to harsh treatment, to denial of the means of survival while they must wait for their claims of asylum to be heard, and to apparently capricious exclusion and deportation procedures. The federal government provides generous sums for the settlement of certain categories of refugees; for others it provides nothing.

The legislation that is now proposed goes a long way to meet many of these problems, and as noted above we are very grateful for the initiative that has been taken in the introduction of this bill. From our experience with and concern for refugees the world over come the following recommendations for additional change which we believe will also be beneficial.

1. Given the enormous human suffering, upheaval, and loss represented by any refugee flow or need for resettlement or asylum, it is our first and primary recommendation that the government and people of the United States continually and urgently seek ways to prevent forced or involuntary movements of peoples: far better to help people become secure and self-reliant in their own lands than to have to assist them, however generously and capably, in a move they have no wish to make. While this recommendation is clearly outside the scope of the present legislation, we must not lose the ultimate vision of a just world, at peace across and within national boundaries.

2. Following from this recommendation, AFSC recommends that repatriation, where feasible and desired by refugees or displaced persons, be a preferred choice to resettlement outside of their native lands. Further, concern for human rights should be so embedded in our laws and administration that other governments would be called to a high standard of respect and justice in dealing with their own people; and the United States should seek to ameliorate material conditions in less developed countries which may cause people to accept great physical

*Please see attached article, "Boat People Can Be Helped," Philadelphia Inquirer, 1/5/79, for a fuller explanation of our views on the boat people.

danger as the price of flight. Development assistance which reaches base level communities, through indigenous or outside agencies, may be offered. In the specific case of Vietnam, normalization of relations followed by reconstruction and disaster assistance including food aid and basic medicines, would both be morally right and also would do far more, on a dollar-for-dollar basis, to help the people of the area to an acceptable level of living than assistance to refugees in camps and resettlement schemes in the United States and elsewhere.

3. A distinction between political and economic refugees is extremely difficult to draw in many cases. Legislation should recognize that people who have fled their homelands for economic reasons may by that fact alone become political refugees—as we believe to be the case for some in Haiti, Laos, and Vietnam, for example. Therefore we would recommend a broad and inclusive, rather than a narrow and potentially exclusive, definition of those to be assisted under the proposed bill.

4. We recommend that the legislation recognize the right of asylum and specify a non-refoulement policy on the part of the U.S. government; a provision to include political detainees, even though still in their own country, should be added to the bill.

5. The United Nations High Commissioner for Refugees is mandated by the U.S. to assist refugees and displaced persons and to coordinate work on their behalf. We strongly urge that the proposed legislation provide for the United States vigorously to support that office and its services around the world, work closely with it, and accept as part of that commitment the U.N. definition of refugee.

6. In light of the United Nations resolution recognizing the right of conscientious objection to service in armed or police forces defending apartheid and granting such objectors who flee their countries to avoid such service refugee status, we recommend that the United States make provisions to receive these people under the proposed legislation, as refugees.

7. AFSC strongly supports the recognition of federal financial responsibility to help in resettlement of refugees. We recommend that the legislation provide for assistance on an equitable basis across the board, with no group or individual favored above another except as special handicaps or other particular needs demand.

8. Finally, the AFSC supports the proposed changes in current law and the above further changes on the basis of concern for the individual human beings involved in refugee movements. It is our recommendation that the legislation emphasize the humanitarian criterion as primary and the short-term national interest of the United States as secondary, if it is to be included at all as the human needs of refugees are considered.

TEXAS DEPARTMENT OF HUMAN RESOURCES,
Austin, Tex., April 6, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Committee on the Judiciary, Room 2226, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: As Commissioner of the Texas Department of Human Resources, and through my association with the American Public Welfare Association, I have carefully watched the progress of the refugee program in this country. In that Texas has the second highest Indochinese refugee population in the country, Senate Bill No. 643 is of special interest to me.

Senate Bill No. 643 provides for equitable and humanitarian treatment of all refugees and is a great improvement over the inconsistent assistance offered in the past. In Texas we do anticipate some problems in effectively resettling refugees if all provisions of the bill are passed as written.

I would like to thank you for this opportunity to present written testimony on this bill and for your consideration of it.

Sincerely,

JEROME CHAPMAN.

TESTIMONY OF JEROME CHAPMAN, COMMISSIONER, DEPARTMENT OF HUMAN RESOURCES, THE STATE OF TEXAS

Chairman Kennedy and distinguished members of the Senate Judiciary Committee:

I am Jerome Chapman, Commissioner of the Texas Department of Human Resources. I welcome this opportunity to present our observations and comments on the Refugee Act of 1979. (Senate Bill No. 643)

It has been estimated that there are 22,700 Indochinese refugees residing in the State of Texas. This population is increasing at the rate of approximately 300 refugees per month. These new Texas residents consist of "boat cases" newly admitted to the United States and settled in Texas by the Voluntary Settlement Agencies (VOLAGS); and of Indochinese refugee individuals and families moving to Texas after having previously settled in other states. The basis of this secondary migration has been attributed to the warmer climate, the presence of more jobs, and the residency of relatives in Texas. Voluntary agencies estimate an additional 80,000 to 100,000 new Indochinese refugees will be admitted to this country by December 31, 1979, and anticipate that approximately 11% will settle in Texas.

Traditionally, 10% of the Indochinese refugee population in Texas at any point in time has been served by the Indochinese Refugee Assistance Program. This program is and has been funded with 100% Federal monies and has been administered, through the Department of Health, Education, and Welfare, by the individual states. Services provided under this program have been in the form of financial assistance, medical assistance, and social services. The level of these services has been comparable to the Aid to Families with Dependent Children, Medicaid, and Title XX Social Services programs which are available to U.S. Citizens. Texas has never appropriated any state funds to provide assistance to these refugees; funds to be used for this purpose are not included in legislative appropriation requests for the fiscal years 1980–81.

It is our understanding that the proposed legislation, S. 643, would only allow refugees to be eligible for relocation assistance for two years following their resettlement in the United States. The Texas Department of Human Resources feels two years may not be sufficient time for all refugees to become fully adjusted and self-sufficient. If federal funds end after only two years, a refugee population may remain in Texas which is not self-sufficient and which may be in need of financial and medical assistance. There will be no means for Texas to provide this aid as Texas does not have a general assistance or unemployed parent program. Services provided to eligible refugees through existing programs, such as Aid to Families with Dependent Children and Medicaid, will not be fully reimbursed with federal funds thus resulting in increased state expenditures.

If the two year eligibility period was applied to our current financial assistance caseload, 67.2% of the cases would have to be denied. This represents approximately 1,400 people who would no longer be eligible for any assistance in Texas. The proposed two year limitation for Social Services actually will only provide for about 18 months of assistance since it takes about 6 months to get refugees integrated into the delivery system.

The continuation of the Indochinese Refugee Assistance Program and the extent of federal participation has become a matter of national debate. In our opinion, this debate should carefully consider the following factors:

1. The Indochinese Refugee Program is a federally initiated and mandated program.

2. Federal direction for this program has been inconsistent and erratic due to the lack of uniform national policy in the areas of funding and eligibility.

3. State resources are not available for this program as current expenditures are 100 percent federally reimbursed.

In order to adequately meet the needs of Indochinese refugees, the Texas Department of Human Resources recommends that legislation for this program contain the following provisions:

1. Assistance to refugees should be 100 percent federally reimbursed until the refugee is self-supporting for one year.

2. Services to unaccompanied refugee minors should be paid for with 100 percent federal funds until they reach the age of majority.

3. Maximum use of private agencies to serve unaccompanied refugee minors should be encouraged.

We feel these recommendations best serve the financial, medical, and social needs of Indochinese refugees. Unless financial assistance to the refugee households continues until they become self-sufficient, their adjustment to life in the United States will be very difficult. Texas may be unable to provide this assistance unless 100 percent federal financial participation in the Indochinese Refugee Program is maintained.

SOCIAL DEMOCRATS, USA,
Washington, D.C., May 10, 1979.

DEAR SENATOR KENNEDY: The dangerous conditions which threaten the existence of tens of thousands of Indochinese refugees are cause for increasing concern on the part of numerous American citizens.

To demonstrate this concern, a number of Washingtonians representing a diversity of political views has signed the enclosed Appeal on the Indochinese Refugees.

We want you to know there is considerable support for legislation that will permit the entry of these brave people into our country, which was founded by refugees and built by immigrants.

Legislation has been introduced to help solve this problem, but we are concerned that it will not receive sufficient attention during a period in which other issues seem to crowd the Congressional agenda.

We therefore urge you to support the Refugee Act of 1979 (S. 643 and HR 2816), and to become a co-sponsor of this legislation, if you have not already done so.

Thank you.

Sincerely,

PAUL R. PORTER,
Chairman.●

ADDRESS ON SALT BEFORE PHOENIX CHAMBER OF COMMERCE

● Mr. DECONCINI. Mr. President, I recently delivered an address on the SALT II Treaty to the Phoenix Chamber of Commerce. In that speech, I outlined some aspects of the treaty which I find troublesome. As the formal Senate debate approaches, I believe it is important for all Senators to share with one another their perceptions, analyses, and concerns. This will, I believe, contribute to a more meaningful and informed debate. Thus, I ask that the text of those remarks be printed in the RECORD.

The address follows:

ADDRESS BY SENATOR DENNIS DECONCINI

After many months of delay and with great fanfare, the President has finally submitted

the SALT II treaty to the Senate. The Senate must now exercise its solemn constitutional obligation to "advise and consent" on the question of ratification. If two-thirds of those Senators present and voting concur, SALT II will become the supreme law of the land and every American will be bound by it.

I would like to remind President Carter and President Brezhnev that the Senate's role in the treaty-making process is defined by the Constitution of the United States. Our founding fathers believed that the collective wisdom of the Senate should be applied to any potential treaty. The power to "advise and consent" clearly extends to making any changes that we believe are required in the national interest. I would further like to remind President Carter and President Brezhnev that in approving this treaty we are creating law under which all Americans must live. Thus, it is imperative that the American people, through their elected Senators, approve or change that proposed law.

It is not in the interest of President Carter to warn the Senate not to make changes. It is certainly not in the interests of the Soviet Union to threaten the United States Senate with dire consequences if the treaty is either changed or rejected.

President Brezhnev and Foreign Minister Gromyko clearly do not understand the nature of democracy, and the fact that our President shares power with a legislative and judicial branch. But President Carter should know better; rather than scold, threaten or warn the Senate, he should work with us. Perhaps he might have been better off if he had consulted with us before signing the treaty.

I can assure you that the Senate of the United States will act responsibly and in a manner consistent with the best interests of the American people. If this involves making changes in the treaty that are not to the liking of Mr. Carter and Mr. Brezhnev, that is the price we pay for a free and open society.

Before any final action is taken, however, there will be an extensive national debate on the treaty itself, as well as the broader questions of foreign and military policy of which the treaty is inevitably a part. Hopefully, the debate will produce both a general public awareness of the issues involved and some national consensus on the future course of America in the world.

During the last decade, American policy has evolved more by default than by rational determination. Instead of conceptualizing our role and objectives in the world, and then effectuating them through specific policies, we go backwards. We start with a series of unrelated, highly specific proposals and keep adding to them to meet new contingencies. However, the net result of this incremental decision-making is the lack of a coherent, meaningful foreign and military policy. The abysmal position we presently occupy in the world is ample proof that this approach is ineffective.

During the 1950s, under the leadership of President Truman, the "containment" policy was developed. This was no haphazard collection of disparate and contradictory ideas. It was a well thought out concept of the world, including a highly specific set of American goals. For at least a decade and a half, this policy guided American diplomatic and military action.

Today, by contrast, our policy is in shambles. We have completely lost sight of where we are as a Nation and in what direction we should be moving. President Carter speaks of human rights, and who could disagree, but that is hardly more than a pious hope, not a policy to guide and protect the vital interests of a great Nation.

President Carter's predecessor's, Presidents Ford and Nixon, articulated the policy of "detente" which supposedly has supplanted containment and now serves as the basis for Soviet-American relations. Unfortunately, detente is not so much a policy as it is a description of current international realities. The Nixon-Kissinger Administration convinced the American people that detente meant more than it does. In their zeal, they led us to romanticize and misunderstand detente. As a result, we have become dangerously complacent about Soviet objectives.

Detente struck a responsive chord after almost a quarter of a century of Cold War. It implied a new phase in Soviet-American relations which would see us burying the cold war hatchet and walking arm-in-arm into the sunset. When told of detente, we breathed a collective sigh of relief.

In truth, detente is nothing more than the simple recognition that overt, head-to-head conflict between us and the Soviets might eventually produce a miscalculation that could send both nations into oblivion. It was, in fact, a reaction to the Cuban missile crisis. It was also the outgrowth of a more sober Russian leadership, still shaken by the antics of Khrushchev. The new leadership no longer believes, as a matter of doctrine, that nuclear war is either inevitable or that Russia will necessarily win.

The danger for Americans is the failure to appreciate detente in the perspective of the cold war. Detente is NOT an end to the cold war.

It is an evolution of the cold war relationship, an evolution that has modified the style and instruments of policy without affecting its substance. Detente has altered the manner in which the Soviet Union pursues its objectives in the world, but the objectives themselves are indistinguishable from those articulated by Lenin and Stalin.

Russian officials rarely use the word "detente." They prefer "peaceful coexistence" because it more accurately describes the relationship without the connotation of friendliness. When they do speak of detente, they make it abundantly clear that it is a *TACTIC* within the context of the on-going and historically necessary struggle between capitalism and socialism. The Soviets do *NOT* see detente as an acceptance of the status quo. They express no doubt that there will be an eventual Communist victory over the West.

I do not criticize the Soviets for their view of detente. I do, however, criticize our own Administration for indulging in wishful thinking; for believing that somehow detente is an end to Soviet-American conflict. More importantly, I criticize the Administration for deluding itself into believing that detente is a real policy when, in truth, it is little more than a romanticized description of what we wish the world were like. And I ask the Administration to explain to the American people how detente is consistent with both the massive Soviet military build-up and their intense military, diplomatic and economic activity in Africa, Asia and Latin America.

Before we approve the SALT II treaty, we should ask ourselves what American foreign policy IS with regard to the Soviet Union, and how the SALT treaty promotes the objectives of that policy. The Carter Administration has adamantly opposed linking the treaty to general foreign policy questions for two basic reasons. First, such an investigation would inevitably demonstrate that the United States has NO policy. Thus, SALT II, like human rights, is free-standing and is not properly integrated into a cohesive American posture.

Second, a discussion of recent Soviet military and foreign policy would reveal a pattern of behavior inconsistent with the belief that competition between us has abated. In the world of foreign policy we can only deduce intentions from actions.

The actions of the Soviets in Africa, Asia and Latin America suggest that their goal is to undermine the West in every way possible. Wherever we look we find the Soviets fomenting trouble, supplying arms and money, and in some cases even military personnel. The level of their activity is greater than any time in recent memory.

Linkage has two basic components. One involves the question of how SALT II relates to this new level of Soviet activism—does it promote more of the same; does it encourage the Soviets to moderate their policy; or is it essentially unrelated at the operational level.

The other component of linkage questions whether or not the United States should—or, more accurately at this point—should have demanded certain foreign policy concessions from the Soviets. Should the Administration have insisted on a commitment by the Russians that they would withdraw troops from Africa, and that they would discourage their Cuban allies from further incursions? Perhaps, the Carter Administration should have negotiated for some concessions in the Middle East or along the European border. Or, should the Administration have insisted that the Soviets do more in the area of human rights?

Regardless of what the Administration might prefer, I find it impossible to contemplate the SALT treaty without linking it to Soviet behavior. It is impossible to ignore, as President Carter would like us to, the fact that recent estimates place almost 30,000 Soviet and Cuban military "advisors" in Africa. I find it impossible to ignore that these troops were scattered among at least seventeen African nations, including Algeria, Angola, Congo, Equatorial Guinea, Ethiopia, Guinea, Guinea-Bissau, Libya, Mali, Mozambique, Nigeria, Sierra Leone, Somalia, Sudan, Tanzania, Uganda, and Zambia. I find it equally impossible to ignore the billions of dollars worth of arms that Russia has given to Afghanistan, Bangladesh, India, Pakistan, and Rhodesia.

At present, I have no firm position on the SALT II treaty. I must say this: I am extremely disappointed in the Carter Administration for not at least working to extract foreign policy concessions from the Soviet Union.

I am told that no attempt was made. Throughout, the Administration has held that foreign policy issues and SALT II should be kept completely separate.

Besides the relationship between SALT and American-Soviet relations, there are two other broad areas that will undoubtedly be covered by the Senate debate.

Inasmuch as SALT is designed to limit strategic weapons, any discussion must focus on strategic-military doctrines. Here, too, the United States has made policy in a relative vacuum. For example, the dominant strategic theory is "mutual assured destruction"—or, MAD, for short. I doubt if even a small percentage of Americans—including, I dare say, most public officials—have any idea what this means. Yet, we hinge our future as a Nation on this doctrine.

It will be extremely beneficial if the SALT debate serves to inform us about MAD, and allows us the opportunity to determine whether this is the correct, or most reasonable, approach to nuclear deterrence. At the very least, I believe that we must draw attention to the following questions: What types of contingencies are likely; how are our weapons systems designed to deal with such contingencies; what types of weapons are the Soviets building; what can be inferred about their intentions from the nature of their weapons; and, ultimately, is the present mix of weapons ideally suited to meet the challenge of the future.

The final phase of the SALT debate will focus on the treaty itself. Already, verification has become one of the major unanswered questions, dividing both the military and

intelligence establishments. Although much of the argument is technical and arcane, it reduces itself to how much verification is necessary to insure that the Russians do not cheat. No one is willing to argue that every provision of the treaty is verifiable. But how much is verifiable? And, would Soviet cheating of a sort that provided them with a strategic advantage be possible? Certainly, I would have to be unreservedly satisfied on this point.

There is the issue of the Protocol to the treaty which limits both the range and deployment of certain types of cruise missiles, and pushes back the date when a mobile ICBM can be deployed. These provisions appear to benefit the Soviet Union with no reciprocal benefit to the United States. The reasons for the Protocol must be thoroughly and adequately discussed.

Regardless of how I ultimately vote on the treaty, I intend to insure that nothing in the treaty can be construed to forbid the United States from deploying the M-X missile in a multiple silo mode. In fact, I have already drafted a reservation to the treaty stating that the American interpretation in no way precludes the deployment of a limited number of missiles to be dispersed among a large number of silos.

Let me conclude by saying that the case for or against the SALT II treaty is by no means an open and shut one. There are too many unanswered questions. It is, in my judgment, the responsibility of each Senator to keep an open mind on both the specific issues raised by SALT and its total impact on our future course in world politics. We should neither accept the treaty as an act of deference to the President, nor should we reject it out of partisan spite. Whether America ratifies the SALT II treaty may well be the most important decision we make in our lifetimes.●

U.S. RELATIONS WITH ROMANIA AND HUNGARY

● Mr. KENNEDY. Mr. President, presently before the U.S. Congress is the extension by President Carter of most-favored-nation (MFN) tariff treatment for Romania and Hungary. I strongly favor extension of MFN treatment for these nations, with whom we have enjoyed steadily improving relations since MFN treatment was first granted—to Romania in 1975 and to Hungary in 1978.

Although many political and ideological differences remain between us, I have always felt that it is an important interest of the United States to seek improved, mutually beneficial relations with individual nations of Eastern Europe. Over time, such improved relations would contribute not only to greater prospects of cooperation and mutual understanding, but also to increased respect of the political and economic rights of our citizens—all of which are recognized in the Helsinki Final Act to which our states are parties.

In the case of Romania, we have seen, we have welcomed, and we should continue to strongly support its independence on foreign policy matters, ranging from its relations with China and the Warsaw Pact to its support of the Israeli-Egyptian Peace Treaty. While problems remain in the human rights field, Romania has permitted increasing numbers of its citizens to go to the United States, from 407 in 1974 to 1,706 in 1978.

The Romanian Government has proved particularly responsive to family reunification requests, including those which I have personally made over the years. Over 80 percent of 216 divided families on the latest representation list presented by the administration to Romania have been on that list for less than 1 year. However, Jewish emigration to Israel has significantly declined over the past 5 years, and I welcome the recent assurances, received by the Conference of Presidents of Major American Jewish Organizations, that are expected to remove remaining impediments to the freedom of Jews to emigrate from Romania. As a result of these assurances, the conference has endorsed renewal of most-favored-nation trade status for Romania.

