total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; to the Committee on Interstate and Foreign Commerce, extended for an additional period ending not later than September 20, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WEAVER:

H.R. 5220. A bill to authorize the Secretary of Agriculture to establish a wood utilization program to improve the use of renewable resources in timber harvesting, forest protection and management, and the manufacture of wood products including energy through guaranteed loans, timber sales, and other activities; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 5221. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to establish fire safety requirements for locomotives in order to minimize the danger of fires along railroad rights-of-way; to the Committee on Interstate and Foreign Commerce.

H.R. 5222. A bill to amend the Internal Revenue Code of 1954 to provide for the designation of income tax payments to the U.S. Olympic Development Fund; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. TAUKE:

H.R. 5223. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to $70,800, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 5224. A bill to continue through December 31, 1980, the existing prohibition on the issuance of fringe benefit regulations; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself, Mr. SYNAR, Mr. ASHBROOK, Mr. SENSENBRENNER, and Mr. BAUMAN):

H.R. 5225. A bill to improve the administration of Federal firearms laws, and for other purposes; jointly to the Committees on the Judiciary and Rules.

By Mr. LOTT:

H.J. Res. 393. Joint resolution to authorize the President to proclaim Friday, October 19, 1979, as "American Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. RUDD:

H.J. Res. 394. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

298. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the State contribution to the cost of the SSI/SSP program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HARRIS introduced a bill (H.R. 5226) for the relief of Paul H. Craig, which was referred to the committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2191: Mr. HINSON and Mr. YATRON.
H.R. 3227: Mr. BAILEY.

PETITIONS, ETC.

Under clause 1 of rule XXII,

191. The SPEAKER presented a petition of the American Association of Meat Processors, Elizabethtown, Pa., relative to nuclear power, which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Monday, September 10, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

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

Let us pray.

Eternal God, amid all the changes, uncertainties, and stresses of our times, Thou art the same yesterday, today, and forever. We would know and do Thy will. Spare us from the hasty, narrow, and ambiguous judgment. Teach us the lessons of Thy Word, of history, and of human experience, that we may more wisely serve Thee.

Reclothe us in our rightful mind,
In purer lives Thy service find,
In deeper reverence praise.
—WHITTIER.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 10, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

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

THE JOURNAL

Mr. ROBERT C. BYRD. 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.

CHINA AND THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, the Vice President of the United States recently returned from a trip to China. The purpose of the trip was to strengthen our diplomatic relations with China and to lay the foundation for a more productive friendship in the years ahead.

I believe this purpose was largely accomplished, and I urge that we take a moment to reflect on our future relations with China.

The United States and China have come together in friendship at a time when both countries can benefit from their new relationship.

China is expanding economically and playing a more active role in the international community. The United States welcomes China as a major player in the international economic community.

And we have an interest in an independent and secure China. We know that in the face of a constantly shifting world order, the steadiness of independent nations is important.

China has an interest in modernizing its industry. We have some of the technology that can help make this possible. Our country has signed a protocol with China to help harness the vast hydroelectric resources of that country. Similarly, we are exploring the possibility of agreements in the areas of textiles, maritime privileges, and civil aviation.

There are other examples of cooperation, in the arts, athletics, and education.

I know the leaders of China remain anxious that China be accorded most-favored-nation status in our trade relationship. This status could cut the tariffs on Chinese imports up to 60 percent.

This matter will be submitted by the administration to the Senate in the next few months, and I believe there is likely to be strong support in the Senate for granting China this status.

But our relationship with China does not rest solely on trade or cultural exchange. There is a direct and personal link between the United States and China, a link that goes back many decades, and a link that is now being re-

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

vived by the exchange of visits at the highest levels.

Party Chairman Hua has accepted the President's invitation to come to the United States next year. And President Carter has indicated he hopes to visit China next year.

It should be pointed out, of course, that our relationships with China are complex. The last 30 years have not been easy ones between our two countries. Nor can those years be covered over with the stroke of a pen, or by the exchange of visiting dignitaries.

We have allies of long standing throughout the world. We will not allow our relations with China to jeopardize our relations with those allies.

Nor should it be taken that our positive gestures toward China constitute a negative gesture toward any other country.

Vice President MONDALE made a significant contribution to this process of bringing our two countries together. His speech at Peking University was the first time since the 1950's that a foreign leader has been allowed to address the people of China.

In his speech, the Vice President stressed the principles of normalization, saying, and I quote:

> Normalization signals our understanding that American security in the years ahead will be attained not by maintaining the status quo, not by colluding for purposes of domination, but by fostering a world of independent nations with whom we can build positive relations.

Slowly, and persistently, the bridge between our two peoples is being built. It is a bridge of shared interests and mutual benefit.

I applaud the Vice President on his successful trip, as another important step in the growing relationship between the United States and China.

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

RECOGNITION OF THE MINORITY LEADER

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

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

Mr. President, our distinguished colleague from North Dakota and senior Republican on our side of the aisle is on the floor this morning and has an important statement he wishes to make. At this time, I yield to Senator YOUNG such time as he may require.

Mr. YOUNG. I thank my distinguished leader.

THE GARRISON DIVERSION IRRIGATION PROJECT

Mr. YOUNG. Mr. President, a great amount of press coverage has been given to the opposition of Canadian interests to the Garrison diversion irrigation project in North Dakota. A good example of how untenable are Canadian objections to Garrison diversion appears in the editor's column entitled "Friday smorgasbord," in the Grand Forks Herald published at Grand Forks, N. Dak., for Friday, September 7, which discusses one of their principal objections to the project. I ask unanimous consent that this column be printed in the RECORD as a part of my remarks. This column also deals with a very critical strike situation very seriously affecting the whole Upper Midwest.

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

Mr. YOUNG. Canadian environmental interests have expressed great concern that through Garrison diversion, a rough fish, the gizzard shad, would be introduced into Canadian waters from the Missouri River Basin. This editorial points out that the U.S. Fish and Wildlife Service regards the gizzard shad as an excellent source of food for game fish, so good, in fact, that it is considering stocking it in a Wyoming reservoir. Apparently the Fish and Wildlife Service has little or no concern over its ability to control this fish because it will not survive water temperatures such as those we commonly experience in the Upper Midwest and certainly in Canada in the winter months. None are found in North Dakota waters now. Therefore, Mr. President, the gizzard shad really should be of no concern to Canadian interests.

Mr. President, opponents of the Garrison diversion irrigation project fail to recognize that water for both irrigation and municipal water supplies would come from above Garrison Dam, and most of it, in fact, originates in the mountains of Montana and Wyoming. The huge volume of flood water flowing into Canada from North Dakota and Minnesota almost every spring originates in a different river basin and already contains great amounts of rough fish. It is highly unlikely that any additional rough fish would be introduced into Canadian waters from the Garrison diversion irrigation project.

EXHIBIT 1

FRIDAY SMORGASBORD: N.D. FARMERS ARE VICTIMS OF STRIKE

The federal mediator says, despite the rejection by negotiators for striking grain handlers at Duluth-Superior of a new contract offer, that there is room for further bargaining.

Unfortunately, there isn't time for further bargaining, as far as the farmers of the Northwest are concerned. The 1979 grain crop already is being piled on the ground in North Dakota. The farmers are innocent victims of the dispute between the Twin Ports elevators and grain handlers.

Although the negotiators rejected the latest contract offer of one of the elevators, they have agreed to submit it to union membership. Thus, there is a ray of hope that the strikers may have tired of not working.

The federal government has turned its back on the farmer victims of the strike. The Carter Administration has refused to invoke the Taft-Hartley Law. It won't even get tough by threatening to do so.

The strike is a tragedy, the economic impact of which cannot be measured. It is as serious as drought or pestilence, as far as the farmers and the area which depends upon them are concerned.

We don't pretend to know all the ramifications of the dispute between Crookston and Polk County with the Lake Agassiz Regional Library (LARL). It seems obvious, however, that power is being abused when the Polk County librarian is fired immediately after asking questions about LARL finances. It also is depressing to have the LARL director claim that the reasons for the firing are none of the public's business. The situation demands searching investigation by Governor Quie and the Minnesota Department of Public Libraries.

* * * * *

A couple of weeks ago, it appeared the council was stacked against approval of a minimal subsidy for United Hospital's ambulance service. When the council voted this week, however, the subsidy was approved 11–1. The aldermen had become better informed on the issue and had changed their minds.

Business apparently has not lost faith in Grand Forks. Construction apparently will begin this fall on two new small shopping malls in the city. Despite some pessimism that the city has been overbuilt commercially, others retain sufficient optimism to make the investment in more outlets. Indeed, despite the economic bind in which farmers find themselves, there is evidence of an upturn in business in all areas of the city.

Remember the gizzard shad? That's the fish which so scared the Canadians that they mounted their attack on the Garrison Diversion Project. Despite the fact that it has never been found in North Dakota, they feared the gizzard shad would be introduced to Canada in the return flow of Missouri River irrigation waters.

Comes now the U.S. Fish and Wildlife Service. It has recommended introduction of the gizzard shad in a Wyoming reservoir—to boost its production of game fish. It seems the biologists believe gizzard shad fry would furnish more food for game fish, which have been stunted in the reservoir because of competition from carp.

The biologists say it isn't necessary to worry about the gizzard shad taking over the lake. It cannot survive the cold and ice-covered water in the winter.

If they're right, maybe Canada should take a cue from them and not wait for Garrison Diversion, but import some of the fish on their own.

Mr. YOUNG. Mr. President, I thank the minority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from North Dakota. I yield now, if I may, to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Tennessee and I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator needs any additional time, I have a little bit that he may have.

Mr. HELMS. No, Mr. President, I thank the Senator for his courtesy.

CIGARETTE SMUGGLING

Mr. HELMS. Mr. President, from time to time I note the lamentations voiced by officials of the State of New York, and other States, concerning the smuggling of cigarettes across State lines. Multimillion dollar proposals have been offered for curbing this smuggling.

Mr. President, the point is this: These States could put an end to the smuggling overnight: All they have to do is take a look at their outrageous tobacco taxes, then cut those taxes back to a reasonable level. The incentive for smuggling will be eliminated, as I say, overnight.

Nothing else will work. Unless and until the State of New York and others realize this simple fact of economic life, the smuggling will continue. The tax policies of a number of States are not only self-defeating, they are an engraved invitation to organized crime—including,

reportedly, the Mafia—to get into the smuggling business.

Mr. President, the lamentations by officials of these States remind me of the young man who murdered his parents, and then pleaded for mercy on the grounds that he was an orphan.

Mr. President, the distinguished Attorney General of North Carolina, Rufus L. Edmisten, made this very point in an address prepared for delivery today, at Columbus, Ohio. Mr. Edmisten's audience consisted of an ad hoc group of tax officials from various States.

I ask unanimous consent that the text of Attorney General Edmisten's excellent comments be printed in the RECORD at this point.

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

TOBACCO TAXATION—CIGARETTE SMUGGLING

I appreciate very much the opportunity to meet here with you today to discuss a matter of mutual concern—tobacco taxation and cigarette smuggling. While I wish I could stand up here today and announce to you that I had found some way to eliminate the cigarette smuggling problem, you and I both know it wouldn't be so until the sizable tobacco tax differentials between the states are eliminated. What I would like to do is to give you a North Carolina perspective of the tobacco taxation situation and to review the cigarette smuggling problem in general.

The tobacco industry is a very vital part of North Carolina's economy. Tens of thousands of our citizens depend on this industry to feed and cloth themselves and their families. Needless to say they are quite sensitive to any action that might disrupt this industry and affect their livelihood.

What they have witnessed since about 1960 is a steady rise in the tobacco tax of almost every state to the point where they are fearful that consumption will be affected and their livelihood jeopardized. According to a report by the Advisory Commission on Intergovernmental Relations on Cigarette Bootlegging, in 1960 the largest difference in cigarette taxes between any two states was 8¢. By 1965 the variation had increased to 11¢, today it is 19¢, and if we count the special New York City tax it is 21¢. Their findings conclude that so long as there is a 10¢ or more tax differential between states cigarette bootlegging will be profitable. Their report goes on to say that prior to the raising of the cigarette taxes that states were warned that these increases would create a situation conducive to cigarette bootlegging.

The 10¢ or more differential between North Carolina and other states was not created by any action taken by North Carolina but by actions taken by other states. As one North Carolina tobacco farmer recently said to me, "I do not understand how New York City can justify taxing one of our state's primary products so heavily when we do not have a special tax on clothes coming from their garment district or on any of their other primary products." I tell you this because I feel that it is important that you understand the feelings of many of our state's citizens. They are hard working, honest people who do not condone illegal activities, but on the other hand they do not want their livelihood threatened either.

We in North Carolina want to be good neighbors but we ask that you understand our situation also.

In a speech before the Alcohol, Tobacco and Firearms Bureau in Washington last January I pledged the full cooperation of the S.B.I. and other divisions of the Department of Justice in assisting the A.T.F. in the enforcement of S. 1487. The special operations division of the S.B.I. has been working with the A.T.F. and in fact supplied some of the very crucial information that helped break the Florida smuggling case just recently. In fact the working relationship that has developed between the A.T.F. and the S.B.I. is one that more state and federal agencies should take a good look at. Much more can be accomplished by working together.

Governor Jim Hunt and Secretary of Revenue Mark Lynch are also strongly committed to North Carolina doing its part. We have met several times on this matter already and will continue to stay in close communication.

One of the great problems we are having is to determine the factual extent of the cigarette smuggling problem. We have uncovered numerous allegations concerning smuggling but upon close review we have found that most are several years old or that the allegations are personal conjectures. At this point we have very little factual information to go on, therefore, I ask if you do have any factual information that you share it with us.

Last year cigarette tax stamps were purchased by North Carolina distributors for approximately 1.1 billion packs of cigarettes. In comparing this figure with the data supplied by the cigarette manufacturers, the North Carolina Department of Revenue is quite satisfied that the proper number of tax stamps were purchased. Although state statute requires the tax stamp be affixed within 48 hours it is almost impossible to check.

According to information supplied by the Tobacco Tax Council the national per capita consumption based on federal tobacco tax revenue is 142 packs. Using the 50 individual states figures the average consumption is 134 packs per capita. If we split the difference and use 138 packs per capita and multiply that times North Carolina's population of 5.6 million people, then if North Carolinians smoke at the national average 772.8 million packs of the 1.1 billion packs sold in the state were consumed by North Carolinians. This would leave an availability of approximately 327.2 million packs, the disposition of which is left to speculation.

In 1978 North Carolina had 49 million out-of-state visitors who averaged approximately 3 days per visit. Since it is well known that North Carolina has a much lower tobacco tax and that cigarettes are far less expensive here, many out-of-state visitors take advantage of this and purchase a supply of cigarettes for themselves and their friends. I know of one gentleman in the Eastern part of the state who owns two stores just on the North Carolina side of the Virginia line and he has told me that he sells approximately 200,000 cartons of cigarettes each year in lots of anywhere from 1 to 30 or so cartons. His establishments are located on a state road which is not even adjacent to the interstate. There are hundreds of other stores just like his located all around North Carolina, many doing a much higher volume business. When all of this is factored in it just does not appear that there are large volumes of cigarettes available for smuggling.

Since 1975 when statutes were enacted prohibiting the mail order distribution of cigarettes, tobacco tax revenues in North Carolina have been on a decline. For the year ending June 30, 1974 the state collected 20.53 million dollars in cigarette tax revenue and the state's population at that time was 5.08 million persons. In the year ending June 30, 1979 the state collected 18.82 million dollars and the state's population had grown almost a half million people to a population of approximately 5.6 million. Since the enactment of S. 1487 and the increased investigative activity by the A.T.F., the North Carolina State Bureau of Investigation and the North Carolina Department of Revenue the decline has been accelerated.

Also over the past few months we have been reviewing the procedures and regulations for cigarette distribution as set by the Department of Revenue to see if we could come up with any strategies to discourage prospective smugglers. It should be noted that these procedures and regulations were promulgated for the purpose of tax collection, not as a smuggling deterrent. In that regard I believe that our Department of Revenue has a record it can be proud of.

Unfortunately, all of the strategies which we have been able to come up with carry a substantial price tag. For instance, to assign a five man audit team from the Department of Revenue to work full time on audits of wholesalers would cost the state over a million dollars in revenue that would have otherwise been collected by these auditors. The annual cost of an S.B.I. agent is from 33 to 35 thousand dollars a year.

In North Carolina, as I am sure in your respective states, we have limited resources and therefore must set priorities. In the S.B.I. the priorities I set have been the investigation of rapes, robberies, murders, hard drug trafficking and other serious felonies. With these restrictions our agents are still averaging close to 600 hours a year per agent in over-time.

We need your help in factually determining how significant bootlegging of cigarettes out of North Carolina really is in order that we can justify reallocating already strained resources to further investigate it. It is our feeling that if cigarettes are being smuggled out of North Carolina that those perpetrating this act are accepting as a cost of doing business the proper payment of North Carolina cigarette and sales taxes.

Prior to the enactment of the federal felony statute the only North Carolina statutes which may have been violated were all relatively minor misdemeanors such as failure to affix the tax stamp. Violating are, for instance, failure to affix a tax stamp which is a misdemeanor.

It should also be noted that cigarette sales have been down in North Carolina since the enactment in 1975 of statutes prohibiting the mail-order sale of cigarettes.