In terms of both our specific humanitarian interests and our broad foreign policy interests, I believe we should encourage Romanian trade with Western countries and with the United States in particular, which increased by almost 25 percent to $664 million in 1978. In keeping with the 3-year renewal of the United States-Romanian trade agreement last year, we should also seriously consider 3-year extensions of MFN status, which I believe would encourage even greater progress in our political, economic, and humanitarian relations over time.

In the case of Hungary, we have enjoyed steadily improving and broadening relations. They reflect the practical efforts of our two Governments to create ties of mutual respect and mutual benefit, of which the two most important recent examples were the return of the crown of Saint Stephen and the conclusion of our bilateral trade agreement in 1978. Most visitors to Hungary have remarked on that country's relatively high standards of living and relaxed internal conditions, compared to the rest of Eastern Europe. In addition, despite restrictive emigration statutes, the Hungarian Government has approved over 90 percent of its citizens' applications to emigrate for purposes of family reunification, and has permitted large numbers of its citizens to travel abroad. Here again, I welcome the fact that United States-Hungarian trade increased by 32 percent to $166 million in 1978, and I believe we should continue to increase this trade quantitatively as we seek to diversify it qualitatively.

With Hungary, as with Romania, it is important to expand our trade relations not only for their own sake, but for their contribution to our overall bilateral relationships and to East-West détente. The trade agreements have proved of major benefit to our interests—as have the corresponding MFN tariff treatment, the ever-increasing volume of trade, and the important and continuing progress we have made in the humanitarian field.

In conclusion, Mr. President, I strongly support extension of most-favored-nation tariff treatment for both Romania and Hungary. I request that the full text of the persuasive testimony of State Department Counselor Matthew Nimetz, before the House Subcommittee on Trade, be printed in the RECORD. I also request that the statement of Mr. Jack Spitzer on behalf of the Conference of Presidents of Major Jewish Organizations—which reports on Romanian emigration assurances and endorses renewal of MFN status for Romania—be printed following Mr. Nimetz' testimony.

The material follows:

STATEMENT OF THE HONORABLE MATTHEW NIMETZ

Mr. Chairman: I am pleased to have this opportunity today to testify on behalf of further extension of the President's waiver authority under Section 402 of the Trade Act, including his authority to continue the waivers permitting most-favored nation (MFN) tariff treatment for Romania and and Hungary. The President's waiver authority has proven to be a valuable device for the promotion of U.S. interests, including our interest in freedom of emigration. It has permitted us to broaden our relations with Romania and Hungary.

I am particularly gratified to have this opportunity to appear before you since just last month I visited Bucharest and Budapest as the leader of a U.S. delegation which conducted extensive consultations with the Romanian and Hungarian Governments on the implementation of the Helsinki Final Act. These consultations covered the range of issues addressed by the Final Act including military security matters, trade and economic cooperation, and the reunification of divided families and other human rights questions. I personally regard the development of our relations with Romania and Hungary as very important to U.S. interests in Eastern Europe.

Before addressing the two countries in particular, I would like to review briefly the general policy considerations on which our relations with Eastern Europe are based.

In recent years, increasing diversity has come to characterize Eastern Europe. All the Warsaw Pact member states remain loyal to basic Communist ideological tenets and most to Soviet foreign policy positions. But they differ in the patterns of their cultural and social development, in the nuances of their foreign policies, in how they order their economies, and in the amount of personal, religious and intellectual freedom allowed to their citizens. In recognition of these divergences, our general policy is to seek improved relations between the United States and those nations of Eastern Europe which reciprocate a desire for improved relations. We believe that better relations based on principles of mutual advantage will strengthen beneficial ties between East and West, promote the goals of the Helsinki Final Act, and thus contribute to greater respect for human rights and to better living conditions for persons in Eastern Europe.

I would like to emphasize that our efforts to improve relations with Eastern Europe do not imply our approval of the Communist political systems in the countries there. We continue to have profound disagreements with the governments of Eastern Europe over many questions of political freedom and basic human and social values. However, it is important to recognize that the expansion of relations permits us to discuss differences more candidly with their governments. In recent years we have been able to conduct more open and productive exchanges on many topics, including human rights, trade, security and confidence building measures, and other issues embraced by the Helsinki Final Act.

Our relations with Romania and Hungary have evolved significantly during this decade, to the advantage of our nations and peoples. The two countries follow dissimilar domestic and foreign policies. The establishment of non-discriminatory trade relations with Romania in 1975 and with Hungary in 1978 was a watershed in our relations with both countries. Continuation of MFN tariff

treatment constitutes a sound basis for further progress. Were this basis to be removed, our relations with these countries would deteriorate rapidly and significantly.

ROMANIA

We continue to believe that it is in our interest to maintain and develop further the good relations which we have with Romania. These relations were strengthened by the meeting in 1978 between President Carter and President Ceausescu when the two Presidents agreed to maintain a continuing dialogue on a variety of bilateral and multilateral issues. Our paramount interest in keeping this close relationship is based on Romania's considerable independence on foreign policy issues. Over the years, Romania has not shrunk from expressing openly and forcefully points of view which differ from those of its Warsaw Pact allies. While I believe Romania's posture is well known, I would like to point some of the more noteworthy developments which have occurred over the past year, specifically since last year's MFN hearings.

In August 1978 Romania hosted Chinese Party Chairman and Prime Minister Hua Guofeng, thus further strengthening its ties with China.

In last November, at the Moscow Warsaw Pact Summit Meeting, Romania opposed initiatives which concerned increased military expenditures, consolidation of the Warsaw Pact command structure, and maintenance of a united front against China.

In several speeches in Bucharest upon his return from the Summit Meeting, President Ceausescu made public Romania's stand on the controversial issues and indicated that under no circumstances would Romania permit its military to take orders from other countries.

Romania strongly condemned Vietnam's invasion of Kampuchea, stressing that no country should infringe upon the territorial sovereignty of another.

Alone among Warsaw Pact countries, Romania supported the Israeli-Egyptian peace treaty and U.S. efforts in that area.

Romania continued its efforts to play a constructive role in the Middle East by attempting to bring together countries with differing points of view.

Economically, Romania continued to broaden its ties with the non-Communist world. Since 1974 more than half its trade has been with non-Communist partners and this proportion has continued to grow.

Romania, as one of the most determined supporters of the concept of European security and cooperation, continued to play an important role in preparations for the Madrid CSCE review meeting in 1980.

Since last year's hearings on the extension of MFN status to Romania, high-level contacts included a visit here last Fall by Foreign Minister Andrei and Secretary Blumenthal's talks in Bucharest in December. In April 1979 Secretary Kreps led the U.S. delegation to a meeting of the Joint U.S.-Romanian Economic Commission which reviewed bilateral economic and trade relations. In early May, as I indicated earlier, we held comprehensive discussions in Bucharest with Romanian officials on the entire spectrum of issues covered by the Helsinki Final Act. In these discussions, which were candid in the best sense of the word, we were able to cover many humanitarian facets of the Final Act of concern to the American public. Within this framework we encouraged, for example, furtherance of the right of individuals to practice their religion and urged that attention be paid to difficulties reportedly facing churches which suffered earthquake damage.

We also stressed the rights of national minorities to equality before the law and their full opportunity for the enjoyment of human rights and fundamental freedoms. In this regard we had a useful discussion of the situation of ethnic Hungarians and other nationalities in Romania and the importance of their continuing access to bilingual education and cultural expression. Of direct relevance to today's subject we also had extensive discussions of the Basket Three provisions meant "to facilitate freer movement and contact" and especially those sections of the Final Act dealing with family reunification. I will report on facts related to this latter area in greater detail in a few moments.

Obviously the practices in Romania do not conform with ours or with what we would consider to be full implementation of the Helsinki Final Act. However, I am pleased to report that, despite fundamental differences in the social, economic and political value systems of our two countries, all of these discussions were carried out in a spirit of cooperation and understanding, with both sides indicating a willingness to exchange ideas and to consider constructive criticisms in an attempt to find practical solutions to our problems and enlarge the areas of mutual understanding. Our dialogue on these various human rights questions will continue in both a bilateral and CSCE context. Overall, our experience convinces us that Romania's efforts in these fields are serious and that together we have built a solid bilateral relationship in which MFN plays a very useful and important role.

I would like to turn now to the specific question of emigration from Romania. As a matter of government policy, Romania does not encourage emigration. This is based both on national pride and on the needs of national development, which require that citizens remain and work in Romania, thus contributing to the country's well-being and eventual prosperity. However, the Government of Romania has continued to maintain that, consistent with its undertakings in the Helsinki Final Act and with various bilateral commitments, it will cooperate in the settlement of cases involving reunification of divided families in a humanitarian manner.

Mr. Chairman, we have provided statistics for you and your Subcommittee which enable us to assess Romanian emigration performance. As reflected in those statistics, emigration from Romania to the United States has continued to increase during the period in which the waiver has been in effect, rising from 407 in 1974 to 1240 in 1977. In 1978, a further substantial increase in overall emigration occurred. Emigration to the United States rose from 1240 in 1977 to 1706 in 1978, an increase of nearly 38 percent. According to the records of our Embassy in Bucharest, 1528 persons received visas for permanent departure for the United States during the period July 1978–May 1979. This figure represents an increase of 50 percent compared with the same previous period.

It should be noted that a considerable number of those who have been allowed to emigrate from Romania are persons who are not qualified to receive immigration visas for direct travel to the United States because they do not have immediate relatives in the U.S. who can file petitions on their behalf. These people are assisted by our Embassy in traveling to a third country from which they are then processed for entry into the United States as refugees.

We presented our most recent divided families Representation List to the Romanian Foreign Ministry on March 30. Out of a total of 216 cases, including 511 persons, less than 20 percent have been on the list over a year. Of the outstanding requests for marriage approvals, nine of the 57 pending cases have been granted since April and we trust that others are on the way to resolution. Only two cases on this list are over a year old. We have been less successful with respect to cases involving dual nationality, i.e., persons who have valid claims to U.S. citizenship and wish to emigrate. However, examining all of the pending cases, our Embassy estimates that if the present rate of approval continues through the remainder of 1979, as many as three-fifths or more of the cases included in our lists should be solved this year.

Romanian emigration procedures continue to be an issue of concern for us. Individuals applying for permanent departure remain subject to bureaucratic delays and cumbersome requirements. We have emphasized to the Government of Romania the importance of simplifying the requirements to be met by prospective emigrants; the advantage of taking expeditious action on emigration requests, and our concerns about reports of economic retaliation and social pressures on those who wish to leave Romania. We are hopeful that our expressions of concern, as well as those of other governments, with regard to procedures will have a positive impact on future Romanian actions in this area.

We continue to make clear to Romanian authorities that we are interested in emigration from Romania to Israel. Unfortunately, statistics for 1978 continue to indicate a decline in the emigration of Romanian Jews to Israel, from 1330 in 1977 to 1144 in 1978. This trend continued over the first five months of 1979. In recent weeks, however, the Romanian Government has approved 29 cases, including some 63 persons. These approvals will be reflected in the statistics for the coming months. The factors determining trends in emigration to Israel remain complex. While it is generally acknowledged that the remaining Romanian Jewish community is small and has a high proportion of aged persons, its exact size is not known with precision, although we estimate it to be in the area of 40–50,000. Nevertheless, regardless of what the actual figure is, it continues to be difficult if not impossible to determine how many Romanians of Jewish origin would depart if they could. Romainian officials have repeatedly told us that, except for a small number of exceptional cases, all Romanian Jews who wish to emigrate will be permitted to do so. We note that of the approximately 450,000 Romanian Jews who survived World War II, 400,000, or roughly 90 percent, have already emigrated to Israel. Although the largest movement to Israel took place soon after the War, since 1971 nearly 20,000 Romanian Jews have emigrated there. We are not aware of any policy to forbid specifically the emigration of those who remain. On the other hand, Romania does not encourage emigration by any Romanian citizens and the application procedures are far from simple. In the final analysis, we believe that an acceptable level of emigration from Romania to Isarel is principally the concern of the two countries involved, although we will continue to keep this matter before the Romanian Government, making clear the interest of this Government in improved performance.

Emigration to the Federal Republic of Germany continues to increase. In 1978 over 11,000 Romanians of German extraction emigrated to the Federal Republic. There is also limited but continuing emigration from Romania to other Western countries, including Canada, Italy and France. These numbers are not large in comparison to those going to the United States, the FRG, and Israel, but indicate an effort on the part of the Romanian authorities to be forthcoming in the solution of what they consider to be humanitarian cases.

U.S.-Romanian trade and economic relations have continued to expand under the U.S.-Romanian Trade Agreement, which was renewed in 1978 for another three-year pe-

riod. In 1978, our total trade with Romania grew by almost thirty-five percent. U.S. exports reached $317.4 million and were characterized by a large increase in manufactured goods exports in addition to an increase in our traditionally strong agricultural exports. U.S. imports totaled $346.6 million with increases in a variety of categories including light manufacturers and oil products. Figures for the first four months of 1979 continue to show an upward trend in two-way trade with U.S. exports exceeding imports by $74 million.

HUNGARY

Following the return of the Crown of Saint Stephen to the Hungarian people in January 1978, our relations with Hungary have continued to improve and broaden. We anticipated that the Crown's return and the mutual extension of MFN tariff treatment would be the capstone of a gradual, significant improvement in relations which had occurred since the late 1960's. We have not been disappointed. Post-war relations of distrust and hostility have been replaced by an atmosphere of mutual respect, candid and forthright discussions and an ability to deal with each other in a businesslike way on a wide variety of issues including topical international ones.

In the process of consolidating and building upon our improving relations with Hungary, the emphasis now is on economic and trade matters. Hungary has indicated serious interest in expanding its trade relations with the United States and in thereby broadening its Western economic interests beyond their present concentration in Western Europe. We are responding to this interest. The 1978 Trade Agreement was, of course, a major step forward. In other areas, we have just about reached agreement on a comprehensive program document to implement fully our 1977 Cultural and Scientific Exchanges Agreement. As I previously noted, last month we conducted another in a series of comprehensive bilateral reviews of implementation of all aspects of the Final Act of the Conference on Security and Cooperation in Europe. Speaker O'Neill and a distinguished group of Congressmen met with First Secretary Janos Kadar and other Hungarian leaders in Budapest in April. And we continue to be able to discuss humanitarian and emigration problem cases productively with the Hungarian Government.

Let me now address Hungarian emigration practices in some detail. It is true that Hungary has a labor shortage and does not encourage emigration. It is also true that Hungary's emigration law is ostensibly restrictive. However, our experience has verified that approximately 90 percent of applications for emigration for purposes of reunification with close relatives are approved without undue difficulty.

With reapplications and some persistence, problem cases usually are favorably resolved, even if only after some time. We have no evidence of official sanctions applied against persons seeking to emigrate. Emigration and passport fees are modest, totaling about $75 per adult applicant. There is no particular problem concerning Jewish emigration. Demand to emigrate from Hungary appears modest, probably attributable to the country's moderately high standard of living and relatively relaxed internal conditions. The Hungarian Government has indicated that in 1978 less than 2,000 Hungarians applied to emigrate, with intended destinations divided evenly between the East and West. According to Hungarian figures, 90 percent of applications overall were approved and 92 percent of those for persons seeking to go to the United States. (The U.S. Embassy in Budapest issued 125 immigrant visas in 1978). The Hungarian Government noted in passing that in 1979 more persons returned for residence from the U.S. to Hungary than the other way around. (The returnees are mostly retired persons.)

In the last four years, we have discussed 36 problem emigration cases with the Hungarian Government. The great majority of these have been favorably resolved. When MFN went into effect for Hungary last July, seven problem cases were outstanding. Four have subsequently been favorably resolved. Of course, the number of problem cases outstanding at any one time varies since, as older cases are resolved, new ones come up. As of May 31 there were nine cases involving 16 individuals under discussion between our two governments. Most of these cases date from earlier this year. We have indications that three of these cases will be favorably resolved in the near future.

I would also like to note Hungary's positive record in the field of travel. Large numbers of Hungarians travel abroad annually. Most go to other Eastern countries, but some 355,000 annually visit the West. The average Hungarian perceives that he can visit the West if he wishes, at least occasionally. This perception undoubtedly plays a role in reducing overall demand to emigrate. Hungary welcomes foreign visitors. Some 17,000,000 currently visit or transit the country annually.

Let me turn now to U.S.-Hungarian economic relations. Because the Trade Agreement went into effect only last July, it is still too soon to draw long-term conclusions about its effects. U.S. exports to Hungary in 1978 totaled $98 million while Hungarian exports to the U.S. were $68 million. Notably, the 1978 trade turnover of $166 million was up 32 percent from 1977's $126 million. We expect that agricultural products, particularly corn, soybeans and cotton, will continue to dominate U.S. exports to Hungary. However, sales of U.S. manufactured products such as agricultural and data processing equipment are expected to continue to grow. Hungary's exports to the U.S. are diversified. They include food products, pharmaceuticals, and various manufactured products and parts.

There already is clear evidence that the Agreement is having a favorable influence on U.S. commercial interests in Hungary. Since signing of the Agreement, Dow Chemical has received permission to open the first U.S. business office in Budapest, and the National City Bank of Minneapolis has informed us it will open an office in Budapest this summer. Our Embassy in Budapest has observed a substantial increase in Hungarian business inquiries and in issuance of visas to Hungarian businessmen. Both U.S. and Hungarian business sources have reported to the Embassy that the surge in interest on both sides is in large measure due to the Trade Agreement. Late last year, within the framework of the Trade Agreement, the Hungarians received permission to open a government commercial office in Chicago. The office is expected to open this summer. In February 1979 the U.S. and Hungary signed an agreement to avoid double taxation which, when ratified, will further facilitate arrangements for firms doing business in each other's countries.

Hungary ran a large hard currency deficit in 1978 and is trying to correct that situation this year by imposing economic constraints designed to reduce imports. Nevertheless, during the first four months of 1979, U.S. exports to Hungary were somewhat above U.S. exports for the same period of 1978. Hungarian exports to the U.S. were $7 million higher in the first four months of 1979 than in the same period of 1978.

The Trade Agreement constitutes a new chapter in U.S.-Hungarian business relations. Considerable learning by both sides is still occurring as to each other's trading practices, possibilities, and styles. One important dispute did arise in the field of chemical patents. A number of U.S. chemical firms have raised serious complaints concerning the business practices of Hungarian chemical enterprises involving certain products manufactured by the U.S. companies. We have stressed to the Hungarian Government the importance of resolving these problems in a timely and mutually satisfactory manner. Earlier this month, within the framework of our new Joint Economic and Trade Committee, we held government-to-government talks in Budapest on this problem, which also served as a means for the U.S. companies and Hungarian enterprises to resume their direct discussions. We believe that these talks, which produced an Agreed Minute between the two governments reaffirming earlier commitments for the protection of industrial property rights, have led to substantial progress toward resolution of this issue. In the final analysis, settlement of these problems will depend upon the success of the negotiations between the U.S. and Hungarian firms. We are pleased that these direct negotiations are continuing.

In conclusion, Mr. Chairman, we believe that both the Romanian and Hungarian performance, overall, justify an extension of the President's authority to waive Section 402 of the Trade Act and to continue in effect the waivers for Romania and Hungary. Our ability to continue to develop broad and meaningful contacts with these countries depends to a significant extent on the continuation of MFN. We believe that we can best serve the interests of those who wish to emigrate by maintaining an open and constructive dialog with the leaders of these two countries. We also serve our own interests by virtue of the expanded trade and economic relations made possible by the continuation of the provisions of our bilateral trade agreements with Romania and Hungary.

In view of these factors, Mr. Chairman, the Administration strongly recommends the extension of the President's authority to waive Section 402 of the Trade Act to continue in effect the waivers for Romania and Hungary, and to permit the extension of future waivers to other countries as circumstances permit.

Romanian immigration to the United States

(Monthly totals)

	Immigrant Visas Issued by Embassy Bucharest*
1977	
January	69
February	59
March	138
April	101
May	129
June	106
July	111
August	151
September	106
October	101
November	94
December	75
Total	1,240
1978	
January	78
February	100
March	67
April	99
May	124
June	122
July	145
August	118
September	170
October	246
November	191
December	206
Total (1,706 including dual nationals)	1,666

Footnote at end of table.