In order for the S.B.I., the A.T.F. or any other law enforcement investigative agency to be successful in an anti-smuggling investigation they must have investigative leads from which to begin their work. Since in North Carolina we do not have legalized wiretaps or investigative grand juries which are available in many other states, there are only a couple of other ways left for getting the necessary information. One, by an inside informant, and they are extremely difficult to recruit, or two and most reasonably through information retrieved through revenue audits or other reports which would be required under the revenue status. As I have already explained the latter is extremely expensive.

Without something to go on the S.B.I. or the A.T.F. could stake out "X.Y.Z." wholesaler for 6 months and when a truck left the warehouse they would have no idea whether it was carrying cigarettes or ketchup. The manpower necessary to follow every truck coming out of a wholesaler far exceeds the federal resources of the S.B.I. and the A.T.F. They have got to have more than rabbits to shoot at.

In closing let me again reiterate that the Governor and the Secretary of Revenue and I are committed to assisting in any anti-smuggling effort. If we are shown that there is a severe problem within our states boundaries we will divert whatever resources necessary to combat it. Thank you for your time and I look forward to working with you.

NATIONAL HOSIERY WEEK

Mr. HELMS. Mr. President, this week, September 9–15, has been designated as National Hosiery Week. It is entirely fitting that tribute be paid to this remarkable industry and the important role it plays in our Nation's economy.

All of us, from time to time, extol the blessing of the free enterprise system. The diversity and prosperity achieved by the hosiery industry is an example of just how well the free enterprise system works. With more than 450 plants scattered across the Nation, the hosiery industry is comprised mostly of small- to medium-sized, family-owned, independent businesses.

Yet, there are large corporations too. Burlington Industries, for instance, is one of the most important hosiery manufacturers in the world, and we are proud to have it as a corporate citizen of North Carolina.

The 331 companies nationwide which comprise the hosiery industry provide jobs for over 65,000 Americans and pump over $4 billion in retail sales into the national economy. Aside from the immediate benefits rendered to the consumer by the hosiery industry, the technology it has engendered has contributed greatly to the efficiency and productivity of other businesses in the United States as well.

Mr. President, this commemorative week is of special significance to me since North Carolina leads the Nation in the entire textile industry. The vast majority of hosiery plants are located in the South; and I am proud that 58.7 percent of the hosiery produced in this country originates from North Carolina. That translates into over 1.8 billion pairs of hosiery produced in North Carolina alone per year.

North Carolina is the home of 197 companies operating 221 plants across the State. Though the industry is predominately comprised of small operations, they face the same problems and challenges as the other larger industries of the country. This prime example of the free enterprise system at work has created more than 41,000 jobs for the people of North Carolina and benefits virtually everyone in the State.

The textile industry, of which hosiery is a part, comprises 47 percent of all North Carolina's manufacturing jobs and has provided a payroll of over $418 million for the State's employees.

As a result of the influx of money into North Carolina's economy, the hosiery industry plays an important part in the other industries, particularly banking, foodstuffs, insurance and retailing.

North Carolina is proud of its distinctive leadership in the hosiery industry and we are grateful for the fine quality of life this industry has provided for so many of our people.

On behalf of all North Carolinians, I offer my sincere thanks and congratulations to the hosiery industry for the fine job it is doing for the people of our State and the Nation.

BAD MEDICINE FOR BRITAIN, AND THE UNITED STATES, TOO

Mr. HELMS. Mr. President, I commend to my colleagues an editorial which appeared in the Wilson Daily Times on August 2. This thought-provoking piece dealt with the striking parallels between the domestic policies of the United States and those of Great Britain.

Since before World War II, Great Britain has become increasingly entangled in a web of socialistic programs, nationalized industry, and the resulting government spending to try to keep them afloat. The world has seen this once mighty empire teeter on the brink of economic and societal ruin.

Fortunately for the British, however, they and their leaders have opened their eyes to the grave situation which confronted them. Under the leadership of Mrs. Thatcher and her Conservative government, this ailing nation is now on its way back to economic recovery.

Perceptively, the author of this editorial observes that we, too, have begun in the last 20 years, to follow the very same disastrous path toward socialism. The ramifications of such actions are ably illustrated by the editor of this fine North Carolina newspaper. All Americans must awaken to the dangerous consequences of these reckless and irresponsible policies, and return this Nation to economic and political sanity.

Mr. President, at this time, I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

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

[From the Wilson Daily Times, Aug. 2, 1979]

BRITAIN: NO EXAMPLE TO FOLLOW

British Prime Minister Margaret Thatcher is making a cautious effort to reverse some of the ills caused by her nation's decades of experimentation with welfare state socialism, but the United States seems determined to follow the same path that led Britain to the brink of economic disaster.

Key British industries were nationalized years ago and have gone steadily downhill since. Now, Mrs. Thatcher's Conservative government is moving to sell part of its industrial holdings to private interests and reduce subsidies to ailing private companies.

Another major feature of Britain's recovery program is reduction of government spending and taxation. Mrs. Thatcher has whacked $9 billion from the previous Labor government's planned budget by eliminating many subsidies to industry, economic disaster areas, higher education and local governments.

The budget cuts will mean reduced spending on schools, libraries, sports facilities, housing, and the National Health Service. Spending cuts are certain to bring howls from principal beneficiaries, but Britain's sorely burdened middle class should welcome the prospect of lower taxes.

Sad to say, even as Britain pulls back from an economy fully managed by central government, the U.S. moves steadily in that direction. Business and industry in the U.S. are being slowly strangled by federal regulation. Worker productivity has fallen, yet government printing presses continue to crank out more and more dollars to chase fewer and fewer goods. The result is rampant inflation.

A staggering energy crisis confronts the nation. Members of the Arab oil cartel make handy scapegoats, but the public's conspicuous consumption and the federal government's incompetence are more to blame. Ironically, belated efforts of elected national officials to cope with the problem are likely to tighten the central government's grip on the lives of its citizens.

Massive expenditures to develop alternative energy sources will spur inflation. Forced conservation will swell an already bloated Washington bureaucracy. And, Americans will feel the strangling effects of more yards of red tape.

Socialistic panaceas for society's ills have led Britain to the brink of fiscal ruin, but her people are attempting to salvage what remains of a free economy. Will the American people wake up in time to avoid the nearly fatal mistakes of their closest ally? The hour grows late.

ORDER OF BUSINESS

Mr. HELMS. I thank the Senator from Tennessee for yielding to me.

Mr. BAKER. Mr. President, I thank the Senator from North Carolina.

Mr. President, I have no need for the remainder of my time. If there is any remaining under the standing order, I am prepared to yield it back.

Mr. ROBERT C. BYRD. Mr. President, so am I.

Mr. President, I do yield it back.

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

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

REFERRAL OF PM 90 TO COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, on July 27, 1979, a message from the President of the United States (PM 90), transmitting an agreement between the United States and Australia concerning peaceful uses of nuclear energy, was jointly referred to the Committees on Foreign Relations, Governmental Affairs, and Energy and Natural Resources.

Mr. President, I ask unanimous consent that the Committees on Governmental Affairs and Energy and Natural Resources be discharged from further consideration of that message and that it be only referred to the Committee on Foreign Relations.

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

PRIVILEGE OF THE FLOOR—S. 1125

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Ed Graves of my staff, Nancy Foster of Senator STONE'S staff, Owen Donley of Senator MCGOVERN'S staff, and the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 1125: Henry Casso, Carl Rose, Phil Fraas, Bill Lesher, George Dunlop, Burleigh Leonard, and Marshall Matz.

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

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

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

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. 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.

NOMINATION OF MOON LANDRIEU TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Mr. PROXMIRE. Mr. President, I send to the desk the nomination of Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development. Our committee reported him unanimously.

Mr. Landrieu is a man of great experience as a mayor, as president of the Conference of Mayors, and as one who has dealt with the Department which he will be heading for some 10 years. He understands the problems as he demonstated very well before our committee during his nomination hearings.

REALISTIC VIEW OF GENOCIDE CONVENTION NEEDED

Mr. PROXMIRE. Mr. President, during the 30 years the U.S. Senate has been reviewing the Genocide Convention there have been a great number of discussions on whether or not the Genocide Convention should cover "political" groups. As I am sure my distinguished colleagues know, the treaty does not protect "political" groups.

However, we cannot justify delaying ratification of the Genocide Convention because "political" groups are not protected. It is not reasonable to expect that sometime in the near future "political" groups will be included. Rather we must have a realistic understanding of what the Genocide Convention can and cannot do.

My major point today is that the ethnical, racial, religious, and national groups covered by the treaty overwhelmingly support its ratification. They recognize its importance. These groups look to the U.S. Senate for leadership and are puzzled as well as dismayed by our total lack of action.

Hearings held in 1970 before a subcommittee of the Committee on Foreign Relations contain many pages of testimony from racial, ethnical, political and national groups. They abhor the possibility that some persons will choose not to respect their right to exist as a group.

One of the groups that submitted testimony to the subcommittee is the Armenian National Committee.

The Armenians are particularly aware of the horrors of genocide. Sixty-four years ago the Turkish Government initiated a plan to destroy the Armenian minority in Turkey. Over 1 million Armenian people were killed. Many others were tortured.

We cannot ignore the fact that many national, ethnical, religious, and racial groups continue to be threatened by crimes of genocide.

Ratification of the Genocide Treaty is long overdue. I urge my colleagues to consider the groups covered by the treaty and their plight as they struggle to maintain their existence as a group when threatened by outside aggressors who intend to destroy the group.

RUSSIAN BRIGADE IN CUBA

Mr. BAKER. Mr. President, the issue of what to do about the discovery of the Russian brigade in Cuba has been the source of considerable debate in recent days.

Over the weekend, former President Ford came straight to the heart of the matter in a forceful speech in Atlanta. He called for the immediate withdrawal of the Soviet combat troops from Cuba, and he called on the President to give the American people the facts of the situation and dispense with the political innuendo.

I know my colleagues on both sides of the aisle will find President Ford's comments enlightening and constructive, and I ask unanimous consent that the text of his Atlanta speech be printed in the RECORD at this time.

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

[Excerpts from remarks by Former President Ford]

SOVIET TROOPS IN CUBA

The appearance of Soviet combat troops in Cuba raises some severe questions for the United States, but let me begin by discussing the Administration's strange handling of this entire challenge.

It is now being charged by the Carter Administration that elements of these Soviet combat forces were in Cuba under my Administration, specifically that armored and artillery elements were there in 1976, if not earlier.

Frankly, I strongly doubt the accuracy of this allegation by the Carter Administration and resent the political innuendo, particularly when the White House has asked repeatedly for my help on foreign policy matters when they were in trouble during the past 2½ years.

No evidence was brought to my attention concerning Soviet combat forces in Cuba during my administration. And, I will be specific, I do not believe that our intelligence was so bad as to completely miss such a major development. In my Administration intelligence-collecting overflights over Cuba were regularly conducted. Indeed, the whole question of our intelligence performance raises some questions that the Carter Administration must answer.

First, Is it not true the Carter Administration stopped reconnaissance flights over Cuba? If this is true this would explain the Administration's confusion as to what has happened in the past 2½ years.

Why did the Carter Administration stop our intelligence surveillance of Cuba? When was it done and when resumed, if so? What did the Administration know and when did they know of the recent developments?

As recently as July 27, Secretary Vance assured Senator Stone in a letter that there was "no evidence of any substantial increase of the Soviet military personnel in Cuba over the past several years . . ."

And, in that same letter Secretary Vance mentioned that President Carter had raised this question with Breshnev in Vienna in June. What was it that prompted the President to bring this up with Breshnev? What did Breshnev say?

President Carter's own stand concerning Cuba mentioned the fact that we have in recent months raised with the Soviets the issue of the Soviet-Cuban relationships. And, on August 29, the Soviets were called on by the State Department and with what results, if any.

The question I have is, what exactly happened between July 27, and sometime in August to trigger this new round of accusations? Finally, what is happening now? What is the Soviets answer? What are the Soviet troops doing, what role are they performing? Are there other Soviet installations in Cuba?

In short, we need to be told the facts.

But, whatever the intelligence records, the issues are obvious as are the causes. I have publicly warned the Administration about the circumstances of letting the Cubans run wild in Africa. While in office, I tried to stop them in Angola and was close to success when the Congress, including many Senators now warning about Cuba, acted to cut off U.S. support for anti-Soviet and anti-Cuban forces in that part of Africa. At that time, I said that we would regret those Congressional limitations on Presidential action, and now we can see the consequence of the Senate's shortsightedness. During the Carter Administration, 25,000 more Cuban combat forces have been sent to Ethiopia and more to South Yemen and Libya, apparently without opposition by the Administration. The Soviets are now shoring up their position in Cuba to support Cuban operations abroad.

First, the Soviets, within the last 18 months, shipped to Cuba a completely new model of fighter-bomber, the MIG–23 which has a nuclear weapon capability. The Carter Administration, after much dithering, apparently acquiesced to this Soviet move in the Western Hemisphere.

Subsequently, Soviet pilots began to appear in Cuba to train Cuban pilots to go to Africa—and now we are told that there may be a Soviet combat force in Cuba.

The American position must be made clear; we simply cannot tolerate this chain of events.

First of all, Soviet combat forces and their equipment must be withdrawn immediately from Cuba.

Second, Cuban combat forces in Africa and the Middle East area must also be withdrawn, for this is the root cause of the current problem.

These are the issues in my view and the course of action we must adopt. If the President takes this strong position he will have bi-partisan support and the firm backing of the American people. But he must begin by telling us all the facts and stop trying to shift the responsibilities to the previous Administrations.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

FEDERAL CROP INSURANCE ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the pending business, S. 1125, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1125) to improve and expand the Federal crop insurance program, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tem-

pore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from North Carolina (Mr. HELMS), with 1 hour on any amendment in the first degree, 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged against either side.

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

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. 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. HUDDLESTON. Mr. President, what is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. S. 1125.

Mr. HUDDLESTON. Mr. President, I am pleased to present S. 1125, the Federal Crop Insurance Act of 1979, for consideration by the Senate. This bill will make badly needed reforms in the Federal disaster program for farmers.

The existing disaster assistance effort has been graphically described as itself being a disaster. In hearings held by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices on this legislation, we learned that, on the one hand, disaster assistance programs tend to overlap one another and can be very expensive; while, on the other hand, many farmers are not eligible for the assistance provided, and benefits, at times, are insufficient to cover disaster losses.

S. 1125 directly addresses the problems we found and the needs of U.S. farmers.

It improves the voluntary crop insurance program under the Federal Crop Insurance Act and expands it to all counties and all commodities in the United States.

Under this program, farmers will be able to choose protection sufficient to cover their operating expenses at a reasonable cost.

Even though the crop insurance program under the bill will provide much greater protection nationwide than existing disaster assistance programs, it will cost the Government no more, perhaps less, than existing programs. Because it is an insurance program, farmers who participate will contribute to underwriting the program through small, but regular, premiums for protection.

The bill contains provisions to facilitate substantial involvement by private industry in the massive task of bringing the new programs to all farmers. By doing so, it will avoid the creation of an expanded Federal bureaucracy, while enabling the program to benefit from the wealth of knowledge and expertise of private industry.

Mr. President, the subcommittee has reviewed numerous disaster assistance reform bills and has held lengthy hearings over the last year and a half, in order to hear all sides of this issue. S. 1125 is a compromise bill, based on the testimony we received and including the best features of the other bills. It endeavors to strike a balance between several important, but competing, interests.

Therefore, I will strongly oppose any amendment offered during this debate that will make substantial changes in the legislation.

I want to take this opportunity to thank the distinguished Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture, Nutrition, and Forestry, for his valuable contribution to this legislation. He has been firmly committed to the improvement of the disaster assistance effort for farmers and has been greatly instrumental, through his strong leadership of the committee, to the development of a bill for consideration by the Senate.

Mr. President, agriculture is one of this Nation's most valuable resources. We have an efficient system for producing food and fiber unparalleled in the world. Nonetheless, for the thousands of family farmers who make up agriculture, it remains one of the highest risk undertakings in our economy.

To preserve the productive family farm system, it is absolutely essential that we provide our farmers with a comprehensive, meaningful, and efficient plan to protect their economic investments in production from the ever-present risks of natural disaster.

S. 1125 provides such plan, and I urge my colleagues to join me in approving it.

EXISTING DISASTER PROTECTION PROGRAMS FOR FARMERS

Farming, at best, is an exceptionally high-risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable and unpredictable natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

The farmer has a major investment in his growing crops. It takes considerable capital to buy the machinery, fuel, fertilizer, seed, insecticides, and other necessities of modern commercial agriculture. The costs of these necessities have risen dramatically in the last several years.

In most cases, the farmer has to borrow money to plant. Loss of production due to an unavoidable natural disaster too often makes the farmer unable to repay his loan, leaving him with no credit to finance next year's crop. Many times, the loss of a single crop due to disaster has wreaked enough havoc to drive a person out of farming. When crops are lost in consecutive years—a not uncommon occurrence—financial distress among farmers tends to be widespread.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

The Federal crop insurance program gives farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. The 1978 crop insurance program provided about $2 billion of protection for 26 commodities against practically all natural causes of loss. This insurance covered about 21.5 million acres, or 11 percent of all farm acreage eligible for the program.

The disaster payments program for producers of wheat, feed grains, upland cotton, and rice is a form of free crop insurance. Protection under the disaster payments program is without cost to eligible producers. Payments offset losses attributable to the farmer's inability to plant or to produce a normal crop due to drought, flood, or other natural disaster, or other condition beyond the farmer's control.