Romanian immigration to the United States—Continued
(Monthly totals)

1979

	Immigrant Visas Issued* by Embassy Bucharest
January	77
February	106
March	99
April	67
May	103
Total	452

*Includes third country processing, but excludes dual nationals.

Romanian emigration to the United States
(Annual totals)

Calendar year:	
1968	68
1969	142
1970	373
1971	362
1972	348
1973	469
1974	407
1975	890
1976	1,021
1977	1,240
1978 (1,706 including dual nationals)	1,666
1979 (January-May)	448

Romanian Jewish immigration to Israel
(Monthly totals)

1977

	Number of immigrants
January	46
February	62
March	113
April	132
May	105
June	109
July	70
August	113
September	181
October	197
November	118
December	88
Total	1,334

1978

January	63
February	73
March	96
April	77
May	148
June	111
July	90
August	90
September	99
October	100
November	98
December	98
Total	1,143

1979

January	31
February	47
March	55
April	60
May	61
Total	254

Romanian Jewish emigration to Israel
(Approximate annual totals)

1971	1,900
1972	3,000
1973	4,000
1974	3,700
1975	2,000
1976	2,000
1977	1,330
1978	1,143
1979 (Jan-May)	254

*Hungarian immigration to the United States**
(Calendar year totals)

1974	146
1975	126
1976	127
1977	98
1978	125
1979 (Jan–May)	27

*Immigrant visas issued by U.S. Embassy, Budapest.

STATEMENT OF MR. JACK SPITZER

Mr. Chairman: I am President of B'nai B'rith International, an organization of a half million American men and women, in addition to our members in 41 other countries. I appreciate this opportunity to present the views of the Conference of Presidents of Major American Jewish Organizations, an umbrella organization made up of 33 constituent bodies.

Romania has enjoyed most-favored-nation trade status with the United States for the past four years, a status granted in expectation that emigration from Romania would become freer. Yet we have been confronted by the fact that though the volume of U.S.-Romanian trade has increased handsomely during this period, the level of Jewish emigration has fallen.

When Congress originally gave its consent to most-favored-nation status for Romania in mid-1975, it was with the advice of the State Department to let Romania's actual performance on emigration substitute for the formal assurances called for in Section 402 of the Trade Reform Act. Regrettably, Jewish emigration to Israel has gone from 3,700 in 1974—the last full year before MFN—to 2,400 in 1975, 2,200 in 1976, 1,500 in 1977, to 1,200 in 1978. Emigration thus far this year is running at approximately half of last year's rate. In the first five months of 1978, 459 Jews were permitted to leave; the same period this year shows only 251 leaving.

The Romanian government has offered several explanations for this decrease, but they have not fully resolved our questions.

This record of Romanian Jewish emigration has been the single exception to an otherwise positive picture of Romanian policy toward both Jews and the State of Israel. The Romanian Jewish community enjoys considerable religious, cultural, and communal freedoms, and Romanian foreign policy, particularly with respect to the Middle East, has been a courageously independent one. Romania alone among the Eastern bloc countries maintains friendly and productive relations with Israel. Indeed, President Ceaucescu was a major catalyst behind the Israeli-Egyptian peace process that culminated in the signing this past March.

But in light of our experience with Romanian emigration policy these past four years, we have been reluctant to recommend another extension of most-favored-nation status. Happily, however, recent developments have given us substantial reason to make a positive recommendation. We have received concrete assurances from the Romanian government—assurances which have been shared with, and endorsed by, the Department of State—that, in the spirit of the Jackson-Vanik amendment, will hopefully remove remaining impediments to the freedom of Jews to emigrate.

It is our belief that these assurances were made in good faith and that they will be honored by the Romanian government. It is on this basis that we believe we can now give our endorsement to renewal for the forthcoming year of most-favored-nation status for Romania.

We hope that our close observance of Romania's emigration performance will enable us to continue to endorse most-favored-nation status in the future. Indeed, we would like to believe that on the basis of recent understandings reached between the Conference of Presidents and the Romanian government, the problem of Jewish emigration from Romania may be resolved once and for all.

The Romanian government has shown a spirit of cooperation and flexibility in helping to resolve the issues which will hopefully serve as a model for resolving other human rights issues which the U.S. government, the Congress, or private organizations may want to bring to the attention of the Romanian government in the future.

We wish to express our gratitude to the Chairman of this Subcommittee for his good offices and to his staff for their personal involvement in the conversations which took place. The Department of State was also extremely helpful in the clarification and resolution of this important matter.

We appreciate your permitting us to state our position.●

LOUELLA DIRKSEN

● Mr. DOLE. Mr. President, I would like to express my sorrow at the passing of a good and noble lady, Mrs. Louella Dirksen. For many years, she was a familiar and welcomed sight in Washington, at the side of her distinguished husband, the late Senator Everett Dirksen. She contributed her warmth, her wit, and her boundless patriotism to a greateful Republican Party, and gave credence to her advice to live creatively on the edge of tomorrow.

Louella Dirksen was an inspiring speaker, and perhaps the best tribute we might pay to her oratory is that she always lived up to her words. As a tireless contributor to the civic life of her beloved Illinois, and as a mainstay of my party, she echoed the devotion that characterized her life as a wife and mother.

She will be missed by all who knew her, and by many more who admired her from a distance. But we have her example to inspire us, and her words to encourage us. When she goes home to Pekin, to lie beside the man she once called "Mr. Marigold," there are a great many of us who will keep a place in our hearts for her memory.

I extend my personal sympathy to her daughter, Joy, and her husband, our distinguished minority leader, and their two children. I know that the years ahead, for them even more than for the rest of us, will be warmed by joyous memories of this vital and loving woman.●

RESIGNATION OF PRESIDENT SOMOZA OF NICARAGUA

● Mr. KENNEDY. Mr. President, the resignation of Anastasio Somoza from his office as President of Nicaragua opens the door at long last to a political solution of the tragic civil war in Nicaragua. I join with the administration in calling upon the interim president, Francisco Urcuyo Malianos, to assure a rapid and peaceful transition to the new Government of National Reconstruction, as previously agreed by all parties. The United States should promptly recognize this new government which is supported by all of the democratic political forces in Nicaragua. We should work closely with it and other Latin American governments to help the unfortunate people

of Nicaragua recover from their many months of bloodshed and civil war.

I welcome and support the continuing and important efforts of both the administration and the Government of National Reconstruction toward an early ceasefire and toward the creation of a new leadership committed to peace, unity, democracy, and justice in Nicaragua. In very important part, this progress has depended and will continue to depend on the strong support of the Nicaraguan people and the active cooperation of the democratic governments of Latin America.

On June 29, Acting Secretary of State Warren Christopher communicated to me the administration's active commitment to "an end to the bloodshed in that beleaguered country and an enduring and peaceful solution of the political crisis there." Mr. Christopher stated that:

> The conduct of the Somoza Government is the fundamental cause of the mounting tragedy in Nicaragua, and that it must be promptly replaced by a broadly-based, democratic alternative, which would be a clear break with the past.

On July 8, the leaders of the Government of National Reconstruction communicated to me that:

> We are motivated above all by a desire to shorten the suffering in our embattled Nicaragua. Peace will not be attained without justice and democracy, two things which we have not had in Nicaragua for the last half century and the attainment of which is the reason for the patriotic and heroic struggle of our people.

I hope that both the administration and the new leaders of Nicaragua will now work, in a concerted way, with our friends in Latin America and elsewhere to mount the major relief and reconstruction and effort needed to alleviate the extensive human suffering in the cities and the countryside. At the same time, we must spare no effort to encourage a peaceful transition both to an enduring system of democracy and justice in Nicaragua and to close and friendly relations among Nicaragua, the United States, and the other nations of the hemisphere.

Mr. President, I request that the full text of the June 29, 1979, letter to me from Acting Secretary of State Christopher be printed in the RECORD along with Mr. Chritsopher's important June 23 statement to the Organization of American States. I also request that the text of the State Department's June 17 statement on Nicaragua be printed in the RECORD.

The material follows:

STATEMENT IN THE MEETING OF FOREIGN MINISTERS OF THE OAS BY WARREN CHRISTOPHER, U.S. DEPUTY SECRETARY OF STATE

The resolution adopted represents an extraordinary effort by the nations of the Western Hemisphere to deal with the unique and tragic problem of Nicaragua.

As far as I know, there is no precedent for the broadly-based and far reaching resolution adopted today.

By this resolution, an overwhelming consensus of the nations of the Hemisphere have reached agreement on several important propositions:

(1) The conduct of the Somoza government is the fundamental cause of the tragic situation faced by the Nicaraguan people, and it should be replaced without delay.

(2) A broadly-based democratic alternative should be promptly installed, and free elections should follow as soon as possible.

(3) The human rights of the Nicaraguan people, so long abused, shall be guaranteed.

(4) The member states are urged to take whatever steps may be feasible to facilitate an enduring and peaceful solution to the Nicaraguan problem.

(5) The member states are called upon to scrupulously respect the principle of nonintervention and to abstain from taking any action incompatible with an enduring and peaceful solution.

(6) Finally, the member nations commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the recovery of the country.

The United States is pleased to join this resolution in the interest of hemispheric solidarity. While the resolution does not have the specificity we had originally desired, it does permit constructive actions by the member countries.

Our support for the resolution is a reflection of the policy of the United States to give full respect and dignity to the views of the other member nations, and to find accommodations which enable us, avoiding unilateral actions, to act in unison.

STATEMENT ON NICARAGUA BY THE DEPARTMENT OF STATE

We hope the resignation this morning of Anastasio Somoza Debayle as President of Nicaragua will end that country's tragic civil war and will enable Nicaraguans to begin the process of reconstructing their country in peace and freedom.

From the beginning of the violence that set Nicaraguans against each other, the Organization of American States and its member nations, including the United States, have worked to facilitate a peaceful and democratic solution to the civil strife in Nicaragua.

After the bloody outbreak of violence and insurrection last September, we joined with other friendly governments to encourage a negotiated solution. The suffering and abuses documented by the Inter-American Human Rights Commission, had already then made clear that the alternative to a negotiated peaceful settlement would be even worse violence.

A three-nation mediating group, in which the U.S. joined with the Dominican Republic and Guatemala, worked with both President Somoza and his growing opposition. The mediators succeeded in obtaining the agreement of major opposition forces to an internationally supervised plebiscite that would have permitted Nicaraguans to determine their future by secret ballot. President Somoza rejected the mediators' proposed formula for plebiscite, despite warnings that rejection would likely lead to renewed violence.

Over the past several months, President Somoza became increasingly isolated. Nicaraguans of many persuasions cast their lot with the armed insurrection against him, and against his family's domination of Nicaraguan life. In June, the nations of the Americas, asembled in the OAS, overwhelmingly called for the "immediate and definitive replacement of the Somoza regime (with) a democratic government."

The result this morning is the end of the most prolonged remaining system of personal rule in the modern world. To facilitate the transition, we will receive Mr. Somoza in this country where he will join his wife, who is an American citizen. While in the United States, Mr. Somoza will have the protection of U.S. law; he will also be subject to its obligations.

Today's events will not end the suffering in Nicaragua. The war has created hundreds of thousands of refugees, both within Nicaragua and in neighboring countries. There is a great need for food, medicine, and emergency shelter. In the last few weeks, we have made nearly 1000 tons of food and a large supply of medicine available to the Nicaraguan Red Cross. Now more can be done.

With the prospect that the hostilities that hindered the administration of humanitarian assistance will be ending, we can expand the emergency airlift to feed the hungry. This effort will be coordinated with the efforts of international agencies and with other nations throughout the hemisphere and the world.

A caretaker regime is in place to begin the process of national reconciliation. A Government of National Reconstruction, formed initially in exile, will assume power from the caretaker regime. It has pledged to avoid reprisals, to provide sanctuary to those in fear, to begin immediately the immense tasks of national reconstruction, and to respect human rights and hold free elections. The Inter-American Human Rights Commission and leaders from throughout the hemisphere, many of whom, like the members of the Andean Group, took the lead in assisting the resolution of the conflict, will be present to offer their support.

Throughout this long and difficult period, we have repeatedly consulted wtih countries in the region. These countries have played an active and important role in facilitating the transition in Nicaragua. We will continue to seek their counsel in the days ahead, as we prepare to work with the new government.

We wish to look to the future and to build a new relationship of mutual respect with the people and government of Nicaragua.

DEPARTMENT OF STATE,
Washington, D.C., June 29, 1979.

Hon. EDWARD M. KENNEDY,
United States Senate

DEAR TED: Thank you for your letter of June 25 and for your forceful and thoughtful statement on the tragic events in Nicaragua. I can assure you that the President, Cy and I fully share your deep concern, and that, in conjunction with our OAS allies, we are actively seeking an end to the bloodshed in that beleaguered country and an enduring and peaceful solution of the political crisis there.

I am enclosing a copy of my statement in the OAS last Saturday, in which I explained our vote in favor of the unprecedented resolution adopted to deal with the Nicaraguan crisis. As I stated, we believe that the conduct of the Somoza Government is the fundamental cause of the mounting tragedy in Nicaragua, and that it must be promptly replaced by a broadly-based, democratic alternative, which would be a clear break with the past.

In seeking to achieve these ends, we are engaged in a wide-ranging diplomatic effort in Washington, in Managua, and throughout the hemisphere. Our goal is a process which would remove Somoza peacefully and would lead to negotiations among a wide spectrum of Nicaraguan society, a ceasefire, and the establishment of a new representative government.

We have no desire to create competing forces within Nicaragua. At the same time, however, we are concerned that Somoza's departure not create a vacuum. We are, therefore, urging the formation of a government of national reconciliation, to include the provisional junta, looking toward the establishment of the new democratic system essential to the restoration of peace in Nicaragua.

I hope that we can count on your support for our efforts.

With regards.

Sincerely,

WARREN CHRISTOPHER,
Acting Secretary.●

A REFUGEE JOURNEY TO BOSTON

● Mr. KENNEDY. Mr. President, there has rightly been much written in recent days about the refugees from Indochina, and the desperate plight of the boat people. Against great odds, these refugees seek safe haven and a hope for a new life in a new land.

Amidst the daily reports of the tragedies that all too often overtake the boat people, it is heartening to find a boat story with a happy ending—such as that of Nguyen Van Tich, whose journey as a refugee finally took him to Boston this past weekend, where he had a joyful reunion with his family at Logan Airport.

For Nguyen the road to Boston was a long and dangerous one. Over 4 months ago, he and 200 other Vietnamese refugees left on the high seas in a small 56-foot craft. The third day out, the vessel was attacked by Thai pirates who robbed all on board and attempted to sabotage the boat. In the process, Nguyen, who was a former naval officer, was beaten and tortured.

Finally, they made it to the shore of Malaysia, only to be turned out to sea again. Some days later they landed on a small island in Indonesia, where they were granted safe haven and the protection of the U.N. High Commissioner for Refugees.

But this suffering seemed far away as Nguyen joined his family in Boston, and told his story to the Boston Globe. He repeatedly said:

> I am very happy to be here. I want the kids to go to school. And, me, I am ready to go to work.

Nguyen's story is only a graphic reminder of the great risks and desperate needs of all refugees, and their strong claim upon the attention and concern of the American people. We must, and we can, Mr. President, be generous in our response.

I ask that the story of Nguyen's journey to Boston be printed in the RECORD.

The material follows:

[From the Boston Globe, July 15, 1979]

SAIGON TO MASSACHUSETTS—DANGER RODE WITH BOAT PEOPLE

(By Gary Langer)

It has been a long road for Nguyen Tich Van and his family.

It's a road that has led them from a hideout in their native Saigon to a squalid Indonesian refugee camp, by way of a leaky boat on the South China Sea. It has been a road fraught with the constant dangers of Communist reprisals and pirate attacks.

Nguyen (pronounced 'new-ee-en') and his family reached the end of that road to freedom yesterday—when they arrived to a tearful, joyous welcome at Boston's Logan Airport.

The new life Nguyen has found is one that is being sought by an estimated 350,000 "boat people," the Vietnamese, Laotian and Cambodian refugees who have fled their countries packed in derelict ships, headed toward an uncertain future. The US is allowing 14,000 refugees a month to join the 205,000 who have reached America since 1975. About 5000 Indochinese have settled in New England so far.

"I am very, very happy," said a beaming Nguyen, two of his three young children at his knee, after departing TWA Flight 16 from Los Angeles. "Very happy," he repeated.

Sharing in Nguyen's joy was Cuong Tong, his brother-in-law, who has lived in Chelmsford since 1975. It was through the efforts of both Cuong and John and Elizabeth Minott of Chelmsford that the family was able to come to America.

"Cuong asked us to sponsor his people to come," said Mrs. Minott, the chairwoman of an outreach group at the Central Baptist Church in Chelmsford, where her husband is minister. "We sponsored four other people four years ago, and with the help of the American Baptist Churches Assn., we were able to do it again."

Also helping in the effort was the Catholic Charitable Bureau, which loaned Nguyen the $1600 airfare his family needed to leave Indonesia.

Yesterday, Minott was more than repaid for her months of work arranging the Nguyens' arrival. She quietly wiped the tears of joy from her eyes as Nguyen, speaking through his brother-in-law, described the suffering and uncertainty he and his family had endured.

Nguyen, 39, had served in the South Vietnamese Navy for 14 years as a radar specialist, he said. His 36-year-old wife, Tong Dung Thi Kim, had worked as an executive secretary for the South Vietnamese government.

"After the Communist came, people who worked for the government or in the service had to hide," he said. "We left our house and stayed in town, at the markets where there are many people. If the government found us, we wouldn't be here right now."

An amnesty was declared after several months, Nguyen said, and he came out of hiding. The Communists put him to work on radar systems. "There were many US Navy boats left behind," he said. "They kept me to teach the Communist Navy."

Nguyen continued to seek a way of escaping the Communists, he said, until just over four moths ago—when he, with his family and 200 othef refugees, slipped away on a 56-foot boat. Nguyen, with his navy experience, served as captain.

"The boat was in good condition when we left," he said. "But three days out the Thai pirates came. They took all our supplies and looked for gold. There was no gold and they put a hole in the boat. Then they hung me by the neck."

The pirates—who Nguyen said were equipped with radar—returned 14 hours later to harass the vessel again. Again he was tortured—until, finally, the pirates left.

The boat, jammed to the gunnels with refugees, limped along with the help of sails and a two-cylinder engine, Nguyen said. He said supplies were limited to a few cans of food. Each refugee got only one glass of water each day, he said.

After seven days at sea, with Nguyen navigating, the boat reached Malaysia. But, said Nguyen "conditions were very bad there, and they kicked us out after only two days." The refugees returned to the sea in their crippled boat, arriving at Tang Jung, Pinang, Indonesia, three days later.

"In the refugee camp there I was very nervous," he said. "I didn't know if the US would pick us up."

Gathering around Nguyen were his wife, his daughter Nguyen Nuoc Thi Kim, 12; his sons Nguyen An Huy, 10 and Nguyen Bao Huy, 8; and his nephew Tong Duc Phouc, 14. All wore broad smiles.

They were fortunate to be together, Nguyen said. His nephew was only able to join their escape when Nguyen paid a ransom of eight ounces of gold to have him released from the Vietnamese army.

One of the widest grins was worn by Cuong Tong, the Chelmsford resident who had not seen his sister and brother (Nguyen's wife and nephew) for five years.

"I have written to them once a year," Tong said. "I had to sign different names and use symbolic language so they knew it was from me."

The reason for the secrecy, said Tong, who works as a mechanics consultant in Wellesley, is because "if the Communists knew I was alive, they could make trouble for my family in Vietnam."

Tong's fear for his family and all the uncertainties the refugees have had to live with are over now. They will stay with the Minotts until an apartment is found for them. "And if they work half as hard as Cuong," Mrs. Minott said, "they'll have no problem adjusting. These are the most industrious, gentle people you'll meet."

The still-smiling Nguyen seemed eager to bear out Minott's prediction. His plans for the future, he said, are simple: "I want the kids to go to school. And me, I am ready to go to work."

Asked what he and his family would have done if they were not able to come to America, Uguyen just slowly shook his head. "I am very happy to be here," he said again.●

SALT II AND THE FEDERAL REPUBLIC OF GERMANY

● Mr. GARN. Mr. President, a great deal has been said and written about the attitude of our Western European allies concerning the proposed SALT II Treaty. I would, therefore, like to draw the attention of my colleagues to a recent statement by the Chairman of the Christian Democratic Union of Germany, Dr. Helmut Kohl, regarding SALT II. Dr. Kohl's statement is an articulate exposition of his partly's approach to the SALT negotiating process and its concerns with the SALT II Treaty presently under consideration by the U.S. Senate.

The most fundamental concern of the Western Europeans is that the United States maintain a credible nuclear deterrent vis-a-vis the Soviet Union and that the cohesion of the Western Alliance be preserved. Dr. Kohl correctly points out that the SALT process, that is the effort to negotiate meaningful reductions in the nuclear arsenals of the United States, is not incompatible with the goal of a credible deterrent and allied cohesion.

Arms control alone, however, is not the answer. It must be pursued in conjunction with a sound and vigorous defense posture. As Dr. Kohl notes: Arms control initiatives must be accompanied with "a modernization and calculated strengthening of the nuclear medium-range potential in Europe"; it must be accompanied, on the part of the United States, by "further rearmament measures which serve to strengthen European confidence in the real basis of her nuclear guarantee."

Since the signing of SALT I, the national defense efforts of this country have not been vigorous. We have not taken cognizance of the growing Soviet threat. And now we are being asked to put our seal of approval on a SALT II Treaty that legitimizes a massive increase in the Soviet's nuclear arsenal, and legitimizes Soviet nuclear superiority in a number of critical areas. We will reap the fruits of this ill-advised policy in greater Soviet adventurism and increased accommodation by the West to Soviet demands. Dr. Kohl is well aware of the consequences should the credibility of our nuclear deterrent be undermined. He writes:

> If the impression were to arise among the public opinion of Western Europe and the

Federal Republic of Germany that the global strategic and the continental strategic balance of forces in Europe were to shift against the USA and the Atlantic Alliance, that might encourage trends towards a political adjustment with the Soviet world power . . .

With regard to the specifics of SALT II, Dr. Kohl focuses his attention on the problems raised by the protocol. First, the United States must insure that the terms of the protocol will terminate after 3 years, and will not be unilaterally extended by the President. In clarifying this issue, the Senate has a particularly useful role to play. Second, the range limitation on ground- and sea-launched cruise missiles is of very serious concern to our allies. This is especially so given the growing threat posed by the Soviet buildup in intermediate and theater nuclear weapons.

And finally, there must be no question that the "non-circumvention" clause of the SALT II treaty does not restrict technological exchanges between the United States and its allies in Europe. Dr. Kohl emphasizes that "the CDU believes in the absolute need for watertight safeguards in respect of all the options underlying cooperation within the Alliance."

Mr. President, we will have ample opportunity to hear the views of our allies concerning SALT II in the process of our deliberations, and I believe that Dr. Kohl's remarks warrant our attention in this all-important debate. I ask now that Dr. Kohl's statement be printed in the RECORD.

The statement follows:

STATEMENT BY DR. HELMUT KOHL

1. As the CDU has already declared on a number of occasions in the past, it welcomes the American-Soviet negotiations on the limitation of nuclear strategic weapons. The SALT negotiating process of which SALT II only constitutes one stage and one segment can in fact stabilize the nuclear strategic balance and thus help to preserve peace inasmuch as the Western deterrent remains credible. At the same time, steps must also be taken to ensure under the cover of intercontinental strategic parity that the continental strategic disequilibrium in Europe is not aggravated in such a manner as to impair the credibility of the deterrent and the realization of the strategy of a flexible response. On these assumptions, SALT agreements could exercise a positive influence on the general development of East-West relations—a development in which we have a particular interest.

2. There can be no isolated assessment of SALT II. It must be viewed in the context of American nuclear policy as a whole as well as against the background of the given balance of forces and the world-wide relations between East and West. For this reason, crucial importance also attaches to the forthcoming fundamental and individual decisions to be taken in the USA and in the Alliance on modernizing the global strategic and the continental strategic theater nuclear systems. From our standpoint, the SALT Treaty only represents *one* element, though admittedly a weighty element, in the whole system of American nuclear policy.

With this in mind, we also welcome the fact that the occasion of the ratification procedure in respect of the SALT II Treaty has revived a fundamental debate in the United States not only on the experience gained to date on American-Soviet arms control policy and its future prospects, but also on the USA's overall nuclear policy and its implications for the security of her allies.

As a number of statements made by the American Administration and the Congress go to show, there is clear recogniton in the United States of the fact that American-Soviet arms control policy affects not only the security of the United States herself, but also that of the NATO states as a whole.

A geographically and politically exposed ally like the Federal Republic of Germany—a state whose confidence in the American guarantee of nuclear protection led it upon its accession to NATO to renounce in principle vis-a-vis its allies any self protection through a nuclear deterrent of its own and moreover a state which assumed a corresponding obligation towards the Soviet opponent of the Alliance in the Non-Proliferation Treaty pursuant to American wishes—cannot fail to appreciate just how much is at stake for vital West European security interests in American nuclear strategy. These interests are only safeguarded in a credible manner if the USA at all times explicitly manifests her acceptance of them as her very own.

After all, psychological and political stability in Western Europe and thus also in the Federal Republic of Germany depends to a substantial degree on the general public's continuing belief in the credibility of the USA's nuclear shield.

Hence, the shaping of public opinion in Western Europe will not depend primarily on the issue of whether American-Soviet arms control negotiations and agreements are still possible and desirable. On the contrary, particular significance will attach to the consideration as to whether such negotiations and agreements are linked to an American nuclear strategy which is guided by the principles underlying the credibility of the deterrent, the essential equivalence of the nuclear forces and the axiom of the indivisibility of the risks faced by the Alliance.

Hitherto, the view prevailed in Western Europe that the European NATO partners were allied with a world power who could rightly regard itself as "second to none". Yet the accelerated Soviet nuclear build-up gives rise to misgivings in this context. If the impression were to arise among the public opinion of Western Europe and the Federal Republic of Germany that the global strategic and the continental strategic balance of forces in Europe were to shift against the USA and the Atlantic Alliance, that might encourage trends towards a political adjustment with the Soviet world power—a move which the CDU has unequivocally opposed for decades and which she will continue to oppose.

Thus, the future basic line on foreign policy in Western Europe and Germany will largely depend upon the conclusions drawn by the peoples of the Alliance from the basic discussion on the whole make-up of American nuclear policy.

That explains why clearness on the continuing credibility of all components of the Alliance strategy is just as important as the argument about the more technical aspects of SALT II such as the question of verification, an issue which must be primarily resolved by the USA herself.

The aim of the SALT Treaty is to establish approximate strategic parity between the two world powers. However, the payload advantage of Soviet intercontinental missiles and their improved accuracy may already lead in the early 1980s to a certain superiority on the part of the Soviet Union in the global strategic sector. According to the testimony furnished by the current American Administration, there is a risk that the Soviets will obtain the capacity for a first strike against land-based American intercontinental missiles during the life of the Treaty.

Since these shortcomings cannot be rectified during the life of SALT II due to the long preparatory period prior to introducing new strategic systems, the actual nuclear strategic balance of forces after 1985—irrespective of the ratification of the SALT II Treaty—will hinge upon a timely making and implementing of the requisite decisions about modernizing and strengthening this potential needed to maintain the American deterrent.

Hence, the CDU explicitly welcomes President Carter's recent fundamental decision to produce an MX system.

We expect that the USA will also carry out further rearmament measures which serve to strengthen European confidence in the real basis of her nuclear guarantee.

The USA may well be able to live for a fairly long period of time in a position of significant inferiority vis-a-vis the Soviet Union in the nuclear strategic sector. But in the case of Western Europe, whose military strength compared with the Soviet Union is marked by inferiority in both the nuclear and the conventional sector, the situation would become intolerable in such a development and the political outcome incalculable.

3. However, any attempt to stipulate the approximate intercontinental strategic nuclear parity of the world powers invariably produces a situation whereby regional disequilibria become more and more dangerous—militarily, politically and psychologically. A world power may in the future be sensitive or even vulnerable to blackmail in those areas where it cannot demonstrate its global interests to its international adversary with equal firmness by virtue of regional systems. But in such an event, the allies of a world power which fails to make intensive efforts to diminish regional disequilibria are less secure and even more susceptible to pressure. They are bound to entertain fears in these circumstances that the other side will attempt to use its capacity for applying pressure in order to obtain political influence.

The Soviet Union has clearly discerned the regional consequences of agreements to establish global nuclear strategic parity. Parallel with the negotiations on SALT II, she has been accelerating her build-up of nuclear weapons targeted on Europe during a period of "détente" and this process is in fact continuing. In consequence, the Soviet Union has attained a position of continental strategic superiority in Europe and this is still growing at an alarming rate.

The Federal Republic of Germany is thus faced by the imperative question as to what concrete measures the Alliance in general and the USA in particular should take to counteract the emergence of an escalation gap in medium-range nuclear weapons. In the opinion of the CDU, steps must be taken parallel with the ratification procedure to ensure that the Alliance counters the questioning of the concept of a flexible deterrent and to ascertain how to do this.

As things stand, this cannot be achieved solely by arms control: it calls for a modernization and calculated strengthening of the nuclear medium-range potential in Europe.

Past experience has taught us that East-West negotiations—such as the CDU also deems essential—on continental strategic theater nuclear weapons require a lot of time. On this account, the urgently necessary modernization and strengthening of NATO's theater nuclear potential cannot become dependent upon arms control negotiations between the USA and the Soviet Union.

Furthermore, there are many signs that such arms control negotiations, carefully coordinated within the Alliance, only enjoy any real chance of success if the East is convinced of the seriousness of the Western intention to provide an appropriate reply to the Eastern challenge.

In this context, we would also emphasize the expectation and indeed confidence of the CDU that the USA will pay as much attention to the security interests of Western Europe as to her own in any possible incorporation of the nuclear weapon systems targeted on Europe within a continuation of the SALT negotiating process.

4. It is a matter of great moment in this regard that the SALT II Protocol closes the options on weapons for three years—a period of time which possesses decisive importance for re-establishing an appropriate capability of escalation.

In particular, it prohibits the stationing of land and sea-based cruise missiles with a range over 600 kilometres, a factor whose significance for Western security needs no further explanation.

Since a re-establishment of the impaired balance of forces in Europe hardly seems feasible in the long run without this weapons system, steps must be taken to ensure that this Protocol does in fact expire without any sequel after the agreed term of validity so that the options are legally and politically kept open for all those systems which the West's deterrent potential cannot renounce if it is to retain credibility.

As previous Soviet pronouncements on this subject have intimated, the USSR will probably undertake the attempt after ratification of the Treaty to make any advance in future SALT negotiations dependent upon the actual continued validity of the SALT II Protocol.

There is likely to be considerable Soviet pressure upon the USA to achieve this. Indeed, there is every likelihood that the Federal Republic of Germany would also be subjected to massive efforts designed to influence her towards inducing the USA to take a more pro-Soviet line "for reasons of détente" and in the interest of continuing the arms control dialogue.

The CDU proceeds on the assumption that the USA assigns the highest priority to the interests of the Alliance in this matter and that she will make it unequivocally clear during the ratification procedure that neither the threat of a change in the atmosphere surrounding arms control talks nor a marginal concession on strategic intercontinental weapons can prevent the expiry of the Protocol after three years.

5. The SALT II Treaty contains an ambiguous non-escape clause designed from the Soviet point of view to restrict the requisite military and technological cooperation between the USA and her European allies in sectors which are important for security reasons. Admittedly, the USA has explained her own interpretation of the non-escape clause during internal consultations with her European allies and she has given them appropriate concrete assurances.

Yet in view of the growing Soviet potential to menace Europe—a potential capable of producing an arsenal of options for political intimidation, pressure, threats and blackmail—the SALT Treaty (if ratified) must not burden Western Europe with the political mortgage of American-Soviet differences over correct interpretation and application. As a world power, the USA might be able to indulge in a future dispute with the Soviet Union about interpreting SALT II. On the other hand, the impact of this on an exposed non-nuclear state like the Federal Republic of Germany wooed as she is by Moscow would be incalculable.

On this point, the suggestion has also been put forward that the American interpretation should already be made public during the ratification stage so as to remove any doubts and misunderstandings on either side. At all events, the CDU believes in the absolute need for watertight safeguards in respect of all the options underlying cooperation within the Alliance.●

A SALUTE TO RICHMOND, MICH.

● Mr. RIEGLE. Mr. President, recently the Michigan State Senate passed a resolution commemorating the 100th anniversary of Richmond, Mich. I wanted to add my vote in calling the attention of the U.S. Senate to this resolution honoring the city of Richmond.

The resolution puts forth several of the contributions which the citizens of this community have made over the past 100 years. Among the most notable is its organization of the community's first school in April 1838. Education has remained an important element in the lives of the citizens of this community.

To the citizens, I commend you on your laudable contributions of the past and express my sincere hope that Richmond will continue to prosper in the future.

I request that the resolution be printed in the RECORD.

The resolution follows:

A RESOLUTION COMMEMORATING THE 100TH ANNIVERSARY OF THE CITY OF RICHMOND

Whereas, Upon the occasion of its One Hundredth Anniversary, we offer this resolution of tribute to the City of Richmond, to hail the centennial heritage of one of the State's more prominent communities; and

Whereas, In 1879, three nascent communities, Beebe's Corners, Coopertown, and Lenox, embarked upon a merger that engendered the Village of Richmond, with a population of 750 residents by the year 1880, and that budgeoned into a populated city of 3,600 today; and

Whereas, This community's high interest in the education of the child was established in 1838, when, in April of that year, the first school was organized. From 1874, when the first school district was formed and the first brick building was built, until the present, Richmond schools have been extremely successful in building character and leadership in its youth; and

Whereas, The prosperous future of the City of Richmond is assured by its strong roots in the past, the descendants of its original founders and above all, the long lasting community pride in its heritage, hope for the future and spirit of growth. Because of this, successive generations, and especially the youth of the community, have a great responsibility to the many courageous people that forged the development of this vital community; now, therefore, be it

Resolved by the Senate, That the Michigan Senate hereby commemorates the One Hundredth Anniversary of the City of Richmond, an event which will be an inspiration to its coming generations as they contribute to the largest city in the northern part of Macomb County; and be it further

Resolved, That a copy of this commemorative tribute be transmitted to the City of Richmond in testimony to the esteem held for it by the Michigan Senate.

Adopted by the Senate, June 7, 1979.

BILLIE S. FARNUM,
Secretary of the Senate.●

OIL FROM PORK

● Mr. ARMSTRONG. Mr. President, how much oil can we get from a barrel of pork?

I am afraid we're going to find out.

The centerpiece of President Carter's recent address to the Nation is his proposed Energy Security Corporation, which has been assigned the goal of producing 2½ million barrels of synthetic fuel a day by 1990.

The Energy Security Corporation is not to be just another Government agency, like the Department of Energy. Instead, it is to be an independent Government corporation—like the Postal Service.

The President said the Energy Security Corporation, coupled with the expanded mass transit programs and the additional aid to the poor he proposed Sunday night, will cost about $142 billion over the next 10 years.

That is a big hunk of change. But taxpayers are not to worry. All but $5 billion of the $142 billion, the President said, will come from the "windfall profits" tax on the oil companies that he has proposed.

The President must be expecting some stupendous windfall profits. The $14 billion a year that he says his program will cost is more than the combined profits of the 10 largest American oil companies, and is about as much as we paid for Middle Eastern oil last year.

Of course, $142 billion would not be too high a price to pay for energy independence—especially if just about all of it can be taken out of the hides of the oil companies.

But the President's goal of 2½ million barrels per day of synthetic oil production—which experts say is unrealistically optimistic—falls rather short of energy independence. We imported an average of just under 8 million barrels of oil per day last year. In fact, 2½ million barrels per day is just a trickle more than the loss in world oil production which occurred last year as a result of the turmoil in Iran and the cutback in production in Saudi Arabia.

So the long-term prospects for the President's "crash" program of Government-sponsored synthetic fuel development are not quite so rosy as he made out in Sunday night's speech.

And there are no short-term prospects. The 2½ million barrels per day of Government-sponsored synthetic fuel production will not come on line for at least 10 years. Before then, there will be precious little synthetic fuel production from the Energy Security Corporation, and in the next several years, none at all.

Meanwhile, what do you suppose will happen to domestic production of existing sources of energy, if we levy on the energy producers an additional $14 billion a year in taxes? And people wonder why Mobil is getting out of the oil business and into the department store business.

Despite the rather bleak cost-benefit ratios—the first few million barrels of synthetic fuel production will cost upward of $60 a barrel, even assuming there will be no inflation—legislation to create the Energy Security Corporation mainly will sail through Congress.

Congressmen and Senators have been sensitive, with good reason, about their inaction on the energy issue. Throwing gobs of other people's money at problems always has been their favorite form of action—especially if much of that

money can be expected to trickle down into their congressional districts.

So, do not be surprised to see lawmakers who a few short months ago cheerfully blocked huge hydroelectric projects for the sake of an obscure perch and an even more obscure fungus, vote with equal cheer to create a huge new Government agency, empowered to run roughshod over the environmental laws of the land in order to create a diblet of synthetic fuel at three times the OPEC price.

Perhaps, instead of creating this gigantic boondoggle, Congress will overrule the President and restore needed incentives for energy production and conservation through free-market pricing; eliminate redtape retarding exploration, production, development, and marketing of fuel, and provide tax incentives for production of oil from oil shale and coal. Such measures would cost consumers and taxpayers far less than the President's proposals, and would produce much more fuel, more quickly.

Such an approach makes sense and sense has been sorely lacking in Federal energy policy.●

INTERNATIONAL TERRORISM

● Mr. PACKWOOD. Mr. President, few Americans in recent times have been the victims of political violence; few have firsthand experience with acts of terrorism. This thankful state of affairs is not, however, the case everywhere. The indiscriminate bomb, the blast of sniper fire, or the taking of political hostages are becoming more common than rare in many parts of the world. Political tensions, especially in the Middle East, are heightened by the growing role that terrorists are playing.

Terrorism, no matter its purpose or spurious political justification, is condemnable. It is nothing less than the utter disregard for all human life. It places political ends above human values. Every decent human being and every civilized government on Earth must combat and condemn terrorism wherever or however it appears.

Two weeks ago, the Jonathan Institute in Jerusalem opened the first Conference on International Terrorism. The purpose of this unprecedented meeting was to bring together the leaders, educators, and writers from Western nations to address the grave problems the terrorists present, the tactics for combating terrorism, and the need for a unified stand. The United States was proudly and ably represented by two outstanding Members of Congress, Senator JACK DANFORTH of Missouri and Congressman JACK KEMP of New York.

On July 3, JACK DANFORTH spoke to the conference with a special message on the role of democratic governments. He described the vulnerability of all democratic societies to acts of terrorism. An open society is often the ready victim to attacks that totalitarian regimes effectively squash. Yet this weakness, Senator DANFORTH states, is also our strength. The openness of a democratic society is the primary way to earn the support and participation by its members.

JACK KEMP addressed the conference on July 4 with a different message. He offered a careful and accurate review of the U.S. response to and policies regarding terrorism in the past. He also explained the obvious, but largely overlooked role taken by the Soviet Union in training and encouraging transnational terrorist organizations. Most importantly, he concluded with his own recommendations for policies to combat terrorist activities.

Both of these addresses are challenging, articulate, and insightful. I recommend them as important reading to every Member of Congress.

At this time, I ask to have these speeches printed in the RECORD.

The speeches follow:

ADDRESS BY SENATOR JOHN C. DANFORTH

My specific role today is to discuss the effects of terrorism on the democratic societies in which we live. In order to perform this role, I want first to say a few words about the common characteristics of democratic societies. Then, it is my intention to discuss the effects terrorism and the methods used to combat it have on democratic values. Finally, I will make some comments which I hope will be helpful in thinking about the future.

Democratic societies, of course, differ widely in the precise structures of their governments. Some are parliamentary in their organization, others rely on separately chosen executives. Some build upon written constitutions, others point to long traditions which provide the framework for ongoing governmental action. Yet, with all the variations in form, democratic societies share fundamental assumptions about the nature of man and the purpose of government.