The disaster payments program was first authorized under the Agriculture and Consumer Protection Act of 1973 for crop years 1974 through 1977 for producers of upland cotton, wheat, and feed grains. Benefits were extended to rice producers for the 1976 and 1977 crop years by the Rice Production Act of 1975. The program was extended through the 1979 crop year for producers of these commodities by the Food and Agriculture Act of 1977.

PROBLEMS WITH EXISTING PROGRAMS

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When President Franklin Delano Roosevelt, in 1938, signed the legislation authorizing the Federal crop insurance program, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

After nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties in which insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of overall eligible acreage.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way crop insurance operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

The experimental nature of the Federal crop insurance program and the lack of broad farmer participation in it led to the creation over the years of additional programs to assist farm disaster victims, including the disaster payments program.

Although the disaster payments program has helped thousands of farmers hard hit by natural disasters during the last 5 years, the program has been criticized for being expensive, limited to just six crops, and inequitable in its application.

The disaster payments program will expire at the end of the 1979 crop year, and the administration is strongly opposed to further extension of the program beyond the time it takes to implement crop insurance reform.

COMMITTEE ACTIVITY

Over the last 3 years, a number of bills have been introduced to improve the Federal disaster protection program for farmers. Beginning in the spring of 1978, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, has held 9 days of hearings on these bills, receiving oral or written testimony from 60 witnesses. In addition, the Committee on Agriculture, Nutrition, and Forestry surveyed State departments of agriculture, farm groups, and commodity and other agriculture-related groups for their views on the disaster assistance needs of U.S. farmers. A compilation of these groups' statements, along with descriptions and assessments of existing programs and expert analyses of policy issues, was published as a committee print.

Because of the sensitivity of private companies providing crop-hail insurance to the crop insurance proposals, members of the subcommittee, from the outset of our work on these bills, met with leaders of the insurance industry. A number of the provisions in S. 1125 were included in response to industry concerns or were developed from industry suggestions.

NEED FOR LEGISLATION

In the subcommittee's review of the bills and in the hearings, one thing has been made clear: Our farmers need disaster protection. They do not want or need a Federal handout, but they need some type of assistance to help them cope with the uncertainties of weather and other natural conditions and they are willing to pay their fair share to get it.

This need can best be met through the Federal crop insurance program. However, legislation must be enacted to improve this program—to make it an operational rather than experimental program, to expand it to all crops and all counties, and to correct the deficiencies in its operations that have hindered its growth and acceptance by the Nation's farmers.

An expanded and improved crop insurance program will eliminate the need for the disaster payments program and, more importantly, make available to all farmers a comprehensive, meaningful, and efficient program under which they may protect their investments in food and fiber production.

S. 1125 MEETS FARMERS' NEEDS

S. 1125 meets the need of U.S. farmers by making changes in the authorizing legislation that will allow expansion of the Federal crop insurance program to all crops and all counties, encourage farmer participation by improving the coverage offered and reducing premium costs through Federal cost sharing, and encourage the private insurance industry to assist in the massive task of marketing crop insurance and servicing insured farmers on a nationwide basis. It is my belief that while the private crop-hail insurance industry may prefer alternative language in some areas, this bill provides for a program they could work with.

The bill will also revise the funding of the program in order to give it a sounder financial base. It will make other technical improvements in the Federal Crop Insurance Act.

S. 1125 phases out the disaster payments program over a 2-year period, during which time an improved and expanded Federal crop insurance program will be put into place.

ROLE OF PRIVATE INSURANCE

Private insurance companies, as a rule, write only specific risk crop insurance covering hail, fire, and lightning risks. Numerous attempts by private industry to write all-risk policies have failed.

Federal reinsurance—to cover the risk of catastrophic losses such as those that arise from large-scale droughts, floods, or freezes—is necessary if private industry is to succeed in entering the all-risk field.

The Federal Crop Insurance Act was amended in 1947 to authorize the Federal Government to provide reinsurance, but the amendment placed a 20-county limit on the reinsurance program.

The private insurance industry, although expressing interest in all-risk crop insurance, has been reluctant to commit resources to an experimental effort that could at best be a pilot project in terms of magnitude, and that does not provide a sufficient base for dispersion of risk to build a sound reinsurance program.

The Federal all-risk crop insurance program cannot expect to have maximum participation by farmers unless private industry commits its resources and delivery system to all-risk insurance. S. 1125 repeals the 20-county limit on the reinsurance program and provides that the Federal cost share for Federal crop insurance premiums will also apply to crop insurance written by private companies if the policies are reinsured by the Federal Government.

These steps will provide the impetus for the development of a private-Federal partnership in providing all-risk insurance to U.S. farmers.

S. 1125 also amends the act to permit the Federal Crop Insurance Corporation to use private companies in administering the program. This will enable the Corporation to use the delivery system of the private industry to market and service Federal all-risk crop insurance on a commission or contract basis. Private industry can bring a wealth of expertise and well-trained personnel to the expanded, nationwide crop insurance program.

There are some 25,000 to 30,000 private crop insurance agents across the Nation who could sell and service Federal crop insurance. The Federal Crop Insurance Corporation, to the maximum extent feasible, should use this valuable resource, pool in implementing the nationwide all-crop, all-county crop insurance program under S. 1125, rather than establishing a massive new Federal bureaucracy.

To facilitate maximum participation by private insurance agents in the Federal program, the Corporation must take steps to insure that agents are given a fair agreement under which to work.

SPECIAL DISASTER PAYMENTS

Many farmers had difficulty this spring planting their crops due to poor weather conditions or lack of adequate fuel. Flooding was extensive in many major agricultural producing regions, coming at a time when farmers had already invested money into preparing land and applying fertilizer prior to planting. Once the water receded and farmers were able to get into the field, the fuel shortage caused further delays, forcing many farmers to abandon their original planting intentions. It is estimated that preplanting costs account for about 15 to 20 percent of the total cost of production.

Under existing legislation, farmers who are able to plant another nonconserving crop after being prevented from planting the first are not eligible for prevented planting disaster payments. The second crop has to pay for its own cost of production as well as the cost invested in the first crop.

S. 1125 provides for a special disaster payment to such farmers for the 1979 crop year. While the payment level will not be the same as that for farmers who are prevented from planting any crop, it should be sufficient to help offset some of the preplanting costs lost on the first crop.

CONCLUSION

Mr. President, S. 1125 makes a number of substantial changes in the Federal disaster protection effort for farmers, correcting deficiencies in the existing system and providing for a more effective new insurance program.

It is vital that these steps be taken. Farmers must be assured that, whatever natural disasters befall them, they may rely on a sound program of protection that is equitable and responsive to their legitimate needs. And the American taxpayer must be assured that Federal expenditures for disaster assistance are used wisely and without waste.

This Nation has benefited from a strong farm economy for so many years that we tend to take this risk-laden enterprise for granted. But in an era of shrinking natural resources and intense industrial competition among nations of the world, a healthy farm sector becomes the vital factor in this Nation's economic equation. In the longterm, all U.S. citi-

zens will share in the benefits of the program reforms made by S. 1125 to protect our farmers from the ravages of natural disasters. I urge its adoption by this body.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 1125 be printed in the RECORD.

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

SUMMARY OF MAJOR PROVISIONS OF S. 1125

The bill would—

(1) Effective October 1, 1980, increase the capital stock of the Federal Crop Insurance Corporation from $200 million to $500 million;

(2) Require the Secretary of the Treasury, within 30 days after October 1, 1980, to cancel all capital stock of the Corporation outstanding on October 1, 1980;

(3) Increase membership of the Board of Directors of the Corporation from 5 to 7 and change its composition so that it would include—

(a) the manager of the Corporation,

(b) the under secretary or assistant secretary of agriculture responsible for the Federal crop insurance program,

(c) the under secretary or assistant secretary of agriculture responsible for the farm credit programs of the Department of Agriculture,

(d) one person outside the Government who is experienced in the crop insurance business, and

(e) three active farmers;

(4) Authorize the Corporation to contract with private insurance companies in administering the Federal crop insurance program;

(5) Effective with the 1980 crop year—

(a) remove the 150-county and 3-commodity annual limits on expansion of the Federal crop insurance program, and

(b) remove the 20-county limit on the program to provide Federal reinsurance for private crop insurers;

(6) Provide, with respect to coverage, to be made available under the Federal crop insurance program, as follows:

(a) insurance would be made available to a farmer on his crop for 75 percent of average yield;

(b) price coverage would be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

(c) lower levels of yield coverage and other price selections would also be made available;

(7) Authorize the Corporation to reinsure crop insurance programs operated by State and local government entities;

(8) In order to encourage the broadest participation in the crop insurance program, require the Corporation to pay a part (not less than 20 percent nor in excess of 40 percent) of crop insurance premium costs. The payment would apply both to (a) premiums on direct Federal crop insurance and (b) in order to provide equity among producers purchasing crop insurance, premiums on private or governmental crop insurance reinsured by the Corporation. The percentage (within the 20 to 40 percent range) of the premium to be paid by the Corporation would be determined by the Board;

(9) Authorize the Corporation to offer Federal crop insurance and provide for reinsurance in Puerto Rico and other commonwealths and territories of the United States;

(10) Authorize the Corporation to offer specific risk protection programs for risks not covered by private insurance;

(11) Make the revisions in the crop insurance program in the bill effective beginning with the 1981 crop year, except for the provisions removing limits on expansion (which would be effective for the 1980 crop year);

(12) Effective October 1, 1980—

(a) delete the $12 million limit on annual appropriations to cover the Corporation's operating and administrative costs,

(b) authorize annual appropriations to the Corporation to cover agents' commissions, payments of premiums by the Corporation, and direct costs of crop inspections and loss adjustments, and

(c) authorize the Corporation to use insurance premium funds to cover expenses of agents' commissions, loss adjustment, and crop inspection, and authorize restoration of premium funds used for these purposes by appropriations in following years;

(13) Effective October 1, 1979, authorize the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable it to cover program expenses or pay indemnity claims;

(14) Extend the farm disaster payments and prevented planting disaster payments provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 through the 1980 and 1981 crop years. However, in 1981, producers would have the option of choosing between such disaster payments on the respective commodity or participating in the shared-cost crop insurance program provided in the bill (they would not be eligible for both); and

(15) Authorize a new disaster payments program under the commodity provisions of the Agricultural Act of 1949 for the 1979 crop year. Under the new program, producers of wheat, feed grains, upland cotton, and rice who (a) are prevented from planting their intended crop because of a natural disaster or other condition beyond their control (including lack of fuel), but (b) plant a substitute nonconserving crop, would be eligible for a disaster payment equal to 15 percent of the target price times 75 percent of the normal yield on the acreage affected.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the amendments of the Committee on Agriculture, Nutrition, and Forestry to S. 1125 be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

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

Mr. President, I, too, commend the efforts of the distinguished ranking minority member of the Committee on Agriculture on this particular legislation and other matters that come before the committee relating to the needs of our farmers throughout the United States, the distinguished Senator from North Carolina (Mr. HELMS).

Mr. President, the time, as I understand it, on this bill is divided between the Senator from North Carolina and myself. I reserve the remainder of my time and yield to the Senator from North Carolina.

(Mr. ZORINSKY assumed the chair.)

Mr. HELMS. Mr. President, of course I appreciate the generous comments of the Senator from Kentucky. He and I came to the Senate on the same day and it has been a high privilege for the Senator from North Carolina to work with Senator HUDDLESTON in so many matters in the Committee on Agriculture and other matters as well.

I say to my friend from Kentucky that I have just come from a luncheon hosted by the distinguished chairman of our committee (Mr. TALMADGE). The guests were German journalists who are interested in peanut production in the United States. Of course, Germany produces peanuts as well. One of them told me that he was very much interested in tasting some peanuts grown in the United States, so he bought a package last night in a little sundry shop. He looked at the label and found out that they were grown in Germany.

Before us at the luncheon was a silver-looking peanut, and I looked at the bottom of that, and it says, "Made in Japan." So maybe the United States is not really as deeply into the peanut business as we think.

In any event, Mr. President, I have listened with interest, as always, to the comments of my friend from Kentucky. It is unquestionably in the Nation's interest for this Government to help protect the farmer from the ravages of natural disasters. Back-to-back disasters, such as the droughts experienced in 1976 and 1977, can wipe out scores of producers who have cash-flow problems and thus hamper the agricultural sector's capacity to produce sufficient supplies of food and fiber for the United States and the rest of the world. The issue, therefore, is not whether the Federal Government should provide some sort of disaster assistance to farmers; the issue is how the Federal Government should make such assistance available.

The Federal Government's current disaster payments program amounts to free crop insurance. If, as a result of natural disaster, a wheat, feedgrains, upland cotton, or rice producer is prevented from planting a crop or experiences yields below a certain percentage of his average yield for a given crop, he may be eligible to receive an outright grant from the Federal Government. Translated, Mr. President, that means an outright grant from the taxpayers of America.

Such a program, Mr. President, in the judgment of this Senator, has some defects which should be obvious. First, it is inherently unfair in that only producers of certain crops receive disaster payments. Producers of soybeans—a primary crop in many areas—tobacco, peanuts, citrus fruits, sugar cane, sugar beets, dry beans, sunflowers, and so forth, may not receive disaster payments under any circumstances whatsoever. Even within the disaster payments program, producers are not treated in like fashion. Wheat and feed grain producers must lose more than 40 percent of their yield before they are eligible to receive low-yield payments. Upland cotton and rice producers, on the other hand, need only lose more than 25 percent of their yield to qualify for low-yield payments.

Second, the disaster payments program discriminates against the small family farmer. USDA studies indicate that the distribution of disaster payments among all farms is less than the projected distribution of insurance premium subsidy benefits. The studies show that larger farmers received proportionately more of the total disaster payments than do small farmers. Under a federally subsi-

dized crop insurance program, the subsidy benefits will be more evenly distributed among all farmers, resulting in a more equitable program.

Perhaps the most glaring fault of the disaster payments program, Mr. President, is that it encourages production on marginal lands that are susceptible to natural disasters. This sometimes results in undesirable conservation practices and may contribute to surplus production. During 1974–77, 31 percent of total disaster payments went to about 117,000 farmers who received payments either 3 of the 4 years of the program's existence or every year of the program's existence. These figures reveal that there are a small number of farmers who abuse the disaster payments program by planting crops on land that they know is subject to high yield variability. Such mismanagement, I have been informed, has cost the American taxpayer in the neighborhood of $600 million since 1974 alone.

To put this dollar figure in perspective, the average yearly cost of the disaster payments program is $436 million. If the taxpayer's money had not been spent on this small number of farmers, there would have been sufficient funds to pay the costs associated with disaster payments for almost 1½ additional crop years.

Mr. President, it is apparent that the current disaster payments program is neither a very efficient nor effective way for the Federal Government to help cushion the farmer from the effects of natural disasters. It is unfair; it encourages bad management practices; and it is wasteful of the taxpayer's money.

Crop insurance, on the other hand, provides the farmer with protection against production loss on a more sound and equitable basis.

The Federal crop insurance program gives the farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. Premium rates that farmers must pay for the protection vary widely depending upon, first, the crop insured, second, the risks of the area, and third, the amount of insurance protection per acre. The insurance does not cover loss due to such causes as low farm prices, neglect, poor farming practices, or theft. The insurance only covers production losses resulting from unavoidable causes.

The method of insurance generally in use at present is to guarantee the insured a percentage of average production in bushels, pounds, or other commodity unit. When the insured person harvests less production than the percentage of average yield protected due to any of the causes insured against, he is paid for the shortage at the price per commodity unit that he selected before the growing season from several optional prices.

Over the past several years, Mr. President, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others, including the media.

The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When the Chief Executive of the Nation, President Franklin Delano Roosevelt, signed the legislation authorizing the Federal crop insurance program, I believe in 1938, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

In fact, after nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties where insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of eligible farmers, according to information made available to me.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way FCIC operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

So we say, Mr. President, "What is needed?"

What is needed, is an expanded and improved Federal crop insurance program that can provide adequate protection without promoting the inequities and abuses of the current disaster payments program and that can attract sufficient participation so as to spread the risk over a greater universe, thereby reducing premium costs to the individual farmer.

Let me pause here, Mr. President, to state for the record that the able Senator from Kentucky is to be commended for his efforts to generate an improved Federal crop insurance program.

He has worked diligently at this, as he does in all things. I am very grateful to him.

His patience and skill as a negotiator and his familiarity with the subject matter provided a steadying influence on his fellow members of the Agriculture Committee as they wrestled with the intricacies of crop insurance. "Noble" is about the best word to describe his attempt to bridge what must certainly have appeared to be unbridgable gulfs of dissension among insurance industry representatives, farm groups, and administration officials. I applaud the efforts of my friend from Kentucky (Mr. HUDDLESTON.)

Nonetheless, I cannot support the changes which the Senate Committee on Agriculture made to S. 1125. By raising the Federal premium subsidy to unacceptably high levels, by failing to encourage the private hail crop insurance industry to help market Federal all-risk crop insurance policies, and by continuing disaster payments for 2 more years in direct competition with Federal all-risk crop insurance the Senator feels that the Agriculture Committee stripped S. 1125 of those elements essential to the formulation of a sound nationwide all-risk Federal crop insurance program. Moreover, the committee's actions amount to a renewal of a notion that I thought had finally been laid to rest in these days of runaway inflation—the notion that any obstacle can be overcome by a willingness on the part of the Federal Government to throw money at the problem.