Democratic societies share a common respect and concern for the individual person. An individual, no matter who he is, has a special value just because he is an individual. He has his own worth—his own dignity. And that worth and dignity shape our way of thinking about the purpose of government. A population consists of individuals, each with his own distinct worth. Therefore, it is foreign to the nature of a democratic society to think of persons as "the masses" or "the proletariat." They are not masses, and they are not proletariat. They are persons, each of whom is unique and each of whom possesses his own set of hopes and dreams.

Government in a democratic society, by its nature, respects the dignity of its citizens. The state exists to serve and protect the individual, which is the precise opposite of the relationship that exists in a totalitarian regime. Totalitarianism, the total claim of the state on the lives and loyalties of its subjects, is in flat contradiction to the values of democratic society. The purpose of democratic government is not to bully people—to push them around for its own ends—but to provide individuals with the necessary structure so that their opportunities for personal fulfillment are enhanced. In the words of the United States Constitution, a function of government is to "insure domestic tranquility." Thus, the democratic state restrains antisocial behavior and prevents those outbreaks of destructiveness which would make a decent life impossible for the individual citizen.

While democratic governments must preserve order within their countries, they do not possess unlimited power to do so. They themselves are restrained, and this sets them apart from totalitarian regimes.

A totalitarian state can maintain order quite efficiently by the exercise of unrestrained power. By contrast, a democratic society must preserve order without abridging the individual rights of its citizens.

This tension between insuring domestic tranquility and avoiding excessive governmental power is heightened by the growing frequency of terrorism. On the one hand, violent extremists so disrupt the orderly workings of society that effective governmental action is a necessity if we are to enjoy the fruits of civilization. On the other hand, we must be watchful lest, in dealing with the actions of terrorists, the values of a democratic society are weakened by governmental excess.

Clearly, terrorism cannot be ignored on the theory that to deal with it effectively threatens the civil liberties of our citizens. A well-advanced sensitivity to civil liberties is an essential ingredient in a democratic society. Yet, unchecked terrorism is, by itself, a threat to the values of a democratic society. Therefore, not to check it, and to check it effectively, is to invite the destruction of a set of values which were centuries in the making.

Terrorism is the antithesis of democratic values. As democratic societies hold a common respect for the unique worth of each individual, terrorism rejects that concept of personal worth. Terrorism is inherently indiscriminate and arbitrary in its actions. Any innocent civilian killed will serve its purpose. It does not matter who the next victim is. All lives, combatant and, preferably, noncombatant are equally expendable. No matter whether violence produces dismemberment, maiming or death; no matter whether the victims are young or old, male or female; all serve the purpose of the terrorist.

When a locker in a busy airport explodes, it does not matter to the terrorist who may happen to be walking by. When an airplane is hijacked, it does not matter to the terrorist who is in that airplane.

Persons are, to the terrorists, not persons at all. They are not separate and distinct human beings, each possessing his own special value. They are only things—objects—numbers to be counted in some body count when the anonymous phone call is made claiming credit for the most recent outrage.

As terrorism is the antithesis of a democratic society's concept of man, it is obviously the antithesis of a democratic society's concept of the social order.

Unlike a democratic government, which depends for its authority on the consent of the governed, terrorists depend on no consent at all. They exist by stealth in tiny bands, sneaking from one secret hiding place to another to scheme about their next maneuver. With tiny followings, they reject the democratic process. They cannot operate openly. They do not appeal to the public. They hide from it. They are accountable to no one except themselves.

As terrorists destroy lives, their aim is to destroy democratic institutions as well. Their goal is to shake the faith of citizens in their government, or to trigger a repressive military or police response which, in itself, destroys democratic institutions.

Public cooperation with democratic institutions can be seriously weakened by terrorist activity. In Northern Ireland, citizens who under normal circumstances would be willing to cooperate with police and prosecuting officials have refused to do so. The effectiveness of the jury system in criminal prosecutions has been seriously compromised by jurors who fear reprisals at the hands of the terrorists.

Terrorism, then, is far more serious than the ordinary variety of criminal activity. It is destructive of democratic institutions which have taken centuries of persistent

effort to develop. For this reason, effective measures to combat terrorism are imperative.

Combating terrorism has not been undertaken without cost to democratic values. Most of us flew to Israel to get to this conference. In order to board our planes, we passed through metal detectors, or were subjected to body searches. Our luggage was X-rayed or searched by hand. These were minor inconveniences, but they were invasions of the personal privacy free people have grown to expect in our normal lives. They were necessary procedures to combat what had become an epidemic of aircraft hijackings.

In the United States, thousands of citizens visit the Capitol each day. As a precaution against terrorists, they must have their briefcases and handbags inspected by police officers.

Of necessity, the government of Italy has responded to terrorism with emergency measures. Police have been given the power to wiretap without written authority, to interrogate suspects without a lawyer present, and to hold them for investigation for extended periods of time.

In Northern Ireland, traditional police and court procedures have been altered to meet emergency conditions. Suspected terrorists have been locked up for indefinite periods of time. In some cases jury trials have been dispensed with, and presumptions normally existing in criminal cases have been modified.

The extent to which democratic governments have gone beyond modification of criminal justice procedures, and have altered governmental policies to placate terrorists is speculative. It is understandable, of course, for political leaders to want to avoid conflict and attain peace by making alterations in public policy. There is always the possibility that such changes in public policy may be justified on their own merits—that a change in political direction has been long overdue. Yet to change policy in order to placate terrorists and buy civil peace is a dangerous process which leads in the end to the encouragement of more disruptive activity and to the further disintegration of democratic values.

We in the United States are not beyond criticism in this regard. Some time ago, I was puzzled by the policy of our Administration with respect to Rhodesia, and especially with respect to what I saw as a bias to guerrilla forces operating from bases in neighboring countries. My inquiry to a very high Administration official was greeted by a response which was disarmingly frank. "That," said the official, referring to the guerrilla forces, "is where the guns are."

I also think it is possible to argue that there have been instances within the United States where our government has overreacted to incidents of violence in the name of a political or economic cause.

One recent situation which exhibits some of these characteristics is the strike by independent truckers. I do not mean to characterize as terrorism the relatively few random acts of violence that accompanied this strike. Nonetheless, there was some violence and the government did respond to the entire situation by modifying its diesel allocation system to improve the situation for these truckers. The Administration also urged states to modify their rules on the size of trucks they permit to use their highways.

The Washington Post described the strike and the Administration's response as follows:

"The Carter Administration moved yesterday on several fronts to try to end the increasingly violent nationwide strike by independent truckers.

"In separate actions, the Department of Energy suspended a federal regulation giving farmers priority status in the purchase of diesel fuel, and the Federal Highway Administration urged governors in a number of states to consider lifting temporarily weight and length limits on trucks using their highways."

When a government tailors its foreign policy according to "where the guns are," when violence in a truck strike appears to yield a change in governmental policy, then the values of a democratic society have been compromised, and the strategies of those who use force to accomplish their purposes have been validated.

This brings us to the basic question I want to raise today. How can we combat terrorism effectively without either adopting undemocratic, police state methods ourselves, or meekly accommodating ourselves to extremist demands made upon us? To answer this question, I offer the following suggestions.

First, it has been said that democracies are especially vulnerable to terrorist acts. Totalitarian regimes, it is said, are better equipped to monitor the activities of dissident groups and to suppress them before they become a serious threat. The openness of a democracy is, it is said, its weakness.

Let me suggest that the openness of a democracy may in fact turn out to be its strength. So long as a vast majority of a population believes that it has a stake in its system of government, so long as normal channels of political participation are open to all, those who resort to violent measures will not gain widespread support. A terrorist cell will not develop into a revolutionary movement if citizens have freedom to express their views and advocate change within existing political and social institutions. Therefore, it is both consistent with our traditions and essential to our future that our legislatures and our courts be readily accessible to all our citizens.

Second, the first duty of any government is to preserve order and defend its own existence. Chaos and constant terror cannot be permitted in a civilized world. Therefore, it is the duty of any government to use such measures as are necessary to maintain order. In appropriate circumstances, searches, seizures, electronic surveillance and detention may have to be used to protect society from destruction.

The challenge is to make sure that such use of the state's police power is not excessive and does not degenerate into the abuse of power. If this challenge is to be met, anticipation and careful planning should supplant sudden reaction to unforeseen emergencies. To the greatest extent possible, governments should consider how to deal with terrorist activities before a crisis is at hand. An appropriate number of police and military officials should be carefully selected professionals who are specially trained in emergency procedures. Above all, a society itself should be given ample opportunity to forsee the problem of terrorism and to discuss in dispassionate terms the options for dealing with it. Such an opportunity for rational planning can be a major contribution of this conference.

Finally, in an era when terrorism is on the increase, a democratic society must resolve that it will continue to stand firmly for its own set of values. To abandon those values in the face of a threat, or to accommodate ourselves to the strident demands of those who resort to violence is to give the terrorists the victory they seek, and to encourage similar outbreaks in the future.

The traditions of democracy have deep roots in the history of western civilization. Over the centuries, men and women have struggled to develop and nurture those traditions. In them are our concepts of the nature of man and his relation to the state. No terrorist effort, however well planned and executed, is sufficient to destroy a democratic society.

Our challenge is to maintain those traditions ourselves, to resist the temptation of responding to terror with naked and unchecked power, to reject the suggestion that our decisions be made to appease the enemies of democracy, and to preserve the values of a democratic society for generations to come.

THE UNITED STATES RESPONSE TO INTERNATIONAL TERRORISM

(By JACK KEMP)

I am doubly honored and challenged to address the Jonathan Institute's Conference on International Terrorism on the Fourth of July.

Yesterday and today mark the third anniversary of the raid on Entebbe and the rescue of innocent civilians from the hands of terrorists. At the same time we inwardly and quietly remember the heroism of "Yoni" Netanyahu, who commanded the rescue and lost his life in doing so. For every lover of freedom in the world, Yoni and Entebbe symbolize the will to resist terrorist compulsion.

The symbol is so exceedingly precious, I think, because it is so exceedingly rare. It may be the last time any of us can remember that showed us, in a world crying for such signs, that somewhere someone has fed and protected the flame of the spirit we know flickers somewhere inside each of us.

This occasion is doubly significant for me, because today also marks the 203rd anniversary of my country's independence. There will be a great show of outward celebration at home today. But in quieter moments, Americans will observe the day with the same sober reflection which we give to Yoni and Entebbe.

No American today will grab his Uzi when the firecrackers explode, nor will the rockets bursting overhead be aimed by terrorists. We Americans enjoy a safety secured by the sacrifices of our ancestors. Like Yoni, they often paid for freedom with a price as high as life itself. Why did they do it? Why do the sons and daughters of Israel risk the same sacrifice today? Because a few knew then, and a few still know today—that freedom is never so costly as losing it.

The state of Israel is to the world today what the United States may have seemed 170 or 180 years ago: a city on the hill, a place where it was important to protect and display the light of freedom, even if you never made it personally to the citadel. Our anniversary at home will flicker and die unless we who enjoy the rewards of independence can also help our friends in Israel pay its price.

This year marks the thirty-first year of the rebirth of Israel. The rallying cry of that state was "never again." Never again would the Jewish people be left without a homeland. There is, however, another anniversary. This year marks the 41st anniversary of Munich, when Hitler cried to the Western World, "All I want is the Sudetenland, and the Western World said, "Yes."

This year, the cry is, "Just give us the West Bank." But last year, this year, next year, terrorists say, "Just give us Israel." Our rallying cry must also be: "Never again."

I am encouraged to participate in a conference not only with figures directly involved in the eradication of terrorism from the international community, but also with my colleagues in Congress who have been in the forefront of formulating American policy initiatives that contribute to the fight against international terrorism.

I hope this conference can stimulate our best efforts to take concrete steps to stop international terrorism before it consumes the democratic societies that are its natural enemies.

Terrorism is not new. It has been used for

centuries by the disaffected to impress not only the victims of terrorist acts, but those who witness them. Modern communication merely makes it possible for millions to witness these assaults, instead of only a few less than a generation ago. What is new about terrorism is its transnational character—the internationalizing of what Brian Crozier has called, "motivated violence for political ends."

The internationalization of terrorism has many immediate causes. Vast improvements in transportation allow terrorists to move swiftly and anonymously from nation to nation without fear of detection. The diffusion of modern military technology has simplified the process of inflicting destruction of an unprecedented scale and modern communication eases the international coordination of terrorist activities and the dissemination of its "message." Other matters are also important to the growth of transnational terrorism, but are incidental to explaining why terrorism has become a major threat to the security of every non-Communist nation of the world.

Many views in the Western world of international terrorism have tended to be myopic, identifying only the most immediate motives for a local terrorist incident, and overlooking deeper causes which usually originate outside the national jurisdiction in which the incident occurs. A more thorough examination of international terrorism can help us identify the common elements which have made it the menace it has become. I would like to discuss these common elements before commenting on details of the American response to international terrorism.

Briefly, international terrorists, contrary to their image, are not usually the warped, demented individuals so often portrayed in the news media. They are dedicated, ideological, and highly motivated. They are almost uniformly to the far left politically, unlike strictly local terrorists who reflect every shade of ideology and opinion.

International terrorists are well-financed, able to move throughout the world with changing identities and forged documents, and they have safe places to hide from pursuers in many nations.

International terrorists are well trained in organization, frequently proficient in the use of small arms and explosives, competent with modern communication equipment, and particularly well informed about the vulnerabilities of their local adversaries.

Unlike their local terrorist counterparts, international terrorists are few and rarely represent any serious indigenous mass movement, though they may exploit local opportunities.

Finally, there is one ultimate source of international terrorist support in an overwhelming number of cases—the Soviet Union.

I am convinced it is crucial to our discussions and to the successful multi-lateral effort to combat terrorism that we recognize—at the outset—the central role that the largely unseen hand of the Soviet Union has played and continues to play in both the direct and indirect use of terrorism in this and other regions of the world.

The United States, and allied nations in Western Europe have been engaged in a decade-long effort to improve relations with the Soviet Union. The diplomatic shorthand for the pursuit of better relations between Western nations and the Soviet Union—"Detente"—has become accepted in the vocabulary of the layman. For example, anticipating good faith on the part of the Soviet Union, the United States has embarked on an agreement, if the Senate consents, to limit strategic arms. Should that anticipation be in error, our long-term security may be in jeopardy, should the current "fair" diplomatic weather turn "foul". We have signed a variety of agreements with the Soviet Union in the name of diminishing tensions and reducing the possibility of violent conflict between the two nations. Lofty declarations of principle have been drafted with the Soviet leadership relating to noninterference between nations, in the expectation that it would diminish international Soviet adventurism that could place American security at risk.

But an examination of the Soviet role in promoting international terrorism casts grave doubt on the assumptions about Soviet policy upon which American—and Western—policy toward the Soviet Union is based. The Soviet Union, in fact, has a central role in training, equipping, transporting, and protecting the most important international terrorists and terrorist organizations in the world. Although the initiative for individual terrorist acts rests with the terrorists themselves rather than the Soviet leadership, the Soviet effort has been made and sustained.

The Soviet Union promotes international terrorism because it stands to gain from terrorist success. The Brazilian theorist of international terrorism, Carlos Marighela, has described the purpose of terrorism as to "make life unbearable" for ordinary people, to create a "climate of collapse" in the target regime. This favors the ends of both the terrorists and their Soviet mentors. The Soviet interest lies with disruption and chaos—as in Iran, for example—as often as it lies in outright takeover—as in the cases of Afghanistan, Angola, and Ethiopia. Thus, we face the prospect of continuing to seek formalized improvements in relations with the Soviet Union on both a bilateral and a multilateral basis, while the Soviets continue to support a covert terrorist effort aimed ultimately at Western democracies.

This dangerous predicament of the West deserves some elaboration. The international department of the central committee of the Communist Party of the Soviet Union has established two training schools for foreign terrorists. The first, the Lenin Institute, trains the hardcore Marxist-Leninist cadres, while the second, the Patrice Lumumba University in Moscow for Communist-oriented students, trains terrorists primarily from the developing world. Several hundred foreign nationals are trained each year at several sites within the Soviet Union. Additional training takes place in North Korea and Cuba. In addition, terrorist training is done in Libya, in Palestinian Liberation Organization camps in Lebanon, in East Germany, in Czechoslovakia, and in other East European nations. Many of the terrorists active in West Germany and Italy were trained with K.G.B. assistance at P.L.O. training camps in Lebanon. Terrorists in Northern Ireland have been assisted by Omnipol, an element of the Czech intelligence service controlled by the K.G.B.

The Cuban intelligence service, the D.G.I. has been under the command of a Soviet K.G.B. Major General since 1968. Cuba is now becoming the major Soviet link with the international terrorist movement. The Cuban D.G.I., which has the major role in support of international terrorist activities on behalf of the Soviet government, has sent its representatives to virtually every area of the developing world. Representatives of the Cuban training establishment have been sent to P.L.O. camps in Sidon and Tyre, in Lebanon, to assist terrorists of George Habash's popular front for the liberation of Palestine. In late April of this year, an agreement was made by the Popular Front for the liberation of Palestine to have several hundred terrorists trained in Cuba, following a meeting between Habash and Cuban officials.

P.L.O. terrorists are also being trained under K.G.B. supervision in Hungary and Bulgaria. A vast arsenal intended for use by terrorists is being built up by the Soviet Union in Libya. Equipment sufficient for five Soviet motorized rifle divisions has been stockpiled in Libya ready to support large-scale guerrilla operations. It can be transshipped to Zambia and Mozambique as well as used to support the more modest requirements of small terrorist organizations in West Europe, Africa, and the Western Hemisphere. Indeed, Qaddafi sponsored a conference in Behghazi earlier this year which included a large number of Latin American terrorist organizations with P.L.O. elements. Among the results of the conference is an effort to support the Sandinista terrorists in Nicaragua, via Cuba and Panama, and pressure on Brazil to permit the opening of a P.L.O. office in Brazil—moves likely to be precursors of the spread of transnational terrorism to the Western Hemisphere. Nowhere is the hand of the Soviet Union directly in sight. The nations involved, Libya, Cuba and East European states, are the only nations directly involved. The Soviet Union, the ultimate source of the weapons, the logistic support, the intelligence collection, transportation of terrorists, and related matters, is not routinely identified, either by Western governments or by the press.

The Soviet Union's extensive involvement in international terrorism is a fact few Western governments will acknowledge in public. It is also a fact that no Western government can afford to ignore. Until Western governments face the difficult problem posed by covert Soviet support for international terrorism, many well-intentioned international efforts to control terrorism will be doomed to failure.

Soviet policy has never been more duplicit than on the subject of international terrorism. Soviet propaganda attacks P.L.O. terrorist incidents, while the Soviet Union provides the weapons, intelligence, and training to the P.L.O. and splinter organizations. Soviet propaganda attacks Western European terrorists, but provides a safe haven for fleeing terrorists in East Berlin and Czechoslovakia. Soviet propaganda attacks terrorist hijackers in the West, but assists in the construction of a training facility in Cuba for aircraft hijacking.

The American response to terrorism from the perspective of organization and strategy has, on the whole, been useful, even though it fails to address the fact of Soviet participation in the support of international terrorist activities. Within the logic imposed by responding to the symptoms of terrorist violence, the strategy has succeeded in reducing the attractiveness of directing terrorist incidents against the U.S. government. In the 3,000 terrorist incidents which have taken place since 1970, at least 25 percent of the 5,000 wounded and 2,000 killed have been American nationals. More than 30 U.S. government agencies have a role in dealing with the terrorist threat, and, organizationally, their efforts have been coordinated in a manner which effectively supports the U.S. policy of offering no concessions to terrorists. While this posture has undoubtedly led to some loss of life, it has saved far more than it lost. The wisdom of this posture is reinforced by the experience of every other nation which has adopted this posture.

There has been an unfortunate divergence between the practices of public and private American institutions in responding to terrorist assaults. Too frequently, U.S. corporations operating abroad capitulate to terrorist extortion. Naturally, it is done to save the life of a kidnapping victim or to protect property from destruction by terrorists. But it comes as no surprise then to learn that U.S. corporations abroad have become prime targets for terrorism. As a consequence, tens of millions of dollars extorted from corporations have gone into the coffers of terrorist organizations, financing still further attacks on U.S. commercial interests abroad. The United States is not alone in this problem. This points to a conspicuous short-

coming in the response of most Western governments to terrorism, including the United States. Most of the attention in coping with the terrorist threat has gone into protecting governments from intimidation by terrorists—a necessary first step in meeting the threat. However, it is not sufficient simply to protect governments from terrorist threats if private citizens and property are to become easy victims of extortion, kidnapping, sabotage, and other acts of violence by terrorist organizations. There is little to be gained if governments manage to free themselves of terrorist intimidation only to preside over a wasteland in which no private citizen or business firm is safe from terrorist attack.