Widespread participation by farmers is critical to the success of the Federal crop insurance program. If an insufficient proportion of those who need protection do not voluntarily purchase insurance and consequently face financial ruin after a catastrophic crop loss, the program will not fulfill its principal objective of providing the Nation's farmers with a measure of protection against natural disasters.

Major factors ensuring substantial farmer participation are:

First, expansion of the program to all counties and all crops;

Second, coverage adequate to protect the farmer's investment in the crop;

Third, premium costs at levels farmers can afford;

Fourth, use of private insurance industry resources for marketing purposes; and

Fifth, elimination of competing disaster payment programs.

These factors are not mutually accommodating. Any deference paid to one is at the expense of another and usually generates a political fallout that makes reform of crop insurance almost impossible. Therefore, in order to establish a sound Federal all-risk crop insurance program, one must balance these factors so that they operate in relative harmony.

S. 1125, as reported by the Agriculture Committee, deals with the first two factors—program expansion and adequate coverage levels—in a satisfactory manner. Effective with the 1980 crop year, the bill will lift the various restrictions that have heretofore limited the expansion of the Federal crop insurance program. This will enable FCIC to move quickly to expand the program to all agricultural counties and to all crops that are important to the agricultural income of an area.

S. 1125 provides that—

First, insurance must be made available to a farmer on his crop for 75 percent of average yield;

Second, price coverage must be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

Third, lower levels of yield coverage and other price selections will also be made available.

Requiring FCIC to offer farmers yield coverage at 75 percent of average yield will guarantee the farmer an opportunity to purchase coverage sufficient to return his major operating expenses in the event of disaster loss. Since operating expenses usually amount to 80 percent or more of his expected returns from the crop, it is essential to the farmer that these costs be protected.

Requiring FCIC to offer farmers a price selection that is the highest of target price, loan rate, or projected market price will guarantee the farmer an opportunity to purchase coverage that reflects the fair worth of his crop.

These coverage options will make the program more flexible and, in conjunction with Federal cost sharing of premium costs, enable the farmer to obtain a higher level of insurance coverage than he could otherwise afford.

While S. 1125 adequately handles the first two factors essential to the successful implementation of a sound Federal crop insurance program, it fails to accommodate the remaining three factors—premium subsidy level, private sector marketing effort and competing disaster programs—in a reasonable and balanced fashion.

Premium subsidies can be used effectively to broaden participation. The question is what level of premium subsidy is required to generate sufficient participation. The answer is not clear. Originally, S. 1125 proposed a 20 percent direct premium subsidy. The direct premium subsidy of 20 percent, when coupled with congressional appropriations for FCIC's administrative and operating costs, would have represented a very generous 50 percent direct-indirect Federal subsidy.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20 percent subsidy with a 20 to 40 percent subsidy range on coverage levels of up to 75 percent of average yield. According to the Congressional Budget Office, the committee's action could increase the costs of the Federal premium subsidy from $185 million to $395 million annually by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that the total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view the 20 to 40 percent subsidy range is unacceptable.

Objections to the 20 to 40 percent subsidy range become more pronounced when one considers the subsidy's effect on another important factor in raising participation levels—marketing. A farmer is very hesitant to part with his cash. As a result, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise a farmer will never buy crop insurance, regardless of the size of the subsidy. While FCIC lacks such a network of agents, the private hail crop insurance industry can muster an army of 30,000 professional agents across the country to help market all-risk crop insurance policies. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could insure a sound Federal all-risk crop insurance program.

The Agriculture Committee's action to raise the Federal premium subsidy level on all-risk crop insurance does not encourage private industry cooperation in the marketing effort. Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail crop insurance policies, and indeed, threaten small localized hail crop insurance companies with extinction. Accordingly, under S. 1125 as reported, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing. This will be an added expense on top of the increased costs of higher subsidies already approved.

I hasten to add that the feasibility of establishing a cooperative marketing effort between FCIC and the private sector is not solely dependent upon the level of the Federal premium subsidy. There are other elements—particularly those having to do with the working arrangement between independent insurance agents and FCIC—which play important roles in successful marketing of Federal crop insurance policies.

Officials at FCIC realize the need to tap the marketing resources of independent insurance agents. Pilot programs have been set up in Nebraska and Texas to determine what must be done to elicit the independent agent's participation in the marketing effort. While these programs have been less than completely successful, they have provided helpful hints as to what FCIC must do to establish an effective working relationship with independent agents. First, FCIC must pay commissions to independent agents that are competitive with those paid by private insurance companies. Second, FCIC must recognize the independent agent's equity ownership of the business he creates and must permit the agent to service and renew the business he initiates. Third, FCIC must allow the independent insurance agent to be indemnified for loss suffered as a result of acts or omissions caused by FCIC.

The items stipulated above relating to the marketing and servicing of Federal crop insurance through independent insurance agents are fundamental principles of contract and agency law and they comprise the standard business arrangement that the independent agents have with private insurance companies.

I trust that FCIC will act in good faith to incorporate these principles into the contract arrangements it makes with independent insurance agents. If FCIC fails to do so, it is unlikely that any independent agent will choose to sell and service Federal crop insurance. Without the active participation and utilization of the American agency system, the prospects for an expanded Federal crop insurance program are not good.

The last factor which bears upon the success or failure of Federal all-risk crop insurance is the availability of alternative disaster programs. If a farmer has access to a free Government handout, he will opt for it rather than put up out-front cash on a shared-cost crop insurance policy. The current disaster payments programs for wheat, feed grains, upland cotton, and rice present such a competitive option, and they have detracted from the number of farmers who otherwise would purchase all-risk crop insurance.

S. 1125 ignores the importance of this factor as it authorizes what amounts to an outright 2-year extension of disaster payments. In doing so, the bill not only jeopardizes the successful implementation of an expanded all-risk crop insurance program, but also adds significantly to the cost to taxpayers. The price tag of S. 1125 with its 2-year extension of disaster payments and its higher premium subsidies will exceed by three times the estimated budget outlays of the original bill.

Mr. President, at the appropriate time I will offer two amendments that, if accepted, would correct the deficiencies I have pointed out, as I perceive them. These amendments are not intended to gut S. 1125. Rather they are designed to strengthen S. 1125, to bring into balanced harmony those factors which are essential to establishing an expanded and improved Federal crop insurance program.

If these amendments are not accepted by the Senate, Mr. President, I shall feel obliged to vote against S. 1125. This is something that I would regret to do, but I would have to oppose S. 1125 in that event on the grounds that I think are demonstrable, that this bill will be much too costly to the taxpayers of America, that it will needlessly displace yet another segment of private industry, and that it will not—it will not—facilitate the rational expansion and improvement of Federal crop insurance.

Mr. President, I thank the Chair, and I reserve the remainder of my time.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, before we begin on the amendments, the distinguished chairman of the Agriculture Committee is nearby, I believe, and wanted to make a statement.

While we give him that opportunity, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HELMS. I suggest it be equally divided, Mr. President.

Mr. HUDDLESTON. That will be satisfactory.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. 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. TALMADGE. Will the Senator yield me 1 minute?

Mr. HUDDLESTON. I yield to the Senator from Georgia such time as he may require.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, first, I want to compliment the distinguished senior Senator from Kentucky on the outstanding job he has done in putting together this bill, holding hearings, and steering it through the Committee on Agriculture, Nutrition and Forestry. It is badly needed legislation. I commend the Senator from Kentucky on his initiative in this regard.

Mr. President, S. 1125, the Federal Crop Insurance Act of 1979, provides the framework for a workable, nationwide program of disaster protection for farmers. I was pleased to cosponsor this legislation and strongly urge the Members of the Senate to adopt it.

NEED FOR BETTER DISASTER PROTECTION FOR FARMERS

The existing disaster protection programs do not adequately meet the needs of U.S. farmers. The protection they are supposed to provide often is insufficient or nonexistent to meet emergencies when and where they arise.

The disaster payments program applies to only six commodities and the benefits it provides to individual farmers, in many cases, do not cover costs of production. Also, the authority for this program under the Food and Agriculture Act of 1977 expires at the end of this crop year.

The Federal crop insurance program we have now has not met the goal set for it in 1938 of providing basic crop protection for all of the Nation's farmers.

Today, 40 years after it began, the Federal crop insurance is in place in only one-half of the Nation's counties. Nor does the program cover all major commodities even where the insurance is available.

In my own State of Georgia, only 46 of 159 counties are included in the Federal crop insurance program this year.

It makes no sense to me—and it makes no sense to the farmers affected—that this insurance protection is available to some and not to others, even when they may be neighbors operating farms side-by-side divided only by a county line.

I set as a priority for the Committee on Agriculture, Nutrition, and Forestry this year the development of a bill to improve the Federal disaster protection program for farmers.

S. 1125 PROVIDES BETTER DISASTER PROTECTION

Through the leadership of Senator HUDDLESTON, chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, and the hard work of the members of the committee, we were able to report to the Senate a strong bill that responds to the needs of U.S. farmers—S. 1125.

The approach of the bill is to improve the Federal crop insurance program and provide the means for expansion of that program to all counties and all crops.

There are several clear advantages to this approach.

The farmer will contribute substantially to underwriting program costs through small, but regular, annual premiums for the insurance protection.

The benefits the farmer will receive if he suffers a loss will be substantially higher than those under the disaster payments program. The farmer will be able to select insurance to cover almost all of his costs of production.

Indemnity payments for losses, unlike emergency loans, will not have to be repaid from future income.

IMPROVEMENTS ARE MADE IN THE FEDERAL CROP INSURANCE PROGRAM

The bill makes improvements in the Federal crop insurance program.

It provides an expanded role for the private insurance industry in the crop protection effort. Under the bill, limits on Federal reinsurance of private all-risk crop insurance will be removed.

With reinsurance available, the private industry will be able to join the Government in the task of providing all-risk insurance to farmers in all counties in the United States. In addition, farmers who choose to buy their all-risk crop insurance from private companies participating in this reinsurance program will be eligible for the same Federal cost-share of premiums as that available to those who buy Federal crop insurance.

The bill reforms the financial structure of the Federal crop insurance program. This is long overdue.

The program now is working with a reserve fund that is at a dangerously low level and an appropriations limit of $12 million that may have been suitable in 1941 when it was imposed, but completely outdated now. An important reason that the program has not been able to expand as needed during the last several years has been lack of authority for adequate funding.

The bill will remedy the shortcomings in program financing by removing the $12 million limit on appropriations, by authorizing additional capital stock, and by authorizing the Secretary of Agriculture to use Commodity Credit Corporation funds for the program.

The bill will preserve for wheat, feed grain, upland cotton, and rice farmers their rights under the disaster payments program through the 1981 crop year while the improved and expanded Federal crop insurance program is being put into place.

Disaster payments would be available to all eligible producers in the 1980 crop year. During the 1981 crop year, a producer would choose between the disaster payment provisions or the new subsidized insurance program, but would not be eligible for both.

CONCLUSION

Mr. President, S. 1125 makes necessary improvements in the Federal disaster protection program for farmers. It provides for a program that will enable family farmers engaged in today's capital-intensive agriculture to cope with weather and other natural risks inherent in growing food and fiber. The bill will greatly benefit farmers, and I recommend its approval by the Senate.

Mr. HUDDLESTON. Mr. President, I believe the bill is open to amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Are there further amendments to the bill?

The Senator from Iowa is recognized.

UP AMENDMENT NO. 537

(Purpose: To exclude insurance coverage for hail and fire)

Mr. JEPSEN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 537:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail and fire," after "causes".

Mr. JEPSEN. Mr. President, I thank the senior Senator from Kentucky for his hard work and his dedication in producing a comprehensive Federal crop insurance bill. It has not been an easy task, and I know that Senator HUDDLESTON is attempting to meet the demands of farmers, the Federal Government, and the industry, and the insurance industry, and that is a very difficult task.

Mr. President, I ask for the yeas and nays on this amendment.

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

The yeas and nays were ordered.

Mr. JEPSEN. Mr. President, I am offering an amendment to S. 1125 which would delete the perils of hail and fire from the Federal crop insurance program. I am doing so because insurance coverage for hail and fire has been provided efficiently by the private sector, at no cost to the taxpayers, for many years.

Mr. President, it is essential to the business of farming that producers be protected from unpredictable and irregular natural disasters. I was raised on a family farm in Black Hawk County, Iowa. As far back as I can remember, the private crop, hail, and fire industry in Iowa was heavily patronized by Iowa farmers. Our family and other farmers always appreciated the efficient responsible way in which the industry provided the insurance service. In its present form, S. 1125 is unfair to the private hail and fire industry. It would require that private agents compete against a heavily Government subsidized crop insurance program. Most farmers will not opt to buy full premium private hail and fire insurance in addition to, or in place of the subsidized Federal Crop Insurance Corporation coverage; therefore the private crop, fire and hail companies would be adversely affected by S. 1125. S. 1125 will place the Federal Crop Insurance Corporation in direct competition with private insurance companies. Therefore, S. 1125 might possibly eliminate the private insurance sector from the marketplace.

According to an industry report, if Federal Crop Insurance Corporation competition, in fact, forces the nationalization of the crop, hail, and fire industry, the following segments will be affected: 450,000 policyholders will lose a valuable coverage and choice; 30,000 crop and hail agents will lose an important part of their income. Agents earned $70 million in 1978 writing crop/hail; 4,500 crop/hail company employees lose their reason for employment; 140 companies will be affected. In Canada, 36 crop/hail companies have dwindled down to 10, due to

Federal crop type of competition. U.S. farmers presently carrying $10.2 billion private crop/hail coverage, compared to $2 billion under subsidized FCIC. In addition the industry estimates the potential annual tax loss as the following: $20 million in agents Federal income tax, $10 million in corporate taxes, $5 million in employee income tax, both Federal and State and $7 million in State premium tax for a total tax loss of $42 million.

Mr. President, the free disaster program only cost $436 million per year average which this legislation intends to replace. Industry actuaries estimate the potential cost to the U.S. Department of Treasury being $1.2 billion. I realize that the free disaster program was costly and burdensome but let us make sure that we are not replacing it with an equally burdensome program.

In Iowa and many other Midwestern States, rural agents in the business of hail and fire insurance depend on the income they receive from their insurance business. In many cases these agents are farmers subsidizing their farm income.

The patrons of private industry crop insurance may no longer have the option of purchasing private hail and fire insurance. I believe that Congress will send a signal to the private industry if it passes S. 1125 in its present form. We will indicate to small and large private hail companies and rural agents that the Federal Government's involvement is unpredictably increasing in the lives of small businessmen. I hope that the Senate will consider the scope of this bill and its effect on farmers, taxpayers, and the private insurance industry.

Mr. President, this bill, although in good faith and well intended, is another example of Government trying to be all things to all people and solve problems for which the private sector already has provided solutions.

We cannot continue this erosion of the tax base and of the free enterprise system and continue in our Nation and our Government as we have known it throughout the years, and which has brought it to a point of all the good things in life we have today.

Mr. President, when I was back in Iowa in August, I met with many thousands of people at many meetings. One morning, about 8:30, I attended a breakfast meeting with a cross-section of business people, farmers, bankers, and insurance people, not far from the State of the Presiding Officer, the Senator from Nebraska (Mr. ZORINSKY), in Red Oak, Iowa. In closing the meeting, a gentleman stood up and sort of summarized the thoughts that I believe we should keep in mind in all the legislation we work on in Washington, especially as we look at this piece of legislation, with its encroachment on the private sector. This gentleman stood up at the close of the meeting and said, "Senator, when you go back to Washington, will you please tell those folks back there, from us, what we really want is for them to defend our country, to deliver our mail on time, and to keep their cotton picking hands out of our business and personal life."

Mr. BOSCHWITZ. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. I yield time to the Senator.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I be in control of the time while Senator HELMS is not in the Chamber.

The PRESIDING OFFICER. The Senator from North Carolina has no time on this amendment. He has time on the bill.

Mr. BOSCHWITZ. Mr. President, I support the amendment of the distinguished Senator from Iowa. This amendment to the Federal crop insurance program would eliminate and exclude hail and fire—principally hail, because fire among crops is not that much an item—from this measure.

As I approach this crop insurance measure, the protection by private insurance companies, about which my colleague spoke, is uppermost in my mind, because these companies have done an excellent job of writing this kind of insurance.

I am not talking about the insurance giants who are sprinkled through Hartford, Conn., or some other large centers of the insurance industry but, rather, hundreds and hundreds of small insurance companies, many of whom write insurance only in a single county or in a single area, and they are prevalent throughout the Midwest.

To emphasize the amount of coverage they presently have, I point out that in Minnesota, one-third of all the farms are covered by hail insurance from the private companies, and that accounts for approximately 49 percent of the total acreage in Minnesota.

The law now offers all risk insurance other than fire and hail. S. 1125, among other things, would include fire and hail coverage; and the law is applicable whether you participate in a set-aside program or not. However, the law presently limits the expansion of coverage to only 150 counties a year, I understand, and would support the idea of lifting that limitation. This law also would expand the subsidy that is provided to the farmer for his coverage.

I think it should apply in all counties, and I do not believe that the growth limit by counties should be restricted in the manner it presently is. However, presently there is no subsidy of the insurance costs of a farmer in this matter, other than a $12 million subsidy given for administration costs for the Federal Crop Insurance Corporation.