A second dimension of the U.S. policy response to international terrorism has been to improve the management of government agencies to assure that crisis management will be effectively carried out during a terrorist incident. Fortunately, the adequacy of this machinery has not been put to a severe test, but preliminary indications suggest that it should serve the needs of senior government officials in mobilizing government resources to deal with a terrorist-induced emergency. As the threat posed by international terrorism has become better understood by the U.S. government, more specialized organizations have been formed within government agencies to permit the most effective response. Much more will depend upon the ability of government officials to improvise successfully in the circumstances. Entebbe may never be repeated in precisely the same manner, and governments which prepare to cope only with types of terrorist incidents which have occurred in the past may find they are incapable of meeting wholly unexpected incidents unless they can institutionalize the capability to develop a response "on the spot."

A third, and hopeful, dimension of the American response to terrorism is the attempt to develop international controls over terrorism. The most notable success to date has been with the problem of aerial hijacking. Yet, hijacking is only a small part of the terrorist menace. Even if this problem were solved by international agreement, it would not address the most dangerous types of terrorist incidents we are likely to see in the coming decade as a result of the profligate Soviet policy of distributing shoulder-launched antiaircraft missiles, sophisticated mines, and advanced high explosives. The international effort is not likely to yield the results we hope for unless some means are identified to induce the Soviet Union to cease its support for international terrorism. It will otherwise be possible for the Soviet Union to sign every international convention dealing with the suppression of terrorism and yet continue to aid and abet the international terrorist movements through its program of aiding Communist-oriented elements on a worldwide basis.

A bill recently introduced into the Congress would require the U.S. government to terminate military and economic assistance to any nation which the President determines has demonstrated a pattern of support for acts of international terrorism. Although this legislation might affect the behavior of some nations, the worst offenders in supporting international terrorism—the Soviet Union, Cuba, Libya, North Korea, and the P.L.O.—do not receive any U.S. assistance, and hence such legislation would have little effect in diminishing terrorist activity.

What is required is a determined effort by the nations most affected by terrorism—the U.S., West Germany, Britain, Israel, and perhaps a few others, to take more direct, and where desirable, joint action against the Soviet conduits for terrorism. Israel has shown the way in attacking terrorist organizations at their centers of operation. This reflects a great determination at the highest levels of government, combined with a well-organized and responsive intelligence establishment, to deal effectively with terrorist organizations.

Similar coordination is also called for from a diplomatic perspective. Greater efforts must be made to deny known representatives of terrorist organizations the undisturbed freedom to travel in Western nations. I regret that the U.S. allowed the entry of known representatives of the P.L.O. into the United States, and I am persuaded that it would be in the interests of all nations affected by terrorism to make a vigorous effort to deny access to known terrorists or representatives of such organizations.

In addition, it would be useful if nations threatened by terrorism would refrain from diplomatic initiatives that lend international status and prestige to terrorist organizations. By affording organizations like the P.L.O. and other terrorist organizations which claim *de facto* "government" status, the slightest gesture of recognition merely serves to establish the legitimacy of terrorism as a means of gaining political ends.

International terrorism must be understood in the form it has taken, namely a transnational weapon, primarily sponsored by the Soviet Union to achieve its political ends. Some years hence, the Soviet Union may be displaced by another nation as the principal sponsor of terrorist organizations. The basic issue remains: international terrorism must be made an illegitimate means of conflict and this can only be accomplished if the intended victims are prepared to take the steps necessary to deny international terrorists the objectives they seek.

Finally, we must scrutinize the concept of detente itself. The adoption of widespread terrorism as a means of covert warfare by the Soviet Union and its allies such as Cuba, Libya, and sub-national terrorist groups reveals the failure of detente as a theory of relations between East and West. Detente has become little more than a means of disabling the West from dealing with less-than-total threats to its survival, especially wars of national liberation and international terrorism. The United States and the nations of Western Europe have been induced to make detente with the Soviet Union a central element of their foreign policy, expecting that it would reduce the threat to their security. In fact, detente has caused a decline in Western security—a decline which has contributed to Soviet power in the world today. There is, in fact, no adequate substitute for a brand of diplomacy which places security first, for this is the lynchpin of an effective foreign policy. International terrorism has, perhaps more than any other problem, exposed the fatal flaws of detente. This conference reflects the emerging consensus among policy-makers that international terrorism is a problem which can be overcome. As the problem of international terrorism is resolved by the nations which are targets of terrorist violence, we must also attend to the diplomatic dimension that has made us so vulnerable to terrorism for so many years.●

PROPOSALS TO REINSTITUTE SELECTIVE SERVICE REGISTRATION

● Mr. LEVIN. Mr. President, the question of whether the Congress should reinstitute registration under the Military Selective Service Act in an effort to address the mobilization deficiencies of our Selective Service System is a highly controversial one.

Currently, there are two different proposals to accomplish this. One is before the House of Representatives as a section of H.R. 4040—that body's proposed version of the fiscal 1980 Defense Authorization Act. The second version is before the Senate as a separate piece of legislation—S. 109. That bill was reported out by the Committee on Armed Services by an 11 to 5 vote.

Both Houses of Congress can be expected to act on these measures in the near future.

As a member of the Committee on Armed Services, I opposed reporting out S. 109, Mr. President, but it is not my purpose in rising today to discuss this particular piece of legislation.

The issue of reinstituting registration is both charged with emotion and extremely complex. It requires the Congress and the American people to analyze and try to understand many complicated considerations which affect our national security, our civil liberties, and our rights and obligations as citizens under our Constitution.

But these many complexities soon will be discussed at length, and today I do not intend to do so. Instead, I want to take this opportunity to share with my colleagues some additional information I have been gathering about the issue and to urge them to carefully consider it as they prepare for the upcoming debate.

This information—about the plans of the Selective Service System to address its mobilization problems without resorting to reinstituting registration—was obtained in response to many questions I submitted to the Acting Director of the Selective Service, Robert E. Shuck, at a special hearing of our committee's Manpower and Personnel Subcommittee. That hearing was held only 9 days ago, on July 10, 1979.

Although I do not sit on that subcommittee, the chairman of that group, our colleague Senator NUNN, graciously consented to my submitting these questions, and I want to thank him for that courtesy.

Unfortunately, the responses to these questions were unavailable when the transcripts of that hearing were printed, Mr. President, so in order to inform my colleagues, I would like to print the questions and answers in the RECORD.

The material follows:

QUESTIONS FROM U.S. SENATOR CARL LEVIN TO ROBERT E. SHUCK, ACTING DIRECTOR OF THE SELECTIVE SERVICE SYSTEM

1. It is your position, and the Administration's position, that with modest additional funding to improve its automatic data processing capabilities, the Selective Service System can meet Department of Defense (DoD) requirements to mobilize adequate manpower in a national emergency. This conclusion has been rejected by both the Senate and House Armed Services Committees. For example, the HASC report on H.R. 4040, the fiscal 1980 DoD authorization bill which include registration provisions, states that:

"Registration alone will provide the Selective Service System with the capability to fill the Army's surge training capacity."

In its report on S. 109, the Senate registration measure, the SASC concluded:

"This tight schedule (of mobilization as contemplated under the Administration's plan) and many assumptions about so many different operations at so many different locations lead to great skepticism about its feasibility . . . Trying to implement such a complex new system during a period when the Nation is trying to mobilize rapidly con-

vinces many that such a plan could not work."

Please provide specific positions and comments on every finding and conclusion of each of the committees concerning the ability or inability of the Selective Service System, even with the increased funding proposed by the President, to meet DoD mobilization requirements. Enclosed are copies of both Committee reports.

The significant provisions of the two bills are:

H.R. 4040:

Resume registration as men become 18 after January 1, 1981.

President submit recommendation for reform of Selective Service System by January 15, 1980.

Annual assessment of mobilization capability of the Selective Service System.

Preserve Selective Service System as an independent agency.

S. 109:

Commence registration of men by January 2, 1980, with classification procedures suspended until January 1, 1981.

President to report by July 1, 1980 on categories for deferment and exemption and procedures for classification.

Assign supervision of Manpower Mobilization planning to the Undersecretary of Defense for Policy and require an annual report of mobilization capabilities and requirements.

There are many similar concerns and points made in the Senate and House Armed Services Committee reports. These include:

Concern about the national mobilization capability. The Selective Service System was intended to be maintained with the capability to provide necessary untrained manpower to augment the all volunteer force in the event of an emergency. In October 1977 the Department of Defense revised their requirements for the Selective Service System deliveries of untrained manpower. The system cannot presently meet the revised requirements, however, the President requested an improved budget for fiscal year 1979 to permit the Selective Service System to meet the more demanding requirements. Congress did not approve the increased budget. The President again requested a supplemental appropriation for Selective Service for fiscal year 1979 and an increased budget for fiscal year 1980. At this time Congress approved only a portion of the supplemental request for fiscal year 1979 and the House has approved a portion of the increased budget request for fiscal year 1980. The Senate has yet to complete action on the fiscal year 1980 budget.

Registration removes all doubts as to the capability of the Selective Service System to meet the Department of Defense needs and would reduce the amount of time needed for first delivery of inductees.

Certainly registration and the building of a current data base would give a more assured capability. However, since the Department of Defense does not need significant deliveries within the first 30 days, Selective Service plans and procedures will permit adequate delivery with current requirements.

Evidence that the Department of Defense training base capacity can be enhanced and, therefore, the delivery requirements for the Selective Service may be revised once again. What would the Selective Service System do then?

We believe the Selective Service System must prepare to respond to the current requirements that have been established by the Department of Defense. At this time the Selective Service System has developed and tested plans and procedures that will permit the System to meet the current requirements without peacetime registration, providing the needed resources and appropriations are made available. If the Department of Defense does increase its training base capacity and this results in increased delivery requirements or quicker delivery requirements, then it would be necessary for the Selective Service System to reassess its mobilization readiness planning.

Concern about the "massive risks" inherent in the Selective Service emergency plan.

There are some risks in any contingency planning. We in the Selective Service System believe we can reduce or eliminate most risks as we complete the analysis of various concepts, evaluate alternative and accomplish many tasks before the emergency so that our primary efforts after the emergency can be devoted to the registration and induction processes. We can further reduce the risks by utilizing one of the provisions of H.R. 4040 and S. 109—an annual assessment of the mobilization capability of the Selective Service System. We have conducted special mobilization readiness exercises and plan to continue annually assessing our mobilization capability.

We certainly realize that new and innovative plans can be difficult to initially understand and some will resist new plans because "we have never done it before" or "there appear to be significant risks". In our great nation we have not permitted these objections to prevent or deter moving ahead into previously unexplored endeavors or concepts. If we had heeded those who resist new concepts, our nation would not have computers, missiles, lasers, satellites, and many other technological advances. The Selective Service System emergency plans and procedures have been divided into specific parts and each part has been evaluated, tested, revised, or modified. We will continue this process to ensure we have the best possible plans and assured capability. We can accomplish our assigned mission if we are permitted to move ahead.

Senate Armed Services Committee expressed concern over the classification categories; suggested that the standards should be changed and only conscientious objectors, individuals morally, mentally and physically unfit, and only such other categories as the President believes are necessary in the National interest should be deferred.

There were many changes to the Military Selective Service Act in 1969, 70 and 71 which reduced the categories of registrants eligible for deferment. The law in its present form is nearly as equitable as it can be made. There are very limited categories of deferments and exemptions.

Selective Service does not have the computer capability necessary to conduct and input a rapid registration . . . it will take a long time to obtain adequate computer capability even if adequate appropriations are provided.

We certainly agree that we do not have adequate computer capability. We also realize that the normal procurement process may take one to three years before we possess the required computer capability. However, in our current planning we are exploring various interim computer capabilities. We are evaluating the possible use of contract computer services and equipment with commercial computer firms, while testing our computer programs and concepts on Federal time-sharing agreements with the Department of Commerce and Department of Defense. We are finalizing our Automated Data System study which clearly defines our computer requirements and our timetable for obtaining the resources.

In summary, from the detailed analysis and testing of the various computer capabilities and our mobilization plans, I am confident that our plans will permit us to meet the current Department of Defense delivery requirements. We can dispel the doubts of many if we can obtain the increased budget, accomplish our planned pre-emergency actions, and perform special mobilization exercises which will demonstrate that the Selective Service System will be able to meet the delivery rquirements.

2. What problems do you have with S. 109, should it pass and registration be mandated? With H.R. 4040, should it be enacted?

I do not feel that peacetime registration is necessary at this time. With the requested increase in appropriations, the Selective Service System can develop the capability to meet the Department of Defense current manpower delivery requirements without peacetime registration. The current requirements are (1) begin delivery by M+30; (2) deliver 100,000 by M+60, and deliver 650,000 by M+180. There is no doubt that the Selective Service System can meet these requirements if we are provided adequate resources.

3. What changes in S. 109 would the Administration suggest? In H.R. 4040?

As I mentioned in the previous answer, I do not feel the necessity for passage of either S. 109 or H.R. 4040. With the requested increase in appropriations, the Selective Service System can develop the capability to meet the Department of Defense updated manpower delivery requirements without peacetime registration.

4. How much would S. 109 and H.R. 4040 each cost according to Administration estimates, and why?

The annual additional operating cost of either S. 109 or H.R. 4040 would be approximately $10 million. Start up cost to set up the organization required to hold registration under S. 109 is estimated to be an additional $2 million. This is figured on a reasonable lead time to expand the regional organization, hire and train compensated personnel, and appoint and train volunteer registrars. An additional $1 million would be required under S. 109 to input to the data base from the catch-up registration.

5. How long would it take for the Administration to implement S. 109 and why? To implement H.R. 4040?

It would take approximately 6 to 8 months from passage of the necessary appropriations to get the personnel and resources on hand to implement S. 109 or H.R. 4040. This lead time would be utilized to permit orderly buildup of the Selective Service System and the necessary training of personnel.

6. What are the relative strengths and weakness of S. 109 as compared with the registration provisions in H.R. 4040—the House's Armed Services Committees version of the FY 1980 DoD Authorization?

A comparison of S. 109 and H.R. 4040 provided some distinct similarities and at the same time some wide divergences. Both bills call for registration, but the House version only calls for the registration of those turning 18 years of age after December 31, 1980. This presents a problem for the required data bank including 2–3 year of birth groups necessary to satisfy DoD emergency requirements would not be complete for 2–3 years. There is a serious weakness in the provisions of H.R. 4040 because the registration procedure advocated would not provide Selective Service with the registrants needed to meet the Department of Defense requirements for at least two years. If an emergency occurred prior to January 1, 1983 an emergency registration of 20 and 21 year olds would be required before the inductions are initiated.

S. 109 would involve a more rapid and costly mass registration to get all 18–26 year old men registered.

7. Under the S. 109 timetable, does enough time exist between the due date (July 1, 1980) of the report on changes in registration/classification procedures and the date in S. 109 when classification is to begin (January 1, 1981)? Why or why not?

Any delay in implementing registration

would be the result of a lack of adequate and timely funding rather than the timing of the President's report. It would take approximately 6 to 8 months to recruit and train sufficient personnel for an effective and efficient registration process with our present plans and appropriate funding.

8. If the Congress is to mandate registration, under which proposal would the Administration prefer that it be re-instituted—S. 109 or H.R. 4040? Why?

The Administration would prefer that neither proposal be instituted at this time. I am confident that with passage of our FY 80 appropriations request, the Selective Service System can meet the Department of Defense manpower requirements without peacetime registration. If Congress mandates registration and a special report for reform of the current law, the Administration would prefer that the requirements for registration to begin be delayed until a complete analysis and proposals for reform of the existing law are accomplished.

9. Should you receive the funding you say is necessary for you to meet DoD requirements, how soon would it take you to be in a position to:

a. meet those requirements and

b. test your newly implemented procedures and system to determine whether it will work as you claim?

(a) The Selective Service System can develop and demonstrate the capability for meeting the revised DoD manpower requirements within 6 to 8 months after passage of the appropriations required. To meet a 6 to 8 month assured capability, some of the operational concepts will require negotiation of special "stand-by" contracts until the equipment can be leased or purchased. Plans are to ultimately have an in-house capability for the computer processing equipment and materials. This capability will be identified in the 5 year computer plan study which is nearing completion. The necessary equipment would be leased or purchased over a period of 1 to 3 years.

(b) Our plans for rapid rebuilding of the System in an emergency have already been tested during Mobilization Readiness Exercises with our reserve forces in the states. We are confident these plans are viable. We have just completed a test of the computer capability for input of registrant data. Preliminary results have assured us that this data can be input in the timeframe necessary. An analysis of the remaining computer capability will be available, as mentioned above, in the 5 year plan. A test of the use of state election officials and election sites for registration is being planned.

10. Can you be in a position to make this test before you implement your entire new plan? Why or why not? If so, by when?

We are now in process of developing a five-year Automated Data Systems (ADS) Plan. The plan will be completed by September 1979. Therefore, from an ADP perspective, the first phase of that plan may not be funded until approval of the FY 1981 Budget. Thus implementation of the first phase would not occur before second Quarter 1982 under a competitive procurement cycle. However, an interim ADP plan is in process of being implemented now. In December 1979, a test of our emergency mobilization and delivery system is planned that will utilize a large DoD computer system with the capability of meeting the M-Day Emergency Processing Schedules. The December 1979 test will permit evaluation of four important aspects of our emergency readiness posture:

(1) Data Entry Contractor Keying (encoding) of a low volume of registration data for computer processing;

(2) Data Transmission of large volume of registration data to the central computer;

(3) Evaluation of the EMMPS computer software in a large volume test; and

(4) Exercise of computer hardware under large-volume test conditions.

11. In your testimony before this Committee, you said that "I am confident that we are capable of meeting DoD's manpower needs in almost every contingency except a no-notice condition." What other contingencies are there besides the no-notice condition that you use for planning purposes? In which of these are you not confident that you would be able to meet the specified needs?

There are a large number of scenarios for which our existing registration and reconstitution plans would be adequate. Several examples would be a resumption of peacetime registration such as envisioned in S. 109 and H.R. 4040, or the scenario which provided the background for last year's mobilization exercise, Nifty Nugget, or the type of scenario that preceded World War II where we initiated registration and registrant processing more than a year before we actually entered the war.

The point I was trying to make in my testimony before this committee is that our existing plans will handle almost anything except a "worst case, no-notice" situation where we might not have any opportunity whatsoever to take any actions before M-day. We must, of course, be prepared to respond to a "worst case, no notice" situation. The present DoD requirements, are based on just such a situation.

We certainly anticipate experiencing considerable difficulty if we were requested to produce inductees sooner than 75–85 days, starting from the "deep standby" position in which we find ourselves today. To meet the current requirements to begin delivery of inductees by M+30, the Selective Service System must receive the additional funds requested for Fiscal Year 1980.

12. You state that you have had plans for almost two years to meet the previous DoD requirements. You state that you can meet the current requirements with the requested FY 1980 funding, as well as with additional funding. How much more additional funding annually will the Selective Service need during the next five years?

The estimated additional funding required by the Selective Service System to meet the current requirements will include these items:

(1) Software Development—$350,000 (One time cost).

(2) Computer Hardware and Peripheral equipment—(a) Purchase Cost $4.42 million; (b) Lease Cost $1.33 million.

(3) Communication/Transmission—$833,000.

NOTE.—(Upon completion of 5 year ADS Plan more definitive information and cost will be available).

13. There appear to be approximately 750 reservists employed by the Selective Service for the purpose of training and organizing personnel at local and regional levels. Why are these people paid for by the Selective Service and not by the Department of Defense as other reserve officers are?

Section 10(h) of the Military Selective Service Act requires that there be personnel adequate to reinstitute, immediately, the full operation of the System, including military reservists who are trained to operate such System and can be ordered to active duty for such purpose in the event of a National emergency. The Selective Service System is presently authorized 715 reserve billets. Since the 715 Reserve Forces officers are for the exclusive use of the System, the Administration decided effective July 1, 1972, that responsibility for funding our Reserve Forces would be transferred from the Department of Defense to this agency. We use these reservists so we pay for their services and availability in the event of an emergency.