The amendment we are now suggesting would not change the subsidy that the distinguished Senator from Kentucky is suggesting in S. 1125 on insurance premiums, nor would it change the growth of the entire program, which is now limited to 150 counties a year. What our amendment would do is limit the coverage to not include fire and hail, so that the private enterprise part of the insurance industry, which comprises hundreds and hundreds of small insurance companies, can continue to exist.

Because of S. 1125, it includes fire and hail; and because it would give a 20 percent to 40 percent subsidy of the rates involved, we would effectively put the private sector out of business.

In Canada, the number of insurers has been reduced from 36 to 10 because of similar circumstances, and those 10 are having problems.

Under the present Federal crop insurance policy, 75 percent of normal production costs are covered. This bill, while it would help the farmer on the one hand by subsidizing the insurance premium, would reduce that coverage to 65 percent. Because of the cost to the Government, which is uncertain, this subsidy would probably cost the Government an additional $250 million a year.

Then if you look 5 years down the road and say what is this legislation going to do, it would probably effectively disrail and make the continuance of the private companies that are now writing insurance, not at 65 percent, or 75 percent, but at 100 percent, difficult. It would probably effectively eliminate those companies, and again they are small companies throughout the upper Middle West, at least. Five years down the road, it looks like the Government might, as I see the amendments coming to the desk today, probably reduce its coverage to 60 percent. So, interestingly, while there would be some advantage, the farmer will suffer in the long run on account of the limitation of coverage that would be allowed in this bill.

Mr. President, at one time the private sector attempted to write all-risk crop insurance, and that apparently was not feasible because of the problems they encountered in trying to obtain reinsurance. But many of these same crop insurance companies did begin to write hail and fire coverage, and they found that in that area they could successfully cover.

However, including fire and hail as part of the Federal crop insurance program will truly virtually wipe out the private sector's ability to write their own hail and fire policy and also undermine hundreds and hundreds of agents from writing this particular policy.

Therefore, Mr. President, I suggest and urge my colleagues to vote yea on this amendment.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I might require.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for 1 minute?

Mr. HUDDLESTON. I yield.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that Senator CULVER, of Iowa, and Senator DOLE, of Kansas, be added as cosponsors of this amendment.

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

The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I must strongly oppose this amendment because it will, for all intents and purposes, destroy the expanded Federal all-risk crop insurance program proposed by S. 1125, without any sound basis in fact being presented for its need.

To be sure, I appreciate my colleague's concern that Federal programs must not inadvertently harm U.S. private industry. However, I can assure the Members of this body that it is not the intent, nor will it be the effect, of this legislation to create a Federal program that will compete unfairly with the private industry in providing services to farmers.

In fact, in developing S. 1125, we took great care to consult with the private insurance industry and received assurances that the bill I drafted to help U.S. farmers was one that the crop-hail business could live with.

The fact is that the private crop-hail industry and the Federal all-risk crop insurance programs have coexisted in many areas of the Nation for years. In some areas, insurance agents now represent both FCIC and the private insurance companies, and farmers carry both Federal all-risk and private crop-hail policies.

The fact is that all-risk crop insurance and crop-hail insurance are entirely different types of insurance. All-risk insurance covers a portion of long term average production, usually 50, 65, or 75 percent. It insures against all natural disasters for the entire farm unit. A farmer will receive a loss payment only for that loss in production for the entire farm below the percentage of average production covered. An all-risk policy essentially protects the producer from the bottom up.

Private crop-hail insurance, in contrast, covers a portion or all of the potential value of a crop in the field, but it only protects against hail, fire, and lightning risks. It is written on an acre-by-acre basis, and the producer will receive a loss payment for damage to any portion of the crop. Crop-hail insurance protects from the top down.

Mr. President, I ask unanimous consent that a short paper describing the differences between all-risk insurance and crop-hail insurance, with an example, be printed in the RECORD.

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

DIFFERENCES BETWEEN ALL-RISK INSURANCE AND HAIL INSURANCE

All-risk insurance.—This type of policy insures a predetermined long-term average amount of production against all natural disasters for a farm unit which can consist of from one acre to several hundred acres.

A farmer will receive a loss payment only if his production falls below an established guarantee. The payment will be on that portion of his production below the guarantee. Thus, if a producer normally produces 100 bushels to the acre, under this legislation he could have a maximum of 75 bushels of guarantee (75 percent level of coverage). He would have to lose 25 bushels of production before he would receive any indemnity payment from Federal Crop Insurance.

Under the unit insurance system of FCIC, if a farmer has 100 acres in a unit he would have a total bushel guarantee of 7,500 bushels (75 bushels × 100 acres). He would not be due an indemnity until his production was reduced to 7,499 bushels. In other words he would have to lose 2,500 bushels before his all-risk insurance would begin to pay. If a hail storm damaged 40 percent of his crop on 20 acres it would mean, at a potential production of 100 bushels an acre, that the loss would amount to 800 bushels (2,000 bushels × 40 percent). He would not receive an indemnity from FCIC because the remainder of the production on the unit would be in excess of his total guarantee of 7,500 bushels.

Crop-hail insurance.—Private crop-hail insurance, in contrast, insures for a predetermined potential value of production against hail damage on a per acre basis rather than a unit basis. This "potential value" is usually in increments of $100 per acre. Using the same example of 100 acres, should a hail storm destroy 40 percent of the crop on 20 acres, the producer would receive $40 per $100 of hail protection purchased on each acre. If he had purchased $300 of protection for each acre, his payment would amount to $120 per acre or $2,400 ($120 × 20 acres) for the 20 acres damaged.

As this simplified explanation demonstrates, the private hail insurance and Federal Crop Insurance protection and loss determinations are different.

Mr. HUDDLESTON. Mr. President, the fact is—and all Senators from States with an important agricultural economy should carefully note this—that there are agricultural areas in which Federal all-risk crop insurance is the only source of hail coverage. In other areas where crop hail insurance is offered by private industry, the companies impose limits of annual liability that can be insured, preventing farmers from obtaining effective hail coverage. Overall, only 25 percent of the Nation's farmers purchase private crop hail insurance. This amendment could jeopardize the opportunity for many farmers to obtain any hail coverage at all.

This fact is that several Canadian Provinces have government all-risk crop insurance programs in which the government pays a substantial portion of the cost of the premium and in which there is high participation by farmers. The figures show that, in competition with this program, the private crop hail industry has over the years, steadily increased its business both in dollar amount of premiums and acreage covered.

The fact is that S. 1125 contains a provision that will prohibit the Federal Crop Insurance Corporation from ever entering into direct competition with private industry in offering farmers crop hail insurance.

This amendment would destroy the expanded Federal all-risk crop insurance program under S. 1125. One of the major selling points of Federal crop insurance is that it provides coverage for all risks. The peril of hail must continue to be an integral part of the program. This is especially important if S. 1125 is to achieve its purpose of substantially expanding farmer participation in Federal crop insurance.

In addition, it would be difficult, if not impossible, to administer the Federal crop insurance program if hail, fire, and lightning risks were removed from Federal policies. While it may be possible to determine with reasonable accuracy the extent of hail damage to growing crops, field determinations of precise damage from other causes such as drought, excessive moisture, or freeze are not practical. For most crops the Federal policy guarantees a specified quantity of production at harvest time. If a crop was totally destroyed by hail near harvest time and a loss already existed from other causes, it would not be possible for the corporation to determine its liability for the extent of loss from these other causes.

Also, when there is harvested production, the quantity and quality of the crop can be readily and accurately determined. However, on the contrary, even the most competent adjuster would be hard-pressed to make an accurate field determination as to potential yield and quality of the harvest weeks or months away, so that most field appraisals of loss would be of questionable value in adjustment of losses.

Mr. President, the issue was discussed at length in the committee, but this amendment was soundly defeated at markup of S. 1125, because it would leave a good number of our farmers without a complete protection program and seriously jeopardize our efforts to reform the farm disaster assistance effort.

Therefore, I urge my colleagues to follow the lead of the Committee on Agriculture, Nutrition, and Forestry and vote against this amendment.

● Mr. DOLE. Mr. President, I rise to speak in favor of an amendment by Senator JEPSEN which I am cosponsoring.

Approximately 140 private insurance companies employing between 4,000 and 5,000 full and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop-hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

My feelings are that if this bill is passed it would increase the cost of Government, expand Government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverage it would at least let the private industry to stay in business.

Another constituent wrote:

I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our Nation's free enterprise system. The passage of this bill would elliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

Mr. President, I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.●

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

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. JEPSEN. Mr. President, I will yield back the remainder of my time and ask for the yeas and nays if the Senator from Kentucky is ready.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, as I understand it, an effort has been made not to have a vote on a substantive issue before 2 o'clock or 2:30.

The PRESIDING OFFICER (Mr. MORGAN). The Senator is correct.

Mr. HUDDLESTON. We hope we can yield back our time, set aside this amendment, except that I would say to the distinguished Senator from Iowa that it would be my intention when time is yielded back to move to table this amendment. We can hold that until 2:20 and move on to other matters that might come before us so that there will not necessarily be a vote until the agreed upon time.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum—I withhold that, I yield to the distinguished Senator from Virginia.

The PRESIDING OFFICER. Does the Senator withdraw his request for a quorum call?

Mr. JEPSEN. Yes.

Mr. WARNER. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa would grant me the privilege of being a cosponsor of this particular amendment. It is a matter of utmost importance to the agricultural community of the State of Virginia as it is everywhere.

The PRESIDING OFFICER. Without objection, the Senator from Virginia is added as a cosponsor to Mr. JEPSEN's amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. 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. HELMS. Mr. President, I ask unanimous consent that the pending amendment sponsored by Mr. JEPSEN and others be set aside temporarily so that other amendments can be called up.

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

AMENDMENT NO. 404

(Purpose: To restrict the application of the Federal premium subsidy range provided for in S. 1125 to the first 50 per centum of a farmer's average yield)

Mr. HELMS. I thank the Chair.

Mr. President, I have two amendments which are essential to the viability of a sound and affordable Federal all-risk crop insurance program, and I call up the first of these, which is No. 404 at the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 404.

Mr. HELMS. 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 19, line 2, between the word "premium" and the ":" insert the following: "on any coverage of up to a maximum of 50 per centum of the recorded or appraised average yield".

Mr. HELMS. Mr. President, these two amendments, Nos. 404 and 405, work hand in hand to correct what this Senator perceives to be debilitating flaws in the pending bill, S. 1125. One without the other will not do. In order to be effective and to achieve what needs to be achieved, both amendments must be adopted, and both amendments, if indeed are accepted by the Senate, then the Senator from North Carolina can support S. 1125.

If either of these amendments or both of them should fail, I intend to vote against S. 1125, albeit reluctantly because I am aware of the immense amount of work that has been done on this piece of legislation by my friend from Kentucky (Mr. HUDDLESTON) and others.

The pending amendment, Mr. President, No. 404, addresses the issue of the size of the Federal premium subsidy and the application of the subsidy to various yield coverage levels.

This amendment would restrict the application of the 20 to 40 percent premium subsidy range as to the first 50 percent of a farmer's average yield. Such a modification would reduce the Federal outlays for premium subsidies by approximately 40 percent. It would guarantee that every farmer would have the opportunity to obtain affordable protection from catastrophic crop losses. It would minimize the extent to which FCIC would displace private insurers, and it would retain the capacity of FCIC to adjust the premium subsidy so as to attract reasonable levels of farmer participation.

I think, Mr. President, parenthetically, it ought to be said that when we are talking about subsidies we are talking about the taxpayers' money; we are talking about efforts to achieve a balanced Federal budget, which all agree now is absolutely essential if we are ever to bring inflation under control. We are also talking about equity in terms of this particular amendment, along with other things.

Let me elaborate on some of the beneficial effects of the pending amendment. S. 1125, as it was reported from the Committee on Agriculture of the Senate, sports a 20 to 40 percent premium subsidy range that is made available on coverage levels of up to 75 percent of a farmer's recorded or appraised average yield. Now, in reality, the 20 to 40 percent premium subsidy range amounts to a 48 to 68 percent range when one takes into account the additional 28 percent indirect premium subsidy that Congress will provide to the Federal crop insurance program in the form of appropriations for FCIC's administrative and operating costs.

And the direct subsidization of Federal crop insurance does not end here, because the FCIC enjoys a number of other competitive advantages relative to private insurance.

For example, first FCIC pays no income taxes on reserve accumulations or on interest earned on cash flow and reserves; second, FCIC receives a number of free services from other Federal agencies, including free postage, which is not an inconsiderable thing these days; third, retirement and disability benefits available to 560 FCIC employees are not represented in the FCIC budget at their full actuarial value.

All of these advantages—and they amount to indirect subsidies, of course—add not only to the competitive edge which FCIC holds over the private crop insurers, but also to the costs which the American taxpayer must eventually support through his or her taxes.

Before the Agriculture Committee's consideration of S. 1125, the Congressional Budget Office estimated that the costs of the direct Federal premium subsidy provided for in this bill would be $185 million by the year 1984; and by virtue of the Agriculture Committee's decision to increase the subsidy from 20 percent to a 20 to 40 percent range, the cost to the Treasury—and that ought to be read clearly as a cost to the taxpayers of this country—the cost to the U.S. Treasury, according to the CBO, could soar as high as $395 million a year by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected the total premium subsidy costs to balloon to $950 million per year.

So obviously, Mr. President, we have what amounts to a guessing game. Nobody really knows what it is going to cost the taxpayers. All that we really know at this point is that it is going to be an exceedingly large sum of money.

However, regardless of which set of numbers you decide to go with, you still have to face up to an expenditure that is, in the judgment of this Senator, simply not warranted in this time of runaway Federal Government-fed inflation.

So, Mr. President, the pending amendment and the one to follow would provide relief to the overburdened American taxpayer by reducing the cost of the Federal premium subsidy by 40 percent. If nothing else, a vote for this amendment will constitute a commitment to fiscal responsibility, and that is a subject all of us address when we go home. We all talk about excessive Federal spending. Some of the votes in the Senate and the House of Representatives do not entirely square, however, with the political speeches made back home by the Members of the House and the Senate.

A vote against this amendment and the second one will indicate—and I must be blunt, Mr. President—a rather callous disregard for the No. 1 enemy of the American people today, inflation.

The thrust of S. 1125 is to provide the American farmer with a more rational and more economically sound measure of protection against natural disasters. We all agree to that. The Federal Government has a duty to help make that protection available to the farmer. Crop insurance is the best way of providing such protection. The question—and we cannot avoid it—is: To what extent should the Federal Government get into the crop insurance business?

I go back to the premise that I think is nondebatable: That when the Federal Government gets into business against private enterprise, the taxpayers are being forced to go into competition with themselves. Should the Federal Government nationalize the crop insurance industry—as it did with respect to flood insurance—or should it play a more limited supporting role?

In my opinion, Mr. President, the appropriate role for the Federal Government is to make available a floor of basic all-risk protection that farmers can afford. By providing a subsidized floor of all-risk protection on all crops—that is up to 50 percent of a producer's average yield—and by permitting the farmer to purchase additional protection at full cost on up to 75 percent of his average yield, the pending amendment would allow FCIC to help stabilize the income of the farm community without imposing upon the freedom of the farmer to exercise his discretion in response to market conditions and without saddling the taxpayer with added enormous, multimillion-dollar costs that are sure to be involved.

So the elements of the pending amendment would avoid the possibility of the Federal Government displacing the private crop-hail insurance industry—an industry that after all has successfully met the needs of farmers for crop-hail insurance over the last 65 years. Many farmers have only a limited amount of disposable income that they are willing to spend for insurance premiums. The primary competition that will take place between Federal and private insurance will be for these limited funds. If most farmers are attracted to a highly subsidized all-risk Federal crop insurance policy, fewer of their insurance premium dollars will be left for the purchase of private crop-hail insurance. Thus, to the extent that Federal premium subsidies are increased, sales of private crop-hail policies are likely to be reduced.

The extent to which that set of circumstances may occur can be assessed by reviewing the experience in Manitoba, Canada, where there is a heavily subsidized government all-risk crop insurance program. Our colleague from Minnesota (Mr. BOSCHWITZ) has already alluded to that.

Statistics indicate that private crop-hail insurance premiums and Government all-risk premiums increased at approximately the same rates prior to 1962. After 1962, the amount of subsidy provided by the Government to all-risk policies was increased substantially. Sales of Government policies have increased greatly as a result of the subsidy. The premium volume for private crop-hail insurance first leveled off and then declined sharply. As Govtrnment premiums reached a saturation level, insurance premiums also stabilized, but at a level significantly below the maximum reached prior to the subsidization of Government policies.

Now, what does this suggest, Mr. President? Very clearly, it suggests that total private crop hail premiums will decline significantly as the level of the Government subsidy is increased. Just as sure as the day follows the night, this will happen here, as it did there.

If crop hail insurance premium volume is reduced substantially as a result of increased Federal premium subsidies for all-risk policies—and the Manitoba experience suggests that this is exactly what will happen—the large stock companies that sell crop hail insurance would not be greatly affected. For most of these companies, crop hail insurance represents a small proportion of sales.

The small mutual companies, however, would suffer substantial hardship if crop hail insurance premium volume were reduced significantly. Some of these companies would have to reduce their personnel and perhaps merge with other companies. Worse still, others would have to cease to exist, another instance of the Federal Government putting small business out of business. Farmers Mutual of Iowa, the largest single writer of crop hail insurance, has estimated that enactment of S. 1125 would reduce its total premiums by 30 to 50 percent.

It is one thing for the Senate to provide disaster assistance to the small farmer. It is quite another thing to provide that disaster assistance in such a way as to confiscate the livelihood of the small crop hail insurance businessman.

The disruption and dislocation of the private crop hail insurance industry would be a disservice to the farmer. Many agricultural producers, particularly in the corn belt of the Midwest, are concerned only with protecting their crops against the peril of hail. They feel that the customized and personalized service of the private sector addresses their needs in a way that the Federal Government never could. Any significant contractions in the volume of crop hail premiums could limit the extent to which the private sector could diversify the risks associated with hail. This would translate into higher premium costs for the farmer without compensation in the form of a higher quality of service. The only alternative for a farmer who found the crop hail policy priced beyond his reach would be the Federal all-risk policy—a policy which would require the corn belt farmer to pay for protection he does not need.

The disruption and dislocation of the private crop-hail insurance industry would also have an adverse impact on FCIC's ability to market Federal all-risk crop insurance. It is this marketing ability which is key to the successful expansion of the Federal program.

A farmer is very hesitant to part with his cash. Consequently, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise, a farmer will never buy crop insurance, regardless of the size of the premium subsidy. FCIC lacks such a network of agents. The private insurance industry, on the other hand, with its 30,000 professional agents, has what it takes to actively market crop insurance. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could ensure a sound Federal program.

However, a Federal program that eats into the business of the private sector by means of a high subsidy will not facilitate a private-public cooperative marketing effort. Without such a cooperative effort, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing.

So when we toy with the proposal of increasing the federal premium subsidy on up to 75 percent of a farmer's yield, we not only threaten the private crop-hail insurance industry but also encourage the growth of the Federal bureaucracy and reduce the farmer's ability to obtain protection tailored to his particular needs.

The following hypothetical case, Mr. President, will help illustrate how my amendment would allow the farmer to afford a basic floor level of all-risk crop insurance without subjecting the private sector to dislocation and the farmer to the loss of alternative crop insurance schemes.

Farmer Brown decides, based upon the location of his farm, the crop which he grows, the size of his investment in that crop, and his overall financial situation, that it is necessary to insure his production at the 65-percent yield level. Farmer

Brown's decision is very much in line with the decisions of other farmers. Currently, actual coverage for various crops range from 40 to 75 percent, with a median coverage level of approximately 65 percent. Let us assume that FCIC has determined that the premium subsidy required to encourage sufficient participation among those farmers who produce the same crop that our Farmer Brown does is 30 percent.

Under my amendment, Farmer Brown would be able to protect the first 50 percent of his average yield at an out-of-pocket cost that amounts to only 40 percent of the total cost of providing Farmer Brown with all-risk protection against losses in excess of 50 percent of his average yield. The remaining 60 percent of the insurance costs—30 percent in the form of a direct premium subsidy and another 28 percent in the form of congressional appropriations for FCIC administrative and operating costs—would be paid by the Federal Government.

In order to bring his coverage up to the desired 65-percent level, Farmer Brown would have to purchase an additional 15-percent margin of coverage. That extra coverage could be purchased from either FCIC or the private sector depending upon the type of coverage that Farmer Brown needed: All-risk coverage or hail coverage. Because Farmer Brown would have to pay the full cost of the additional 15-percent margin of coverage, he would not be predisposed to favor either FCIC or the private sector on a purely price basis. Any decision to select one policy over the other would be based upon the type of coverage offered and the quality of service provided. If the private sector is as good as it says it is, it will have a fair opportunity to attract Farmer Brown's business for the extra coverage over the 50-percent level of protection.

Mr. President, in conclusion, let me say that S. 1125 is a perfect example of a well-intentioned Federal program gone astray.

We see so many of these things around here. I seldom, if ever, question the good intentions of any proposal made on this floor to subsidize this or to subsidize that. I know that the Senator or Senators making the proposal are sincere. But when are we going to learn that if we believe in the free enterprise system, we had better start quickly to let it function?

This bill is representative of the excesses in which some of us in Washington prefer to indulge in order to curry favor with constituents back home. I wish I could play Santa Claus. I would like to go home and say, "Look what I got you for nothing." But the truth of the matter is that nothing that comes out of Washington, D.C. is free. Worse still, the syndrome that has been built in this country over a period of 35 to 40 years, I say to my friend from North Dakota, that the Government can solve all problems, surely must be exploded by now, because the Federal Government does not solve problems; the Federal Government is the problem.

I just cannot be a supporter of any proposal, including the pending legislation, S. 1125, which, if extended to its logical conclusion, could mean additional Federal expenditures of over $1 billion per year.

That is not money that belongs to Senators; that is money that belongs to the taxpayers of this country. We are supposed to be the guardians of their best interests. The amendment which I have submitted for consideration will mitigate the adverse effects of the pending bill in which I believe to be a reasonable and responsible fashion. I have to say again, regretfully, Mr. President, that anything less than what is proposed in the two amendments, No. 404 and 405, will lead to the demise of all of the good that all of us seek to work in this particular program.

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

Mr. HUDDLESTON. Mr. President, I yield myself such time as I may require.

(Mr. HEFLIN assumed the chair.)

Mr. HUDDLESTON. Mr. President, first, let me say this is an issue, too, that was thoroughly considered and discussed by the Agriculture Committee during its deliberations on S. 1125. It was soundly defeated in the committee.

In response to the statement made by the distinguished Senator from North Carolina, the first thing is to reflect again on what we are trying to accomplish here in developing a very broad-coverage, customer-paid-for, to some extent—to a large extent—program of protection for the American farmer as compared to a very limited-coverage, total taxpayer-paid-for program of disaster payments.

In order to make a program effective and workable, it has to have some attraction to it so that the producer will come into the program and subscribe to the insurance. It is for this reason that the committee decided that the Federal Crop Insurance Corporation needed the flexibility to develop a program that would be salable and would attract sufficient participation to make sure that it would be a success. I do not know of anything more expensive that we could do here than to establish a nationwide program that was not actuarily sound, that could not be made to work, by not making it attractive enough to the various agricultural producers in the country so that they would subscribe to it.

We talked about various levels of subsidized premiums in committee. We arrived at a range of 20 to 40 percent—the legislation does not set any specific percentage so that that flexibility would be available to managers of the program to devise a plan and a policy that would be attractive enough to assure participation.

Like private business, they will be able to adjust the percentage in such a way as to insure that sales would be brisk and would continue. That percentage was based, of course, on 75 percent of coverage of the crop.

I think it is essential that these features remain in this legislation. The committee felt it was essential, after thorough consideration, because to do otherwise could very well jeopardize the program before it ever gets off the ground.

What we are going to try to do is convince farmers throughout the United States that they ought to pay something, ought to pay a premium, for coverage for protection of their production costs that now some of them are getting free through disaster payments. In order to do that, we have to have a program that is attractive and we have to have the ability to make it attractive, or we shall be doomed to failure from the beginning.

Not only will that feature be attractive to the farmer, the fact that the premium subsidy will be available and can be adjusted depending on what the needs for selling the program happen to be and what the budgetary restraints may be, but it does, of course, as we mentioned earlier, extend coverage from the six crops now covered generally by the disaster payments to virtually every crop that can be produced in this country. That, of course, is an added incentive.

Getting to some of the costs for S. 1125 as it is now written, the CBO estimates that the cost to the Government of the crop insurance subsidies, when it is in full operation in 1984, if the subsidies are fixed at the very highest possible level, 40 percent, is some $370 million. The Senator from North Carolina is essentially correct in the figure he uses. But in contrast, Government expenditures for disaster payments alone over the last 5 years have averaged $436 million every year. So, with the elimination of disaster payments after 1981, as this legislation will do, Government expenditures for crop protection for farmers will actually probably decrease. Remember, we are extending that coverage nationwide to a much, much broader range of crops than is now covered by the disaster program.

So the elimination of the disaster payments after 1981, even with the maximum amount allowed under this bill—40 percent of 75 percent of production—would result in a decreased cost to the Government. Of course, it would be available to so many, many more farmers.

Mr. President, I have a list, as a matter of fact, of the States of the United States and the amount of disaster payments that have been made to them. I ask unanimous consent to have it printed in the RECORD at this time so my colleagues can see the disparity between the various States in the present program and the amounts of money that have been allocated to each State through the present program.

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

ASCS DISASTER PROGRAM PAYMENTS

[In thousands]

	1974	1975	1976	1977	1978	Total 1974–78[1]
Alabama	$4,647	$6,128	$7,288	$24,841	$3,032	$45,936
Arizona	27	606	62	785	128	1,608
Arkansas	10,809	5,646	7,016	1,365	10,306	35,142
California	553	602	4,003	9,894	21,919	36,971
Colorado	3,893	11,526	14,340	16,921	10,358	57,038
Connecticut						
Delaware	26	6	7	2,142	58	2,239
Florida	230	652	100	9,956	481	11,419
Georgia	2,157	2,676	3,788	57,845	5,037	71,503
Idaho	3,130	1,872	1,879	12,001	2,825	21,707
Illinois	34,990	799	3,685	10,084	2,895	52,453
Indiana	11,674	1,060	633	1,522	1,273	16,162
Iowa	45,614	15,250	18,991	95,643	2,474	177,972
Kansas	27,832	18,507	43,240	34,847	18,058	142,484
Kentucky	557	800	304	895	491	3,047
Louisiana	3,357	5,740	2,663	2,163	7,375	21,258
Maine				416	55	471
Maryland	6	16	24	2,115	136	2,297
Massachusetts				6	1	7
Michigan	3,586	574	1,204	5,009	2,174	12,497
Minnesota	21,684	21,776	55,729	1,719	2,856	103,764
Mississippi	9,918	20,780	20,162	6,372	8,859	66,091
Missouri	31,922	14,295	20,482	16,239	5,549	88,487
Montana	8,927	1,460	1,495	9,293	4,164	26,33
Nebraska	67,373	14,831	36,467	25,441	7,059	151,17
Nevada	$13	$5	$56	$37	$59	$165
New Hampshire					1	1
New Jersey	1	4		784	20	809
New Mexico	10,646	3,543	8,987	6,315	9,778	39,269
New York	54	44	339	750	328	1,515
North Carolina	1,226	1,739	1,642	28,389	1,027	25,023
North Dakota	28,161	8,894	14,770	36,720	3,505	92,050
Ohio	2,230	402	1,060	686	585	4,963
Oklahoma	10,890	10,980	20,178	11,428	9,943	63,419
Oregon	278	385	1,180	7,677	1,486	11,006
Pennsylvania	170	182	129	337	67	885
Rhode Island						
South Carolina	1,931	1,547	2,983	15,339	2,603	24,403
South Dakota	39,115	28,044	81,304	22,110	9,641	180,214
Tennessee	10,304	7,594	7,803	4,441	1,611	31,753
Texas	143,407	70,799	71,257	52,563	136,388	475,414
Utah	940	750	1,416	3,196	525	6,827
Vermont	3	6	1	492	1	503
Virginia	40	146	497	12,996	225	13,905
Washington	811	71	300	24,582	1,775	27,480
West Virginia	5	9	3	146	9	168
Wisconsin	12,644	2,125	9,039	548	2,146	26,502
Wyoming	286	363	290	2,967	774	4,680
U.S. total	557,068	283,233	466,793	574,962	300,006	2,182,061

[1] 1978 as of Mar. 8, 1979.

Mr. HUDDLESTON. I think it would be apparent that a system is needed that will be more fair to the various States and more fair to the grower, that will take some of the burden off the American taxpayer by having the producer pay the major portion of his premium cost.

Now, the insurance industry's estimate of the subsidy costs that the Senator from North Carolina referred to ranging as high as $950 million annually is misleading. This figure includes all assumed program costs, with the premium subsidy equaling less than 50 percent—$470 million.

The rest of the total amount is what the industry assumes other program costs, administrative and operating expenses, will be. Using the same assumptions on participation, the Department of Agriculture's estimate of the nonsubsidy costs is roughly half that made by private industry.

So I think that is something that we should take into account.

The argument has been made that, under S. 1125, the Federal expenditures for crop insurance premiums and for administrative and operating expenses will put the program into a position of competing unfairly with the private crop-hail insurance industry.

To be sure, these provisions will reduce the cost of Federal Crop Insurance and enable more farmers to enter the program under S. 1225. However, no convincing factual case has been made that these provisions will affect the private crop-hail industry.

Federal payment of administrative and operating expenses of the Federal Crop Insurance Corporation over the past 40 years of its operations has not, by itself, resulted in unfair competition—even the industry does not make this claim.

This amendment itself assumes that a smaller subsidy will not cause the development of such unfair competition.

Premium subsidies as high as 50 percent for full coverage have not hurt the private crop-hail business in Canada. Premium billings and acreage covered under private crop-hail insurance in Canada have steadily increased over the years of operation of the government subsidized all-risk crop insurance program.

The fact is that, regardless of the cost to the farmer of all-risk crop insurance, such insurance and private crop-hail insurance will not be in direct competition because they are different types of insurance.

A key argument in support of this amendment is that private industry will not cooperate in implementing the expanded all-risk crop insurance program under S. 1125. Yet, the bill contains a number of provisions suggested by the industry to facilitate private industry involvement.

First, the bill provides for an expanded Federal reinsurance program under which private crop-hail companies could begin writing all-risk crop insurance.

Second, the bill requires the Federal Crop Insurance Corporation to pay the same premium subsidy to customers of private companies who write all-risk insurance under the reinsurance program as are paid to farmers who buy Federal all-risk insurance.

Third, the bill enables the corporation to contract with private companies to market and service Federal crop insurance. It is anticipated that private industry will play an important role in the expanded crop insurance program under S. 1125. The Department of Agriculture is committed to following such a policy.

Fourth, the bill specifically prohibits the corporation from offering specific risk insurance programs, such as a crop-hail program, if private industry is already meeting farmers' needs in that area.

The argument has been made that this amendment will reduce Federal premium expenditures under the bill by 40 percent.

The 40-percent reduction translates to $100 million annually. However, this amount will not be a reduction in new expenditures for the Government, but only a further reduction, in addition to the reductions made by S. 1125, as reported, over what is now being expended on disaster payments. Of more concern is that this reduction will lead to reduced participation in the program by farmers, perhaps to the extent of destroying the program's effectiveness.

Regardless of the merit or lack of merit of this amendment, I am worried about the chilling effect it will have on the expanded Federal crop insurance program envisioned under S. 1125.

The purpose for having any premium subsidy at all is to encourage farmer participation in an expanded crop insurance program that will permit elimination of other disaster aid. The experience of the Canadian crop insurance program is that premium subsidies are an important spur to increased participation by producers.

The Department of Agriculture estimates that it will take over 50 percent participation by farmers in the crop insurance program for it to become a viable alternative to other disaster assistance programs. It is crucial that a majority of farmers perceive that they are receiving sufficient protection in relation to the premium they are asked to pay if the program under S. 1125 is to succeed. Because it will substantially hinder the achievement of this goal, this amendment will not improve the bill; it is a move to destroy the bill.

It is worth comparing premium subsidy levels for all-risk crop insurance on several important commodities under S. 1125 and under the amendment. If the coverage to which the subsidy applies is reduced from 75 percent to 50 percent of average yield, as proposed by this amend-

ment, the benefits to farmers from Federal payment of premiums would be slashed as much as 60 percent. The effective subsidy on crop insurance at full coverage would be only 16 to 18 percent of the total premium cost to the farmer.

Mr. President, this amendment must be defeated if the substance of S. 1125 is to remain intact. The Committee on Agriculture, Nutrition, and Forestry defeated this amendment soundly by a vote of 11 to 4. I strongly urge my colleagues to support me in rejecting this amendment.

I might also say that under the crop insurance program proposed by S. 1125, by 1984 the U.S. farmers will be enjoying some $15.3 billion in protection, which is nearly three times more than with the present programs, and that is at less cost to the taxpayers.

So, Mr. President, I would urge that the Senate reject this amendment. In order to have a viable program, one that is attractive enough to attract sufficient numbers of participants, and to make sure we can have a nationwide, all-crop, all-county coverage, not entirely at the taxpayer's expense, to replace one that is now entirely at the taxpayer's expense, and that is tremendously restricted in comparison to what is being proposed by S. 1125, we must not restrict the subsidy potential of the Federal crop insurance so that it would not be able to meet market conditions. We must make sure the program is viable and salable to the farmers of this country.

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

Mr. YOUNG. Will the Senator yield to me?

Mr. HUDDLESTON. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I was in the Senate in 1946 when the present law was written. It was really an extension of the act of 1938, for the Federal crop insurance program which had gone broke.

Many problems were involved, but Congress realized such a program and continued it all these years and on an experimental basis.

Of course, there have been some losses, but many farmers are in business today, good farmers, that would have been out of business entirely if it had not been for programs such as this.

The bill before us today, Mr. President, is not a perfect bill, but it is the best, I believe, that could have been accomplished with all the conflicting interests and viewpoints involved in crop insurance.

I commend the Senator from Kentucky (Mr. HUDDLESTON) and the committee for coming up with a bill as good as it is under all of the difficult problems involved. Farmers will be most grateful to him.

Of course, we have many conflicting interests. When we get in the insurance business, we are bound to have opposition and competition.