14. In your statement you say that you will reduce the span of control if you receive the funding requested? What do you mean by "span of control?"

One of the items planned for implementation once the appropriations request is funded is to "reduce the span of control" further in our field operations by expanding from 6 to 10 regional offices. Officials in these regions will be responsible for overseeing the training of our reserve forces, coordinating activities with the provisional state directors in each state, and recruiting and training local and appeal board members to serve on an uncompensated standby basis. With only 6 Regional offices, each Region is larger than desired from an effective management and control point of view. With 10 Regional offices the Selective Service System can provide closer supervision to the mobilization planning and implementation procedures in 4 to 8 states and territories, instead of the present 8 to 12 jurisdictions, which include the 50 states, District of Columbia, Guam, Virgin Islands, and Puerto Rico.

15. How will you choose local and appeal board members? Will they be reimbursed in any way? What type of training will they receive? Before or after mobilization? Have you checked your four year old list recently to see how many of these people will serve again? When? How many on the list said they would serve again? How many addresses on the list are no longer accurate?

A major source for recruitment of local and appeal board members is our list of former members. This list will be screened to eliminate those persons who are no longer eligible to serve. Of the remainder, we estimate that approximately 50% of around 6000 will volunteer to serve again. The balance needed will be recruited in the counties and communities of the states through civic groups, school and college faculties, professional associations, Veteran groups and other like sources. Potential candidates for appointment will be nominated by the Governors and appointed by the President. All board members are uncompensated volunteers and are only reimbursed for their expenses.

Training will essentially be devoted to the area of registration, classification, procedural rights, and registrant processing. Recruiting and training of these uncompensated personnel is planned to be accomplished before mobilization but is dependent upon the availability of appropriate funds requested in the Fiscal Year 1980 budget.

16. In deciding to use state election machinery in order to facilitate registration, what kinds of discussions did you have with each of the state election boards? What types of agreements do you have with the boards? Are you confident that all states will implement your plan according to your specifications and time needs? If so, why? Will you reimburse state election operations for SSS costs? How much will this cost annually?

During 1978 and 1979 all states were contacted to determine the feasibility of using state election operations to conduct a one day mass registration. The initial contacts were to determine: (a) time required to activate the election machinery; (b) estimated workload; (c) training requirements; (d) number of sites required and number of personnel required. All the responses received and on file in this office indicated full support by the state election officials. Additional coordination, in some states, is necessary and is being accomplished but assurance was received that the states would respond. The exact cost to operate the state election machinery was not requested or received. Emergency registration, using state election operations as developed in this plan, would take place after the declaration of a state of emergency and after a proclamation had been issued by the President. It would not be used for an annual registration nor would it

be used for a non-emergency registration situation, such as envisioned in S. 109. There would, therefore, be no annual cost.

17. You chose state election machinery to implement a federal plan. Why? Why did you not choose to work through a federal, or quasi-federal agency, such as the Postal Service, which remains active and staffed throughout the year, rather than the election agencies which might only be part-time operations or are active only during an election? What alternative plans were considered? Why did you decide not to propose a plan which would make use of existing records of federal agencies? What are the Privacy Act implications of using these existing records?

The Military Selective Service Act of June 24, 1948, as amended provides that the act be administered through cooperative efforts of the Federal government and the states, territories, possessions, and the District of Columbia. History has proven the necessity to convey the attitude that many operational activities of the system are accomplished through the local government support and assistance. This was very successfully accomplished in WW I and WW II and contributed to the full cooperation of all the citizens of the United States. Some preliminary information we have received in conjunction with our study of registration alternatives indicates that developing a registrant data base from the existing records of other federal and state agencies may be only 80-85% effective. The inability to account for 15 to 20% of eligible citizens is unsatisfactory. In addition the privacy act as well as the statutes governing many government agencies restricts these agencies from the release of this information without a waiver by Congress.

We are carefully analyzing the various alternative concepts of building a registrant data base and the legal implications for each alternative. Upon completion of our analysis, we will be able to determine whether there is a better process or concept for our use.

18. You indicate that "other methods of registration . . . are being studied closely at this time." But on page two you stated that "in order to meet the current DoD requirements we chose to utilize the state election machinery in combination with a system of highly automated data processing procedures for the rapid and efficient input of registration data." This indicates you have already chosen your preferred alternative. If so, what is the purpose of the study of other methods? Does this mean that you are not sure of the system you have chosen? Are there problems with it? What problems have surfaced? When will the report on this study be completed?

Studies performed by the Selective Service System have concluded that a plan for the use of election machinery coupled with automated data processing procedures for input of registration data will give us the capability to meet the revised manpower requirements. It was my decision to concentrate the efforts of my limited staff and resources toward getting that capability on hand. We are not, however, neglecting alternative measures that may, perhaps, enable us to have an even better plan. I have asked my staff, for example, to study the use of other Federal agencies' data banks and/or office configurations for an emergency registration. A report on these measures is scheduled to be completed this fall.

19. What other registration plans are being studied? How much will they cost? How fast can each be implemented? Which involve amendments to the Privacy Act?

The System's study of registration alternatives is considering (along with variations of each):

1. Accomplishment of a participatory registration utilizing the personnel and field organizations of other Federal Agencies/Departments.

2. Establishment of a master list of induction liables from the data bases of other Federal Agencies and/or Departments.

3. Establishment of a master list of induction liables from data bases of the various States.

4. Accomplishment of registration through use of return mail forms or other various concepts (i.e., combination of 2 or more alternatives, volunteers, etc.).

Cast factors for each general plan enumerated have not yet been developed pending completion of the study, input from the specific agencies/departments capable of accomplishing a registration, or establishment of a master list of induction liables. At this time we can not forecast how fast an alternative plan could be implemented, or the cost of each proposed plan or concept pending receipt of valid input. The Federal agencies/departments contacted relative to use of data bases have indicated unofficially, that not only would exemption from or revision of the Privacy Act be necessary, but several cited agency/departmental-related sections of the US Code prevent proposed use of their data.

20. Do you believe that there is any other type of system which could satisfy the requirement that the selection be impartial while at the same time avoiding the need for complete registration of a group of potential inductees?

At this time our primary concern is to have a concept and capability which is perceived by the President, Congress and the public as being "equity under the Law". Our Nation must have an acceptable and equitable system for determining who must serve when all will not be required or needed to serve in the military forces.

Section 5(d) of the Military Selective Service Act calls for the random selection of persons for induction. Thus it would be necessary to have one complete year of birth group registered in order for a random selection to be held.

We must carefully evaluate the other concepts to determine if they would be acceptable and equitable.

21. Do you believe that there are possible amendments to current statutes which might make the operation of the Selective Service System more efficient and equitable while maintaining the current standby, post-mobilization status? If so, please describe them. Is it present statutory requirements which have prohibited the Selective Service from effective operation in recent years?

(a) The Military Selective Service Act has withstood challenges on numerous occasions in the courts. I feel no changes in the law are needed at this time.

(b) The authority to induct young men into the armed forces under Section 17(c) of the Military Selective Service Act expired on July 1, 1973. On April 1, 1975 the President issued a proclamation suspending the registration of young men and placed the Selective Service System in "deep standby."

(c) At this time and with the revised Department of Defense requirements for the capability of early delivery of inductees, the Selective Service System must be given additional funding and resources to permit us to develop the capability to begin deliveries within 30 days.

22. The Department of Defense calculated its requirements partly on the number of people it could handle at its training facilities. Assuming that it is able to train the number of people it claims to be able to handle in the given time periods, how long could you continue to maintain that schedule? Assuming that, in the event of a recognized national crisis, we experienced a surge in voluntary enlistments, how would the volunteers and inductees be accommodated simultaneously? Would this overcrowd the inductions centers, (AFEES) and training facilities? What types of coordination between AFEES and the SSS are there? What precautions have been taken to avoid overcrowding?

The Department of Defense requirements are constrained by the training accession capability. The requirements for Selective Service deliveries envision very limited volunteers or possibly no volunteers. If there is a surge of volunteers, the number of inductees needed would be lowered to prevent the overcrowding of the AFEES or training bases.

We have developed and coordinated our planned induction schedule to avoid overcrowding AFEES and training facilities and maintain some degree of control of accessions. Also we are negotiating with the Department of Defense to permit Selective Service to utilize recruiting office facilities and personnel in the processing of volunteers for induction until Selective Service becomes fully operational.

There is a high degree of continuing coordination between SSS and the Military Enlistment Processing Command (MEPCOM), the command that supervises the administration of the AFEES.

In a mobilization, MEPCOM would provide SSS with a regular schedule for each AFEES so that our calls and orders could be matched to the individual AFEES capacities.

23. On page three of your statement you state that when your ADP plan is fully developed, it will clearly identify the equipment and software requirements and timetables to be followed. Without this plan, how can you make the statements that you have made about your ability to meet DOD requirements? What parts of the plan remain to be finalized? Why do they remain, when you, and the Secretary of Defense have continued to state that the plan will be successful in meeting the nations' needs? How can you be confident about your capabilities to meet these requirements before you even have a plan, much less before you have begun implementing it?

The Selective Service System has conducted a feasibility study to determine if existing computer technology could be used to input the registration data and to issue induction notices from a central computer. The feasibility study conclusively showed that existing computer technology could be used to meet DOD's requirements.

Although the Selective Service System does not have in-house ADP equipment to meet DOD current requirements, we have developed an interim plan which will be in force until we have acquired the in-house ADP equipment. The interim plan calls for use of the private sector to key the registration data and to provide for ADP resources needed for the central site. We have a contract with Itel Corporation to identify, in each regional area, data entry contractors who will commit to key a specific volume of the registration data. This contract will be completed by August 30, 1979 at which time we may negotiate a contract with each of the identified data entry contractors.

The remaining parts of our plan which must be fulfilled are: (1) a detailed analysis of each ADP alternative that can meet DOD requirements and (2) an implementation plan for the selected alternative.

The feasibility study was conducted using an IBM series computer with Cathode ray tubes (CRT) terminals attached. Selective Service System personnel used the CRT terminals to input registration data into a Regional Office Mini-computer. The regional office mini-computer transmitted the registration data to a mini-computer which was located at the Central site. Based on the input speed and the transmission capability of

the Series I computer, we concluded that DOD's requirement could be satisfied through this approach. The feasibility of using a central computer to receive registration data and to issue induction notices was established by running a benchmark test. This benchmark test consisted of all the computer programs that must be executed and a sample of the registration data. Based on the time the computer required to process the sample registration data, we were able to extrapolate to the total time required for mobilization which is approximately five days on an IBM 360/65 computer. After analyzing the information from the feasibility study, the SSS is confident that it can meet DOD's requirements.

24. The Secretary of Defense has stated that the Selective Service should be given the opportunity to develop its computers, staffing and planning. He then proposes to test the SSS's capabilities through joint "exercises with the Department of Defense to provide the necessary confidence that the system will work." What would happen if we were forced to a mobilization situation prior to the point where we have that confidence? On what mechanism could this nation rely to mobilize its manpower resources for military service?

We are convinced that registration utilizing the state election machinery and Automated Data Processing procedures is a viable plan for an emergency registration enabling the Selective Service System to deliver the number of individuals in the timeframe requested by the Department of Defense. It is, of course, necessary that the funding level requested of the Congress be appropriated to enable the Selective Service System to develop that capability.

Should an emergency occur prior to passage of the appropriations and therefore prior to the enhancement of SSS capability, reconstitution and regisration plans that have been developed for 2 years would be used. These plans were tested with the Department of Defense during the Nifty Nugget exercise and were found to be workable for a slower delivery schedule. At this time we must develop our capability to meet the revised and more rapid delivery schedule requirements.

25. Can you describe the working relationship you have with the Secretary of Defense and the Department of Defense? How closely do the two organizations work in setting requirements for the Selective Service System and in planning to meet them?

When I became the Acting Director of the Selective Service System one of the first things I did was visit with then Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, John White, concerning the Defense Department's emergency manpower requirements. It was shortly after that meeting that I was advised of the revised manpower requirements. I have been in constant communication with officials at the Defense Department since that time to insure that they understand our process, what our capabilities and limitations are and so that I have an accurate understanding of their requirements and concerns as well as updated knowledge of the mobilization capacities of the Armed Forces Examining and Entrance Stations and training bases, and so forth. We have a very close working relationship and I have personally briefed the Department of Defense and Army Reserve Forces Policy Boards on the requirements and capabilities of the Selective Service System. Followup coordination and discussions are held frequently with the key manpower officials.

26. Do you have a working relationship with each of the Armed Services? Have there been discussions with the Joint Chiefs of Staff, who have been publicly called for the renewal of registration? It would seem that this call for a resumption of registration—in effect a rejection of your plans—implies a lack of confidence in the ability of the Selective Service System to meet the DoD requirements. Do you agree with this assessment? Why or why nott? Does the lack of confidence in the capabilities of your system effect your ability to work with the Services?

As I mentioned, I have been in constant communication with the civilian officials at the Department of Defense, most particularly the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics and the Assistant Secretaries of the Army and Navy for Manpower and Reserve Affairs. I have not been dealing with the Joint Chiefs. I am familiar with their positions on registration, however, and although I do not profess to speak for them, I feel that their advocation of a return to registration lies more with their concerns about the deficiencies in our reserve forces and mobilization capabilities than the adequacy of the plan we have for meeting those requirements.

At this time the Joint Chiefs of Staff are fully aware of the fact that the Selective Service System can not begin the delivery of inductees within 30 days. Their concerns and confidence in our capabilities are well founded. The System must improve its capabilities and we are striving to do so—but we need Congressional support of the President's budget for Selective Service so that we can move ahead on meeting a quicker delivery capability.

27. (a) What Constitutional challenges could your proposed procedures face if implemented? (b) What sort of legal challenges would you expect if one, or more, of the offices was unable to fully process the people from its area of responsibility?

(a) The Military Selective Service Act and the normal registration, classification, and induction procedures have been utilized over a period of several years and we do not anticipate any "constitutional" challenges of the procedures we plan to use.

(b) Should there be difficulty in registering individuals in a certain area, planned backup capability would be used to assure that all eligible individuals will be properly processed. We are carefully evaluating alternative concepts to ensure all individuals will be processed.

28. Under your proposals to upgrade the Selective Service System, will the personnel necessary to man the local and appeal boards be trained and in place on mobilization day? How? Will it be necessary to recruit and train personnel post-mobilization? In your testimony before the House HUD and Independent Agencies Appropriations Subcommittee you state that:

"Newly assigned officers will be given thorough indoctrination and orientation training immediately after assignment. Additionally, training programs will encompass cross-training and cultivate specialized areas of professional competency. These concepts include training designed to develop the same unique skills required by the mobilization position . . ."

Could you explain what cross-training is?

Once the funding level we have requested from Congress has been approved, we will immediately recruit the local and appeal board individuals who will serve on an uncompensated basis and who will be trained in SSS procedures. Training programs have been designed and are available for application in either a pre- or post-M-Day scenario. These individuals will be prepared to begin immediately serving in an active capacity as local and appeal board members should an emergency occur.

"Cross-training" refers to that preparation necessary to enable our reservists to thoroughly understand the provisions of the Military Selective Service Act and perform adequately in two or more areas, such as an Armed Forces Representative (AFREP) at the Armed Forces Examining and Entrance Stations (AFEES), an Operations Staff Officer, or a Field Reconstitution Officer, or in any one of the other somewhat specialized areas indigenous to the administration of a fully-operational Selective Service System.

29. You also testified that it would take 72 hours to call up Reservists during mobilization. On what basis do you make this claim, that these Reservists will be capable of beginning registration in 72 hours?

Reserve Forces officers assigned to Selective Service are required to sign a mobilization agreement when initially earmarked to our program confirming their availability within 72 hours of a declared emergency. Each assigned officer is required to reconfirm this commitment in writing once a year. This mobilization agreement conforms to Department of Defense Directive 1235.10, Subject: Mobilization of the Ready Reserve. Each officer clearly understands that any prior notification period is waived and he/she must be immediately available with 72 hours being the outside limit. The mobilization agreement signed by each officer contains an initial mobilization location and assignment. A copy is retained by the officer and will serve as authority to report to a specific mobilization location.

Our plans call for national registration to be accomplished on M+10, seven days after the last reporting date for our Reservists. One of the high priority actions Reservists will take immediately upon reporting will be to complete preparations for registration day. Intensive training has been, and will continue to be, directed toward this objective. Most of the plans, pre-distribution of forms, pre-identification of individuals to assist in registration at specific sites, responsibilities for pick-up of completed forms, and the delivery of the completed forms to specific computer input terminals will be completed before the emergency.

30. Furthermore, I was informed by your office that part of your plan may include using men from Army recruiting stations to run registration in the various regions. In the case of mobilization would not the SSS need all its own personnel and likewise would not the Army recruiting stations need all the personnel that they could muster?

We are at present negotiating with DoD to arrange for the temporary use of 1200–1500 military recruiters and recruiting support personnel immediately following M–Day, to assist in registering and processing volunteers for induction. This arrangement would be contingent on the suspension of recruiting and enlistments shortly after M-day. A side benefit of this plan would make available to the Selective Service System, facilities, property and equipment of the recruiting services at a time when the Selective Service System is expanding and the recruiting services are being phased out. The plan to use military recruiters for this purpose would be only until the Selective Service System became fully operational and capable of processing volunteers for induction on its own. At that time, recruiters would be released to their respective services.

31. According to your testimony before the House Subcommittee on HUD and Independent Agencies, you stated that the election machinery was used to register people in 1940. Could you explain how the machinery was used? What agreements, if any, existed between the states and the SSS at that time? You testified that you have made contact and received assurance from all but three or four states, that they would assist in the case of mobilization. Which states have not replied and why not?

There is no evidence that specific agreements existed or were called for between the Federal Government and the States. A Presidential Proclamation was issued announcing

the registration, calling for the cooperation of the governors of the states and the Board of Commissioners of the District of Columbia "To provide suitable and sufficient places of registration within their respective jurisdictions and to provide suitable and necessary registration boards to effect such registration". The Presidential proclamation was the convincing instrument that marshalled all states behind a national cause.

In response to the question concerning the three of four states that had not responded at the time I testified on February 21, 1979, we now have received assurance from all states that they would assist with their election operations.

32. Under your plans, would SSS pay any registration/mobilization-related costs incurred by state election organizations? If so, how much will this cost the SSS annually?

We will authorize reimbursement to any state for costs incurred. Since this use of State Election Machinery would be only in an Emergency Registration, registration costs would represent a one-time charge rather than an annual one.

33. What would prevent a state from reneging on such an agreement? Would you have a contract with the state?

The specific short answer to your question on reneging on an agreement is, "Nothing". Plans are to use the state election machinery during a National Emergency proclaimed by the President, with an enjoiner to all governors and other local officials to support this program. The patriotism of the individuals in the several states and the perceived threat to the national security we believe would prevent an individual state from reneging on its commitment. In answer to your follow-on question concerning a contract with each state, we believe this would be unnecessary. We have a mutual understanding and agreement with each state which we believe will work. Meanwhile, we are evaluating alternatives which may be used in lieu of use of the election officials or to supplement the voting locations. It might be possible that we would want to use an alternative registration concept if an emergency occurred just before or during the week of national elections. We plan to do everything we can to ensure a complete and quick registration process can be accomplished within the established 10 day timeframe.

34. What type of computers do you plan to use to upgrade your ADP facilities? What type of computer was used in your recent test in which 2 million people were registered and processed? In the future, do you intend to rent or buy the computer capabilities utilized by the SSS? How much annually will it cost the SSS to rent or buy or contract for these computers?

The Automated Data Systems Plan, to be completed in September 1979 will identify the characteristics of the new ADP equipment. For the data entry test concluded in May 1979, an IBM Series 1 minicomputer was used to control the keying of simulated registration data. Two million registrants were not actually keyed in this test, but the test proved the feasibility of keying a 2 million year group within the timeframe required by the emergency M-Day schedules.

Concerning the acquisition of new ADP equipment, a decision has not been made whether to purchase or lease. Estimated annual lease would be $1.33 million, plus 883,200 for communications or a one-time purchase of $4.42 million with annual maintenance of $0.5 million.