I hope there will not be any major changes in it. This program will be very helpful to farmers as well as businesses associated with the farmers. Whenever a farmer loses two or three crops in a row and goes broke, it directly affects all the businessmen associated with the farmer, as well as industry.

I think, on the whole, this is the best possible bill that can be written under the circumstances. I think it should be tried. I will vote against major amendments.

Mr. HUDDLESTON. I thank the distinguished Senator from North Dakota.

Mr. President, those of us who serve on the Agriculture Committee have a great appreciation for the contribution made by Senator YOUNG. While we have to go back to the history books and research what happened with various programs at various times. The Senator from North Dakota, as he has just done, is always able to refer to his own memory and many times his own participation in various farm programs to relate to us how well they worked, why they did not work, or why they were good.

That is the best kind of testimony that we can receive.

I appreciate the Senator's consideration of this legislation and the comments he has just made.

● Mr. DOLE. Mr. President, I support the amendment by Senator HELMS to limit the level of the Federal premium on Federal crop insurance.

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill befort us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's Ad Hoc Committee of Casualty Actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

This amendment would provide federally subsidized protection from catastrophic crop losses and would permit the farmer to obtain additional coverage over the 50-percent level of yield coverage, provided he were to pay the full costs associated with the extra protection.

This amendment would permit the private sector to compete on equal footing with respect to some coverage levels and consequently would reduce the extent to which FCIC would displace the hail-crop insurance industry.

Mr. President, I urge my colleagues to support this amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum with the time to be charged equally.

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. HELMS. 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. HELMS. Mr. President, I ask unanimous consent that the pending amendment numbered 404 be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 405

(Purpose: To provide for a phaseout of the disaster payments programs)

Mr. HELMS. Mr. President, I call up amendment numbered 405 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 405.

Mr. HELMS. 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 24, line 21, strike subparagraph (D) in its entirety and insert in lieu thereof the following:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to rice cooperators under the provisions of the Federal Crop In-

surance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of rice,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to rice cooperators.".

On page 25, line 20 strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to upland cotton producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with with acreage set-aside and diversion programs that may be announced for the 1981 crop of upland cotton,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to upland cotton producers.".

On page 26, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to feed grains producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of feed grains,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to feed grains producers.".

On page 27, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to wheat producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any country, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of wheat,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to wheat producers.".

On page 19, strike everything after the ":" in line 2 and before the "." in line 16 and insert in lieu thereof the following: "*Provided*, That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer is eligible to receive payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's eligibility to receive disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium".

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished Senator from Oklahoma (Mr. BELLMON) be added as a cosponsor, a principal cosponsor, of this amendment.

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

The Senator will be so designated.

Mr. HELMS. I thank the Chair. Mr. President, in my opening remarks on S. 1125, I tried to emphasize and I hope I made clear that this is one of several factors which dictate the success or failure of an expanded Federal crop insurance program. S. 1125 authorizes what amounts to an outright 2-year extension of disaster payments by providing the farmer with the opportunity to elect either disaster payments or the federally subsidized crop insurance in crop year 1981. In doing so, the bill not only jeopardizes the successful implementation of an expanded Federal all-risk crop insurance program, but also adds significantly to the costs to the taxpayer.

In short, my amendment would address this problem by providing for a faster phase-out of disaster payments.

If a farmer has access to a free government handout, he will opt for it rather than put up out-front cash on a shared-cost crop insurance policy. Who can blame him? The current disaster payment programs for wheat, feed grains, upland cotton, and rice present such an attractive option. Their continuation would detract from the number of farmers who otherwise would purchase all-risk crop insurance from either the private sector or the Federal Government. Participation levels, particularly among wheat and upland cotton producers, would remain low and premiums would tend to increase, thus further discouraging participation. Therefore, the elimination of disaster payments is a prerequisite to an expanded Federal crop insurance program.

I remind my colleagues that we are currently in a period of high farm prices and that it is therefore doubtful that set-asides will be part of the administration's future farm commodity programs. This means that wheat, corn, and upland cotton producers will have larger crops eligible for disaster payments. At the same time, producers of commodities not covered by disaster payments will take advantage of high premium subsidies provided by S. 1125 and will buy all-risk crop insurance. Even if I am the only Senator to take this position, I have to emphasize to my colleagues, as forcefully as I can, that the cost to the taxpayers of the United States will skyrocket.

The price tag of S. 1125, with its 2-year extension of disaster payments—which average $436 million per year—and its higher premium subsidies will exceed by three times tht estimated budget outlays of the original bill.

Mr. President, for a great deal of our statistical information, we have relied on the Congressional Budget Office, which, thoughout my tenure in the Senate, I have found to be reliable. That is where my figures are coming from. Figures tending to contradict what I have said have come from the administration, which favors this bill. The only way we are going to discover who is right is by what the Senate does here today. But I will take my chances on the validity and the accuracy of every figure I have given today and every statement I have made and every forecast I have uttered in terms of the effect of this bill if it is not amended.

I recognize that a 1-year extension of disaster payments is necessary, inasmuch as it will take FCIC a full year to gear up for the expansion of all-risk crop insurance. For that reason, my amendment would extend disaster payments for the 1980 crop year. However, my amendment would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

My amendment also provides for a safety valve. If the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers. Any producer who would be eligible to receive disaster payments during crop year 1981 under this amendment would also be

able to purchase Federal all-risk crop insurance at his discretion. However, such producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

Mr. President, the history of this program surely persuades us that disaster payments encourage and foster inequities among producers. As sweet as the payments are to wheat and upland cotton producers, they are onerous to producers of soybeans and other ineligible crops. Disaster payments discriminate against small producers and sometimes give rise to unsound management practices. These program discrepancies eat away at the heart of American agriculture and heap heavy financial burdens on the taxpayers of this country. I have come to the conclusion that farmers across this Nation will be better off as a whole if disaster payments are replaced with a sound Federal all-risk crop insurance program that protects them against catastrophic crop losses. As long as disaster payments continue, there can be no real expansion of Federal crop insurance. That is why I hope Senators will support this amendment, so that crop insurance has a fighting chance to take root as this Nation's primary farm disaster assistance program.

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

Mr. HUDDLESTON. I yield myself such time as I may require.

Mr. President, here again, the distinguished Senator from North Carolina has addressed a question that was considered very thoroughly by the subcommittee and the full committee.

Everybody recognizes, of course, that we have to phase out the disaster payments program in order to have any kind of comprehensive crop insurance program. As a matter of fact, that is the general purpose of proposing this legislation now, to substitute for a costly, very limited, very narrow program, a broad program nationwide, which would cost less to the taxpayers of the United States.

The question is, how do we effect the transition from one program to the other, and how long a time will be required?

The committee, after considering the arguments made by the distinguished Senator from North Carolina and others, determined that it was not unreasonable to provide a 2-year transition period, to make sure that protection continued to be available while this program was being started, while the expansion was taking place from the 150 counties now to all the counties in the United States, and while the Corporation developed its distribution system, its sales organization, and to make sure that the Corporation was given an opportunity to bring in sufficient numbers.

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

Mr. HUDDLESTON. I yield.

Mr. YOUNG. Mr. President, the Senator from Kentucky is making a very important point.

It takes time to switch over to a new program of full crop coverage. There is a need for experience with respect to losses on various crops before you extend full coverage to them. It is difficult to provide full crop insurance and do it immediately. It would take at least 2 years to develop that kind of program on a sound actuarial basis.

I agree with the Senator.

Mr. HUDDLESTON. That was our judgment. We did not want to leave any area of the country or any producer with any coverage less than there is now, during this transition period. That was the reason for the provisions in the bill at the present time.

I point out again that the farmer does not have the option of having both the disaster payment program and the subsidized premium crop insurance program available to him during this 2-year transition.

Mr. President, the distinguished Senator from South Dakota (Mr. McGOVERN) has had a particular interest in this feature of the bill. I yield at this time to the Senator from South Dakota such time as he may require.

Mr. McGOVERN. Mr. President, I thank the Senator from Kentucky, the distinguished manager of the bill who I think has done an excellent job steering us through to what I regard as a practical and workable compromise on the question of the present disaster payment program as over against the new program of Federal crop insurance.

Mr. HELMS. Mr. President, will the Senator yield so we may get the yeas and nays?

Mr. McGOVERN. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on both amendments 404 and 405.

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

Mr. HELMS. I ask for the yeas and nays on both amendments en bloc.

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

The yeas and nays are ordered on both amendments.

Mr. HELMS. I thank the Senator.

Mr. McGOVERN. I rise to oppose the amendment to S. 1125, the Federal Crop Insurance Act of 1979 offered by the distinguished Senator from North Carolina (Mr. HELMS). I do this because the language continued in the committee bill is the result of an amendment I offered at the committee markup session on the bill and which was adopted by the committee by a 10 to 7 vote. Let me advise Senators that during an extensive and intense markup meeting, the matter of disaster programs was thoroughly explored, the pros and cons of the matter were carefully examined and the committee, in my judgment, wisely voted to extend present disaster provisions for the 1980 crop and to make them available in 1981 on an optional basis with the farmer, if the farmer chose to move on that course. I think that we should stick with that provision that was worked out by the committee.

Mr. President, the language in the amendment offered by the distinguished Senator from North Carolina would switch this option on disaster coverage for the crop year 1981 to the Secretary of Agriculture, giving him the power to determine in which counties adequate insurance protection is available and thus making him the arbiter of the value of his own programs rather than the farmer. I find this unacceptable.

Mr. President, let me point out that the provisions contained in the bill are not only approved by a majority of the committee but they are also acceptable to the Department of Agriculture. This has been confirmed by two telephone conversations my office has had with the Department of Agriculture. I have also been advised that the Office of Management and Budget has declined to issue any statement indicating White House opposition to the provisions of this section of the bill as reported. I might also point out parenthetically that in 1977 the farmers of the State of North Carolina received over $22 million in disaster payments. In this connection I ask unanimous consent that a table detailing disaster payments for the last 3 years by State be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. McGOVERN. Mr. President, the amendment that is now pending offered by the Senator from North Carolina could leave many farmers without disaster protection in 1981. The Federal crop insurance program will be extremely hard pressed to implement the provisions of S. 1125 in all counties in the United States in time for the start of the 1981 planting season. It is less than a year before farmers must begin preparing their fields to plant their 1981 crop of winter wheat.

A new program like this must be explained to farmers almost on an individual basis. In South Dakota alone, the Federal Crop Insurance Corporation will have a massive task to do this. Only 7,500 farmers, out of 45,000 farmers, are in the FCIC program now. Of the 45 million acres of cropland in South Dakota, only 1.1 million acres are covered by Federal crop insurance at this time.

Because of the relatively small amount of participation by farmers in Federal crop insurance at the present time, there is not enough information and experience on which we can be assured that the expanded program under S. 1125 will meet farmers' disaster assistance needs. Although the new program under S. 1125 has real promise as a solution to the problems with existing disaster pro-

grams—and I support the bill as it came out of the committee—we should give FCIC adequate time to develop the program thoroughly before we remove access of farmers to the existing program. In this regard, it should be noted that FCIC has not yet even developed a sample isurance contract or established what ple insurance contract or established what the premiums would be for specific counties for the new program.

In contrast to the amendment offered by the Senator from North Carolina, the bill as written by the committee will give Congress adequate time to evaluate the operation of the new insurance program under S. 1125 and assess the acceptance of the program by farmers. This is doubly appropriate because Congress will be considering the omnibus farm bill in 1981 during the last year of operations of the disaster payments program.

Federal crop insurance has a clear advantage over disaster payments in benefits to be received if there is a loss. Also, S. 1125 includes a premium subsidy to put the cost of insurance within the farmer's means. It is wrong, then, to assume automatically that farmers will opt for disaster payments, rather than for the attractive new crop insurance program. But it would be a mistake to force them into a new program which they might not want or understand at this point.

The justification for the provision in the Helms amendment allowing the Secretary of Agriculture to waive the prohibition on disaster payments eligibility if the new crop insurance program is not adequate, seems to be the same as the argument that farmers should not be cut loose from existing programs until the new crop insurance program is solidly in place. However, the bill wisely leaves the decision on this issue up to individual farmers, rather than Washington bureaucrats.

In conclusion, Mr. President, let me say that S. 1125 as reported by the committee has several distinct advantages.

First. It provides a vehicle for the Department to develop a sound program with 2 years of actuarial experience.

Second. It extends the disaster programs in terms that will make them coextensive with the 1977 farm bill which expires in 1981. We can then intelligently examine the value of both programs with sound perspective.

Third. It retains one of the principal incentives for farmers to participate in set-aside programs—the availability of disaster programs for those who are cooperators.

It offers farmers sufficient time to plan changes in their farm operations with sufficient facts upon which to make intelligent judgments.

Mr. President, far too little publicity and public information has been given to farmers regarding all risk crop insurance. The Department has an obligation to inform farmers of significant changes in national policy and owes to farmers, as well as to itself, the obligation to develop a track record. This it can perhaps do in the time provided for in the bill. It cannot do it however, under the constraints contained in the Helms amendment.

So, I urge that this amendment be rejected and that the position of the Committee on Agriculture be allowed to stand as originally written and supported by a clear majority of the committee.

Mr. President, I thank the Senator from Kentucky for yielding to me and I again thank him for his leadership on this bill.

EXHIBIT 1

DISASTER PAYMENTS MADE TO FARMERS—COTTON, FEED GRAIN, WHEAT, AND RICE

State	1976	1977	1978
Alabama	$7,288,344	$24,841,132	$3,162,654
Arizona	61,982	784,665	986,859
Arkansas	7,015,660	1,365,005	11,438,868
California	4,002,728	9,893,628	29,635,316
Colorado	14,340,102	16,921,011	10,809,226
Delaware	6,785	2,141,923	57,842
Florida	100,269	9,956,090	490,894
Georgia	3,788,481	57,844,626	5,491,440
Idaho	1,878,849	12,000,562	2,833,555
Illinois	3,685,117	10,084,432	3,002,220
Indiana	632,646	1,521,901	1,423,147
Iowa	18,990,576	95,643,405	2,655,022
Kansas	43,239,611	34,847,203	19,348,017
Kentucky	303,581	894,626	599,204
Louisiana	2,662,945	2,162,589	7,616,138
Maryland	24,499	2,114,728	136,379
Michigan	1,203,576	5,009,423	2,345,149
Minnesota	55,729,134	1,719,386	2,891,640
Mississippi	20,161,666	6,371,802	9,416,981
Missouri	20,481,935	16,238,810	5,914,508
Montana	1,494,979	9,293,382	4,286,424
Nebraska	36,466,697	25,441,036	7,149,402
Nevada	55,537	31,970	58,744
North Carolina	1,642,352	22,388,769	1,059,424
North Dakota	14,769,960	36,720,341	3,509,740
Ohio	1,059,725	685,740	620,147
Oklahoma	20,177,732	11,427,730	11,433,871
Oregon	1,180,074	7,677,390	1,494,226
Pennsylvania	129,472	337,317	76,136
South Carolina	2,982,717	15,339,003	2,658,271
South Dakota	81,303,762	22,109,930	9,726,366
Tennessee	7,803,087	4,441,465	1,991,758
Texas	71,256,558	53,562,641	172,234,553
Utah	1,416,268	3,195,731	523,963
Vermont	685	492,294	981
Virginia	496,554	12,995,707	232,233
Washington	299,563	24,532,039	1,809,597
West Virginia	3,115	145,874	4,777
Wisconsin	9,039,357	547,596	2,291,188
Wyoming	290,021	2,967,376	776,339
Connecticut		343	
Maine		416,392	54,881
Massachusetts		4,591	535
New Jersey		784,166	19,678
New Hampshire			674

Mr. HUDDLESTON. I thank the Senator from South Dakota.

Mr. President, I yield such time as he may require to the distinguished Senator from Oklahoma (Mr. BOREN).

Mr. BOREN. I thank the Senator from Kentucky.

Mr. President, I rise today in opposition to the amendment which would make farmers in counties where FCIC offers insurance ineligible for disaster payments in 1981. The Senate Agriculture Committee considered this amendment but it was rejected by a majority of the members of the committee. Instead, the committee adopted a more reasonable approach which would allow eligible farmers to elect between participating in the disaster payments program or the Federal crop insurance program.

As everyone should know, farming is a high-risk business. Crop production is heavily dependent upon the cooperation of Mother Nature. Due to the vagaries of the weather and the unpredictableness of the infestation of insects and disease, farmers do not know at the outset of the production season what the ultimate yield will be at harvest time.

Coupled with the uncertainty of Mother Nature is the uncertainty of the marketplace. Agricultural producers sell their products in what is probably the most competitive market in our economy. One producer acting alone has no impact on or control over the price of his product. Thus, not only does the farmer not know what his production will be, if any, nor the price he will receive for what he does produce.

Consumers as well as farmers are affected by agricultural disasters. The economic impact of disasters has a rippling effect and affects the whole economy: to the factory workers who manufacture farm machinery, to the local merchants who sell them, to the businessman who process farm commodities, to bankers who finance them, to the consumers who buy them.

We must be sure that any new crop insurance program will offer farmers the kind of protection needed before completely doing away with the disaster payments program.

S. 1125 makes needed improvements in the Federal crop insurance program, however, the proposal is untested and full of uncertainty. Everyone knowledgeable on this subject agrees that it will take time to develop a sound and viable program. The approach we are considering is patterned after the Canadian program and we must keep in mind that it took the Canadians several years to develop a successful alternative to disaster payments.