35. Once the polling stations have been carefully selected to register people in accordance with the SSS's plan, what review procedures will be instituted to ensure that these stations are in the best location for registering the maximum number of people?

Registration plans already developed have identified within each political subdivision in each state, facilities that could serve as places of registration when needed. The criteria for identification of facilities include: number of potential registrants, size of the facility, accessibility to public and private transportation, that the site is known in the community, and the potential for availability in a short notice situation. We initially accomplished a similar registration planning program in 1975 when President Ford suspended continuous registration. These lists have been refined and updated by our Reserve Force Officers as part of their training in preparation for mobilization. These facilities were carefully selected in accordance with SSS guidance and will provide for registration of the maximum number of persons with the least amount of personal inconvenience to the registrant.

36. Before the House HUD and Independent Agencies Appropriations Subcommittee you testified that a pre-existing list of former employees who worked on the local and appeal board in 1975 would be used in case of mobilization. What percentage of this list of former workers could report tomorrow if they were called up?

The lists referred to in my testimony before the House HUD and Independent Agencies Appropriations Subcommittee were composed of former local and appeal board members—uncompensated employees of the System. Of the approximately 12,000 individuals on that list who still appear to meet the requirements for the position of local or appeal board member, we estimate that approximately 50% or 6,000 would be available and willing to return to our service in the event of a mobilization. We are confident that we can recruit and train the additional board members before an emergency if our appropriation for FY 1980 is approved.

37. If you had to register, classify, examine and induct people tomorrow, how many offices and boards would be needed and how long would it take to establish these organizations? What plan would be implemented if a national emergency arose tomorrow and how long would it take to have these registrants at DoD training facilities?

If a national emergency occurred tomorrow the reserve and national guard officers assigned to the Selective Service System would be called to active duty to open the necessary field offices of the Selective Service System. Approximately 2,500 additional personnel would be hired under the currently approved emergency hiring authority. We presently plan to establish approximately 600 field offices, approximately 2,000 local boards would be established, and we would have 96 appeal boards. Members would be recruited from existing lists of former board members and through contacts with various civic and religious groups within the local community.

Reconstitution and registration activities would take approximately 50 to 60 days with our current staff and reserve officer configuration. The procedures of the automated Emergency Military Manpower Procurement Systems (EMMPS) would be used to process registrants for induction. With our current resources the first inducted nonvolunteer registrants would report to DoD training facilities between day 75 and 85.

Complete registration and reconstitution plans are on file for each state and have been tested on an annual basis with our reserve forces.

38. What sort of back-up system do you intend to implement if any part of your proposed system fails during a national emergency? In other words, if a terminal at a local office breaks down, how will the information collected at the polling station be transmitted to a regional office?

The Selective Service System plans to have contractors in each region and they will be used to key the registration data using their equipment if a terminal or regional computer malfunctions for a prolonged period of time. At the central site, we will have a contract with the private sector or an agreement with another government agency to provide a back-up computer in the event that the central site becomes inoperative.

39. Your office informed me that in the event of a breakdown in computer capabilities, the key-to-disk utilized in data gathering would be transferred "by vehicle" to one of the regional offices. Is this not a risky procedure to rely upon during a national emergency? How far would these tapes need to be transported and how long would this take?

The duplicate tapes will be taken "by vehicle" from the central computer to the Federal Preparedness Agency/General Services Administration Special Facility in Virginia not to the regional offices. Duplication tapes of registrant data from each region will be held in the regional offices to be used should there be a breakdown of our central computer. Further back-up capabilities are being addressed in the 5 year computer plan study that is presently being conducted.

40. According to your present plan, the SSS intends to recall officers of the Reserves and National Guard to assist during mobilization. You stated in your testimony before the House HUD and Independent Agencies Appropriations Subcommittee that the parent military services have "agreed to expedite the issuance of orders." In what form is this agreement? What makes it certain that these callups will report within 72 hours?

Department of Defense Directive 1235.10, Subject: Mobilization of the Ready Reserve, governs recall procedures. The parent service of each Selective Service Reserve Forces officer will issue recall orders in accordance with established procedures for the selected reserves (those officers with an M-Day or immediate recall designation). An established Selective Service computer program will produce specific information for each service as to administrative instructions concerning individual officers of that service. This request for orders information will be transmitted to the service concerned on M-Day. Each of our Reserve Forces officers is required to sign a mobilization agreement upon assignment to the Selective Service Reserve Program and once a year thereafter. This agreement confirms his/her availability within 72 hours of a declared emergency and contains an initial mobilization location and assignment. Each officer is required to have a copy of this agreement in his/her possession and it will serve as authority to report for duty pending receipt of formal parent services orders.

41. The same testimony before the HUD Appropriations Subcommittee states that: "An agreement has been completed with the General Services Administration for expeditious acquisition of space for office and field locations. Additional agreements are being developed with the General Services Administration to provide immediately availability of communications, equipment, transportation and supply support".

In what form is this agreement. Does this mean that GSA will have to survey existing office space assets to locate available space, and will then have to contract for these support services? How fast can all this government contracting be accomplished?

A written Memorandum of Understanding was finalized with GSA, November 7, 1978, and signed by the Commissioner of Public Buildings Service. We have provided to GSA a list of locations and estimated space requirements. GSA has indicated that under emergency conditions, space will be made available within 5 days. Should any requirements for space be in locations where GSA does not have property and cannot provide a specific location for this agency with-

in 5 days, GSA has given us authority to rent space on a one year term basis with a 30 day cancellation clause. GSA has indicated they have space in all of the capital cities and most of the larger cities. GSA will match our requirements against their computer program for space. The contracting time under emergency conditions to rent space is contingent only upon finding space and issuing a rental agreement. GSA has indicated the Economy Act limitations will not apply and they have waived the advertising requirement. The paper work, under emergency conditions, can follow occupancy.

42. In its report on S. 109—"Requiring Reinstitution of Registration for Certain Persons Under the Military Selective Service Act, and For Other Purposes"—filed by the Senate Armed Services Committee, the SSS mobilization plans are portrayed as a fragile structure which would come tumbling down if one part failed to operate as planned. If one state fails to register would this jeopardize the entire system?

I presume this question addresses the possible refusal of public officials to allow the use of election officials and election sites to carry out the emergency registration in their particular state. If that were the case, an alternative registration plan could be utilized for that state. No individual can receive an induction notice until all persons in one year-of-birth group have registered and have been assigned a random sequence number. This is a basic requirement for equity under the law. We are confident that our basic plan and backup or alternative plans will permit the Selective Service System to have an assured registration capability. If the election activities preclude use of voting places, we would implement our standby registration plan and use alternative sites.

43. If for some reason the SSS is unable to process all the first year-of-birth group in M+5 or M+6 days, what contingency plan would be implemented to deal with this problem?

A test on our computerized concept of processing registration data has recently been completed. We are confident that we can key and transmit all registrant data on one year of birth group within 5 days. Two extra days of "leeway" have been built into the plan. Back-up capabilities will also be built into the plan to cover breakdowns in the operational process as well. No induction notices will be issued until all the registrant data on one year of birth group is available.

44. What if the mailgrams that will be used to notify registrants of inductions are delayed and not delivered in the one day, as currently conceived in the SSS's plan?

A delay of one or two days in delivery of the mailgram would have no impact upon the SSS's capability to deliver inductees in the specified timeframe. The impact, if any, would be on the registrant since it would shorten the time available to him to get his personal affairs in order or to file a claim for postponement or reclassification. The time and place to report is specified in the induction order, and is predicated on the date of issuance of the induction order not the date of its receipt. We are planning to use the mailgram because we were informed that nearly 98% of the induction orders would be delivered within 24 hours.

45. If S. 109 or H.R. 4040 is amended to mandate the registration of women, and then either bill becomes law, how much would it cost the Selective Service System to carry out this mandate? What other facilities, personnel, computer, etc, would be required, and how long would it take for the SSS to be ready to begin such registration? Please provide this information for each bill.

If either S. 109 or H.R. 4040 is amended to mandate the registration of women, and if either approach to continuing registration of eighteen year-olds becomes law, the cost to the System to carry out the mandate would be in the neighborhood of $4 million in addition to the cost estimates provided in question number 4. The extra cost is due mainly to the added personnel and computer terminals required to input twice as many registrants.

46. If the SSS was required by DOD to register women as well as men, what changes would be required in its proposed plans? How much would these changes cost; when could plans for registering both men and women be ready? Would the SSS still be able to deliver the required time period if it was required to register women as well as men?

The Military Selective Service Act calls for the registration of men only. Should Congress pass an amendment to the law calling for the registration of women, no significant operational changes or cost differentials would be involved under our emergency plan. Presently we plan to register two or three year of birth groups, 4 to 6 million men, at M+10 days. Should women be included in the registration we would only register 1 or 2 year of birth groups or 4 to 8 million persons. That would be the only significant change necessary to the plan.

We have not fully evaluated the possible changes which might be required if Congress mandated the registration of men and women without changing the military specialities the inductees would be assigned to. For example, if women were legislatively excluded from serving in combat or combat support units, we anticipate that induction calls from the Department of Defense would provide for disproportionate induction ratios of men to women in each group of inductees. We need to more fully explore this situation from the legal, as well as operational impact on our input and use of the registrant data.●

SENATE RESOLUTION 199—RELEASE OF INFORMATION IN THE CASE OF COMMON CAUSE AGAINST BAILAR, ET AL.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 199) authorizing the release of information in the case of Common Cause, et al., against Benjamin Bailar, et al.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection? Without objection, the Senate will proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, *Common Cause* v. *Bailar*, C.A. No. 1887–73, is an action pending since 1973 in the U.S. District Court for the District of Columbia challenging the constitutionality of the franking statute. Earlier the plaintiffs directed subpenas to employees of the Senate for information about the use of franked mail during the years 1972–75, and the Senate resolved to furnish the requested information.

The plaintiffs have now issued a subpena to William Poulin, Director of the Senate Computer Center, to testify and produce documents about the use of the frank during the period January 1, 1976 through June 1, 1979. It appears from a letter addressed to Mr. Poulin from counsel for Common Cause that plaintiffs seek a report like the reports for the years 1972–75, and do not call for the actual testimony of Mr. Poulin.

The resolution authorizes Mr. Poulin to prepare the report requested by the plaintiffs. The report will include information about the volume of franked mail sent by each Senator, and it will designate the categories of individuals to whom franked mailings were sent. The resolution authorizes that information be provided for the period ending June 30, 1979, rather than June 1, 1979, to assure that current data is furnished about this important legislative function. The adoption of this resolution would be consistent with the prior determination of the Senate to provide information about its use of franked mail.

This litigation has been pending in the District Court for 6 years. The Senate's newly appointed legal counsel has undertaken to report, pursuant to 2 U.S.C. 288(e), his views on actions which the Senate may take to assist a prompt and appropriate resolution of this matter.

Mr. STEVENS. Mr. President, on behalf of the minority leader I submitted a memorandum to the Republican conference on Tuesday concerning this suggested action by the majority leader, and asked for objections if there were any, from Members of our side of the Senate. There have been no such objections.

On the basis of that, I have joined on behalf of the minority leader in supporting the resolution which has been offered by the majority leader.

Mr. ROBERT C. BYRD. Mr. President, on that score, I might say that I took the matter up with the joint leadership group, which is required under the statute, a group which is comprised of the chairmen and ranking members of the Judiciary Committee and the Rules Committee, and the President pro tempore and the majority and minority leaders. This matter was cleared by that group.

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

The resolution (S. Res. 199) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 199

Whereas, in the case of Common Cause, et al. against Benjamin Bailar, et al. (Civil Action No. 1887–73), pending in the United States District Court for the District of Columbia, a subpoena has been issued to William Poulin, Director of the Senate Computer Center, directing him to give testimony and produce documents concerning the use of franked mail by Senators between January 1, 1976 and June 1, 1979.

Whereas the Senate, by previous resolution, had supplied information of this kind for the years 1972, 1973, 1974, and 1975, subject to a protective stipulation in this case.

Whereas the dissemination of information by a Senator to his constituency concerning legislation proposed or enacted by the Congress, the administration of such legislation by the executive branch and the review of such matters by the courts is a part of the official business of a Senator under the Constitution of the United States.

Whereas it may be useful to enlarge the period for which data is requested from June

1, 1979 to June 30, 1979, to provide fuller information about these important functions: Now therefore, be it

Resolved, That by the privileges of the Senate and by Rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate, or the information which these contain, but by order of the Senate.

SEC. 2. When it appears that the information contained in Senate documents is needed for use in court to promote the ends of justice the Senate will act to serve these ends in a manner consistent with the privileges and rights of the Senate.

SEC. 3. Therefore, the Director of the Senate Computer Center is authorized to furnish, subject to the protective provisions of the stipulation previously approved in this matter, information on the volume of franked mail sent by each Senator for the period January 1, 1976 through June 30, 1979, including the designation of the categories of individuals (profession codes) to whom these franked mailings were to be sent, all to the extent and in the format used to provide information for earlier years. This information shall be furnished as promptly as possible.

SEC. 4. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider three nominations on the Executive Calendar on page 1 thereof appearing under the Department of Commerce and the Federal Reserve System. I have cleared these three all around. Mr. STEVENS has also cleared them, but he is here to speak for himself.

Mr. STEVENS. The statement of the majority leader is correct, Mr. President.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader.

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

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Samuel B. Nemirow, to be Assistant Secretary of Commerce for Maritime Affairs.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL RESERVE SYSTEM

The assistant legislative clerk read the nomination of Frederick H. Schultz, of Florida, to be a member of the Board of Governors of the Federal Reserve System and to be Vice Chairman of the Board of Governors of the Federal Reserve System.

Mr. CHILES. Mr. President, I want to enthusiastically endorse the nomination of Fred Schultz to be a Governor and Vice Chairman of the Federal Reserve Board. I also urge my colleagues to support his confirmation by the Senate today.

My opportunity to know, work with, and observe Fred goes back many years. We were in law school together at the University of Florida. We also went to the Florida Legislature about the same time and served for a number of years together. During that time Fred was elected speaker of the house, and I had the pleasure of observing his outstanding leadership as speaker.

Fred's involvement in public affairs goes beyond his legislative service. He headed a Governor's task force to revamp much of the way we set up our education system in the State of Florida, and until his current nomination to the Federal Reserve Board, he served on a Federal advisory committee on education.

His private life as a banker and entrepreneur is well known in commercial and investment activities. In addition, his civic contributions in his home city of Jacksonville and the State of Florida are acknowledged by his peers.

Mr. President, through these years of serving and working with Fred Schultz, I feel he brings to this important position a lifetime of diverse experience drawing from his educational background, business, and political activities which will enable him to be a valuable and contributing Governor of the Board. I am convinced the President has proposed an outstanding appointment to the Federal Reserve Board, and I urge his confirmation.

Mr. STONE. Mr. President, Fred Schultz has served Florida as Speaker of the House of Representatives. I know him to be an honorable and successful businessman and banker. He will effectively enhance our Federal Reserve Board as Governor and Vice Chairman.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominees were considered and confirmed.

Mr. STEVENS. 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 ask unanimous consent that the President be notified of the confirmation of the nominees.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW AND REDUCING TIME OF THE LEADERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow, and that the time of the two leaders be reduced to 5 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if there is any time following the recognition of the two leaders on tomorrow, I ask unanimous consent that such time, up until the hour of 10:45 a.m., be utilized for routine morning business, and that Senators may speak therein up to 1 minute each.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, am I correct that the vote on final passage of the Agriculture appropriations bill will occur at the hour of 10:45 a.m. tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Am I also correct that upon the disposition of that bill the Senate will proceed to the consideration of the Labor-HEW appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. That would be at circa 11 a.m.

Mr. President, that about states the program for tomorrow. I said earlier there will be rollcall votes in connection with the Labor-HEW appropriations bill.

I want to compliment the Members of the Senate today. Action on two appropriations bills has been completed, and we are ready to take up the Labor-HEW appropriations bill tomorrow. Hopefully, the Senate will complete action on that bill tomorrow, but I am not making any statements to that effect by way of guarantees. If the Senate does not complete action on that bill tomorrow, the Senate will resume action on that bill the next day. And if it does not complete action on that bill on Friday, it will resume action on Saturday, if that is the will of the Senate.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 9:08 p.m., the Senate recessed until 10:30 a.m. Thursday, July 19, 1979.

NOMINATIONS

Executive nominations received by the Senate on July 18, 1979:

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor, vice Francis X. Burkhardt, resigned.

THE JUDICIARY

James W. Kehoe, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95–486, approved October 20, 1978.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Jay G. Benton, [redacted] FG, Air National Guard of the United States.

Brig. Gen. Roger W. Gilbert, [redacted] FG, Air National Guard of the United States.

Brig. Gen. Richard M. Scott, [redacted] FG, Air National Guard of the United States.

To be brigadier general

Col. Jack R. Brasher, [redacted] FG, Air National Guard of the United States.

Col. John G. Brosky, [redacted] FG, Air National Guard of the United States.

Col. Fred W. Cross, [redacted] FG, Air National Guard of the United States.

Col. Wayne C. Gatlin, [redacted] FG, Air National Guard of the United States.

Col. Harold G. Holesinger, [redacted] FG, Air National Guard of the United States.

Col. Robert H. Hormann, [redacted] FG, Air National Guard of the United States.

Col. Charles D. Kelley, [redacted] FG, Air National Guard of the United States.

Col. James D. Montgomery, [redacted] FG, Air National Guard of the United States.

Col. Donald E. Richards, [redacted] FG, Air National Guard of the United States.

Col. Curtis D. Roberts, [redacted] FG, Air National Guard of the United States.

Col. Charles A. Sams, [redacted] FG, Air National Guard of the United States.

Col. Floyd E. Snyder, [redacted] FG, Air National Guard of the United States.

Col. David S. Taylor, [redacted] FG, Air National Guard of the United States.

Col. Robert G. Urquhart, [redacted] FG, Air National Guard of the United States.

Col. Dale E. Wainwright, [redacted] FG, Air National Guard of the United States.

Col. Leslie E. Whitehead, [redacted] FG, Air National Guard of the United States.

Col. Willie L. Whitman, Jr., [redacted] FG, Air National Guard of the United States.

Col. Albert W. Wright, [redacted] FG, Air National Guard of the United States.

Col. James E. Young, [redacted] FG, Air National Guard of the United States.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Glenn Kay Otis, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn Kay Otis, [redacted] Army of the United States (colonel, U.S. Army), for appointment as senior U.S. Army member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1979:

DEPARTMENT OF COMMERCE

Samuel B. Nemirow, of Virginia, to be Assistant Secretary of Commerce for Maritime Affairs.

FEDERAL RESERVE SYSTEM

Frederick H. Schultz, of Florida, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1968.

Frederick H. Schultz, of Florida, to be vice chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, July 18, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, giver of every good gift, we thank You for all the blessings of life and hope that we have received.

Remind us, O Lord, that though we know the benefits that Your providence has given, that not all people share in the bounty of liberty and the gift of freedom. Make us conscious of the opportunities we have to express ourselves freely and faithfully worship You in word and deed and truth.

We specially pray for those who do not know the joy of freedom or share the full expression of their faith. Bring us together in the spirit of prayer that all people may be strengthened by our common supplication and by the promise that You are ever with us, world without end. 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 without amendment a bill of the House of the following title:

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3363) entitled "An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. BIDEN, Mr. ZORINSKY, Mr. JAVITS, Mr. PERCY, Mr. HELMS, and Mr. HAYAKAWA to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 210) entitled "An act to establish a Department of Education," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RIBICOFF, Mr. GLENN, Mr. LEVIN, Mr. PERCY, and Mr. JAVITS to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make an announcement about the electronic voting system. The Chair has been informed that the board displaying each Member's name behind the Chair and the boards displaying the bill number and vote totals to the left and right of the Chair are not working today. However, all voting stations are operating; and the Chair will direct that all vote monitoring stations be staffed with personnel so any Member may go to any monitor and verify his or her vote. Members may also verify their votes—as they should on any vote—by reinserting their card at the same or another voting station.

The Chair therefore directs that votes be taken by electronic device. Members interested in the progress of the vote may inquire at the vote monitoring stations.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary may be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

NATIONAL POW–MIA RECOGNITION DAY

(Mr. EVANS of Delaware asked and was given permission to address the