Extending the disaster provision through 1981 to all eligible farmers will allow us to further test and develop an affordable and adequate expanded crop insurance program and at the same time it will continue to provide our farmers with a known measure of protection.

Without adequate protection we do nothing but burden the farmer and the economy with even greater uncertainty.

Mr. BELLMON. Mr. President, I rise in support of the pending amendment by Senator HELMS which would limit the reauthorization of the disaster payments program to the 1980 crop year. Extending the disaster payments for producers of wheat, feed grains, upland cotton, and rice past the 1980 crop year would discourage participation in a Federal crop insurance program. Additionally, CBO estimates $325 million in outlays can be saved by allowing the disaster payment program to expire in counties where crop insurance is offered after the 1980 crop year.

When the Senate Agriculture Committee wrote the 1977 farm bill the authorization for the disaster payment program was only extended through the 1979 crop year with the understanding that a new comprehensive crop insurance program would be implemented to take the place of the disaster payment program. The distinguished chairman of the Senate Agriculture Committee, Mr. TALMADGE and the able chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, Mr.

HUDDLESTON, are to be commended for their work on S. 1125, the Federal Crop Insurance Act of 1979. This legislation will allow USDA to expand Federal crop insurance coverage to most agricultural crops.

Mr. President, S. 1125 authorizes a Federal crop insurance program that allows farmers to purchase crop insurance to protect themselves against crop failure. I might add that the Federal Government will pay 20 to 40 percent of the premiums under S. 1125 at an annual cost of about $300 million once the program is completely implemented.

In addition to Federal crop insurance protection, farmers are eligible for disaster assistance loans with a 3 percent interest rate on the first $250,000 from the Farmers Home Administration and Small Business Administration. There is no need to continue the disaster payments program once Federal crop insurance coverage has been made available.

Continuation of USDA disaster payments will discourage participation in the Federal crop insurance program. Why should a wheat, feed grains, cotton or rice producer pay for crop insurance when he gets free disaster payment coverage simply by participating in the farm program? As a farmer I understand the reluctance of farmers to give up the disaster payments program—especially in the Great Plains. But we can not afford a new expanded Federal crop insurance program and the existing disaster payment program.

Passage of the amendment we are now debating will prevent duplications of federal programs and save the taxpayers $325 million. I urge the adoption of this amendment.

● Mr. DOLE. Mr. President, I oppose the amendment by Senator HELMS to provide for a faster phase-out of disaster payments.

The Helms amendment would extend disaster payments for the 1980 crop. However, it would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

The amendment also states that if the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers.

Any producer who would be eligible to receive disaster payments under this amendment would also be able to purchase Federal all-risk crop insurance if he chose to do so. However, such a producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President, I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program. I urge my colleagues to vote against this amendment.●

Mr. HUDDLESTON. Mr. President, I reserve the remainder of my time and I suggest the absence of a quorum with the time to be charged to each side.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. 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. HUDDLESTON. Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily.

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

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Georgia.

UP AMENDMENT NO. 538

(Purpose: To authorize the use of Commodity Credit Corporation funds to pay losses under the crop insurance program)

Mr. TALMADGE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE) proposes an unprinted amendment numbered 538.

Mr. TALMADGE. 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 23, line 7, insert after "Corporation" the following: "to meet obligations to indemnify producers for losses under this title, and otherwise";

On page 23, line 11, after "cover", insert "other"; and

On page 23, line 12, strike all that follows "expenses" down through and including "losses." on line 13, and insert in lieu thereof a period.

Mr. TALMADGE. Mr. President, this amendment affects section 111(a) of S. 1125, which authorizes the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under the Federal Crop Insurance Act whenever funds otherwise available to FCIC are insufficient to enable it to cover program expenses or pay farmers on crop insurance loss claims.

Under the amendment, the Secretary would have authority to use CCC funds to pay producer loss claims in any and all cases.

This amendment was suggested by the Department of Agriculture. It will facilitate the implementation of the new insurance program by enabling the Department to give assurances to producers that all claims will be paid promptly.

This amendment has been discussed with the distinguished floor manager of the bill and also with the distinguished ranking minority member of the committee, and I believe both of them support it and I hope the amendment will be agreed to.

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

Mr. TALMADGE. I yield to my distinguished friend from North Carolina.

Mr. HELMS. I thank the Senator.

As I read the amendment which, as the Senator has pointed out, was suggested by the administration, the Secretary would be permitted to use CCC funds to pay all indemnity claims; is that correct?

Mr. TALMADGE. The answer is "Yes."

Mr. HELMS. Mr. President, I recognize this authority could be especially valuable during the implementation period. I assume, however, that it does not affect the requirement in the act that the Federal Crop Insurance Corporation establish a reserve to cover losses that reoccur in years when there are catastrophic losses.

Mr. TALMADGE. No, it does not.

Mr. HELMS. I thank the Senator.

It would be my hope when an adequate reserve is established that there will be no need to use CCC funds.

Mr. TALMADGE. The Senator is correct.

Mr. HELMS. I thank the Senator.

Mr. TALMADGE. I thank my distinguished friend from North Carolina.

Mr. HUDDLESTON. Mr. President, we have examined this amendment and agree that it is appropriate. It would clarify the authority of the FCIC to administer effectively the repayment of claims made against the insurance program, and we accept the amendment on this side.

Mr. HELMS. For this side I accept the amendment, especially in light of the clarification by the distinguished Senator from Georgia, to whom I am indebted.

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

Mr. TALMADGE. I yield back all my remaining time.

Mr. HELMS. I yield back my time.

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. All time being yielded back, the question is on

agreeing to the amendment of the Senator from Georgia. (Putting the question.)

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I yield to the distinguished junior Senator from North Carolina for the purpose of presenting an amendment.

UP AMENDMENT NO. 539

(Purpose: To provide for a pilot program of individual risk underwriting and Federal crop insurance)

Mr. MORGAN. Mr. President, I send forward an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes an unprinted amendment numbered 539: on page 23—

Mr. MORGAN. 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 23, immediately after line 22, insert the following:

"SEC. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than 25 counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

"(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis."; and

On page 23, line 24, strike out "SEC. 112." and insert in lieu thereof "SEC. 113.".

Mr. MORGAN. Mr. President, I am pleased to rise today in support of S. 1125, the Federal Crop Insurance Act of 1979, a bill that the Committee on Agriculture, Nutrition and Forestry has toiled for so long to produce. While I have some difficulty with a few provisions that were added to the original bill, I think that generally it is a bill that will be welcome to most of the farmers of the Nation.

Senator HUDDLESTON and HELMS, the floor managers of the bill, are to be especially commended for their efforts to shape a crop insurance program that strikes a reasonable balance between the needs of the Nation's farmers and the legitimate concerns of the private crop insurance industry.

The amendment I offer today is designed to complement the efforts of the Senate Agriculture Committee. My amendment will provide for a pilot program of individual risk underwriting, a pilot program that should move the crop insurance program in a manner that will encourage more just settlements to individual farmers.

The thrust for my amendment comes from experience that we have with tobacco, a crop with which we have considerable experience with individual risk underwriting, and from the General Accounting Office report of December 13, 1977, entitled "The Federal Crop Insurance Program Can Be Made More Effective."

Mr. President, I would prefer to see that the entire crop insurance program be placed on an individual risk basis, rather than using county-wide yield data. Moving in such a direction would encourage broad participation by encouraging the most productive and efficient farmers to participate in this program. Currently, individual risk underwriting is available where there is adequate information on the individual farmer's crop histories, and the only crop where such histories are generally available is tobacco. While it is clear that most farmers are developing such histories, these records simply are not available on a broad scale. Hence, the program cannot be redirected at this time on a universal basis.

As a result, my amendment seems to offer a reasonable approach.

The record of the Federal Crop Insurance program is a mixed record. At present, crop insurance protects a mere 6.64 percent of our total acreage and only 11.69 percent of acreage where the Federal Crop Insurance program operates. Where crop insurance is not widely available, other disaster programs—programs that will be phased out under this bill—operate to protect farmers from the peril of Mother Nature.

I think that we can look to our experience in tobacco to see that individual risk underwriting is the way that we can most meaningfully expand participation in Federal crop insurance. At present, Federal crop insurance has achieved twice the participation in tobacco as it has in any other commodity. I have to attribute that record to individual risk underwriting, and no other factor.

Mr. President, my amendment would require the Federal Crop Insurance Corporation to conduct a pilot program of individual risk underwriting in 25 counties, beginning in the 1981 crop year and ending with the 1985 crop year. At that time, the FCIC would be required to evaluate the pilot program and make the results of such an evaluation available to the Senate and House Agriculture Committees. I am confident that the results of such an evaluation would indicate that individual risk underwriting should be the direction that we should go in the future.

In conclusion, Mr. President, I think that the available evidence indicates that such a pilot program is necessary as a first step, a compromise step at that, to the type of program we should have. My amendment clearly is consistent with the recommendations of the General Accounting Office and flows from the experience that we have with tobacco. I move the adoption of my amendment, which I understand may have the support of both floor managers.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I commend the distinguished Senator from North Carolina for offering this amendment. Certainly the individual risk underwriting would be a desirable and more effective and efficient way to administer the overall program, in all probability, if sufficient data were available to base the premiums on individual crops and production data.

At this point, such data are not available, and to require individual risk underwriting now programwide would certainly delay the program and make it very difficult to get it underway. But the proposal of the Senator from North Carolina that a pilot program be undertaken, in my judgment, is sound. It should be done, and could very well lead to a more efficient and objective program.

So we support the amendment of the Senator from North Carolina.

Mr. HELMS. Mr. President, for the reasons stated so eloquently by my friend from Kentucky (Mr. HUDDLESTON), I accept the amendment for this side and commend the Senator for offering it.

Mr. MORGAN. Mr. President, I thank my colleagues, and I yield back the remainder of my time.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 539) of the Senator from North Carolina (Mr. MORGAN).

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 540

(Purpose: To correct technical and clerical errors in the text of S. 1125)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment to correct technical and clerical errors in the text of S. 1125. Several typographical mistakes were made in the printing of S. 1125 as reported by the committee, and the amendment would correct those errors. The minority has already had an opportunity to review these technical amendments.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes unprinted technical amendment numbered 540.

Mr. HUDDLESTON. 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 14, line 19, strike out "Stated" and insert in lieu thereof "States";

On page 19, line 20, strike out "matter" and insert in lieu thereof "manner";

On page 22, line 3, strike out "of" and insert in lieu thereof "on";

On page 25, line 9, strike out "subpargraph" and insert in lieu thereof "subparagraph"; and

On page 29, line 10, strike out "allotment" and insert in lieu thereof "allotments".

Mr. HUDDLESTON. I move the adoption of the amendment.

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

Mr. HELMS. I yield back my time.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 540) of the Senator from Kentucky (Mr. HUDDLESTON).

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I have an inquiry on the bill to which the distinguished floor manager of this legislation, the Senator from Kentucky, may wish to respond.

The Federal Crop Insurance Corporation now provides coverage to grape growers in New York and California on their annual grape production. It offers no insurance protecting grape vines. My questions are these: Does the bill contain provisions that will enable the corporation to begin a grape insurance program in the State of Washington, and to begin offering grape growers in all States insurance covering grape vines? And further, was it the intent of the drafters of this bill and the committee that reported it that such expansion of the program be undertaken?

Mr. HUDDLESTON. Mr. President, I would be happy to respond to the inquiry from the distinguished Senator from Washington.

This bill was specifically designed to enable the Federal Crop Insurance Corporation to expand its program so that all farmers in all counties would have access to Federal crop insurance on their crops at a reasonable price. Statutory limits on expansion will be removed and the limitations that have hindered the growth of the crop insurance funding will be eliminated.

In addition, the bill contains a provision specifically authorizing the corporation to offer specific risk insurance protection programs, including a tree damage or disease program. The damage and disease coverage was initially proposed by citrus growers, but the provision was not designed to be limited to citrus trees. It was designed to enable the corporation to protect all producers who depend on maintaining healthy mature growing stock for their annual crop production.

With respect to the intent of the bill, I believe the situation facing Washington grape growers is exactly the type of problem this bill is meant to address. With the new program provisions under this bill, the corporation should be able to respond quickly and adequately to the needs of Washington State.

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

Mr. HELMS. With the time to be equally divided, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HUDDLESTON. Will the Senator withhold on the unanimous-consent request he is about to make for just a moment?

Mr. HELMS. Certainly, Mr. President.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum, with the time equally divided.

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

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. HUDDLESTON will shortly move to lay the amendment by Mr. JEPSEN on the table. It is agreeable all the way around, as I understand it, that a vote occur on that tabling motion at the hour of 3:15 p.m. today. It will be a rollcall vote, although the yeas and nays have not been ordered; the motion has not been made yet. Therefore, I make the following unanimous-consent request:

That Mr. HUDDLESTON be recognized at 3:15 to make his motion to table; that a vote occur at that time; and that, if the motion to lay on the table is agreed to, immediately following the disposition of the tabling motion, the votes occur on amendments 404 and 405, in that order, back to back. That is the request, Mr. President.

The PRESIDING OFFICER. Is there an objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this means that if the motion to table is not agreed to, the votes will not immediately occur on amendments 404 and 405 if Mr. HUDDLESTON seeks to offer an amendment or make some other motion at that time.

Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the motion to table at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on the tabling motion.

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

The yeas and nays were ordered.

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 3:10 p.m., recessed until 3:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

UP AMENDMENT NO. 537

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, pending before the Senate is the amendment by the distinguished Senator from Iowa (Mr. JEPSEN) which has earlier been discussed and debated here on the Senate floor.

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

Mr. HELMS. Mr. President, on behalf of the distinguished Senator from Iowa, I yield back his time.

Mr. HUDDLESTON. Mr. President, at this time, I move that the amendment of the distinguished Senator from Iowa be laid on the table, and the yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Iowa (Mr. JEPSEN). 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 Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

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

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

The result was announced—yeas 46, nays 43, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—46

Baucus	Huddleston	Pryor
Bellmon	Jackson	Randolph
Bentsen	Javits	Ribicoff
Biden	Johnston	Riegle
Bradley	Kennedy	Sarbanes
Byrd, Robert C.	Leahy	Sasser
Cannon	Levin	Stafford
Chiles	Long	Stennis
Church	Magnuson	Stevenson
Cochran	Matsunaga	Stewart
Cranston	McGovern	Talmadge
Durkin	Metzenbaum	Tsongas
Exon	Morgan	Williams
Glenn	Moynihan	Young
Gravel	Nelson	
Hollings	Nunn	

NAYS—43

Baker	Goldwater	Packwood
Boren	Hart	Percy
Boschwitz	Hatch	Proxmire
Burdick	Hatfield	Roth
Byrd, Harry F., Jr.	Hayakawa	Schmitt
Chafee	Heflin	Schweiker
Cohen	Helms	Simpson
Culver	Humphrey	Stevens
Danforth	Jepsen	Stone
DeConcini	Kassebaum	Thurmond
Domenici	Laxalt	Tower
Eagleton	Lugar	Wallop
Ford	Mathias	Warner
Garn	McClure	Zorinsky
	Melcher	

NOT VOTING—11

Armstrong	Durenberger	Pell
Bayh	Heinz	Pressler
Bumpers	Inouye	Weicker
Dole	Muskie	

So the motion to lay on the table UP amendment No. 537 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 404

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on amendment No. 404.

The question is on agreeing to the amendment of the Senator from North Carolina.

On this question 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 Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator in the Chamber wish to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—43

Baker	Hatfield	Proxmire
Boschwitz	Hayakawa	Pryor
Byrd, Harry F., Jr.	Helms	Randolph
Cannon	Humphrey	Roth
Chafee	Javits	Schmitt
Culver	Jepsen	Schweiker
Danforth	Kassebaum	Simpson
DeConcini	Laxalt	Stafford
Dole	Lugar	Stevens
Eagleton	Mathias	Thurmond
Ford	McClure	Tower
Garn	Melcher	Wallop
Goldwater	Morgan	Warner
Hatch	Packwood	Zorinsky
	Percy	

NAYS—47

Baucus	Glenn	Moynihan
Bellmon	Gravel	Nelson
Bentsen	Hart	Nunn
Biden	Heflin	Ribicoff
Boren	Hollings	Riegle
Bradley	Huddleston	Sarbanes
Burdick	Jackson	Sasser
Byrd, Robert C.	Johnston	Stennis
Chiles	Kennedy	Stevenson
Church	Leahy	Stewart
Cochran	Levin	Stone
Cohen	Long	Talmadge
Cranston	Magnuson	Tsongas
Domenici	Matsunaga	Williams
Durkin	McGovern	Young
Exon	Metzenbaum	

NOT VOTING—10

Armstrong	Heinz	Pressler
Bayh	Inouye	Weicker
Bumpers	Muskie	
Durenberger	Pell	

So Mr. HELMS' amendment (No. 404) was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 405

The PRESIDING OFFICER. The Senate will now proceed to vote on amendment 405. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER (Mr. BRADLEY). Are there any other Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 33, nays 58, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—33

Baker	Chafee	Garn
Bellmon	Chiles	Goldwater
Byrd, Harry F., Jr.	Church	Hatch
Cannon	Cranston	Hayakawa
	Danforth	Heinz
Helms	Morgan	Simpson
Humphrey	Nunn	Stevens
Jepsen	Percy	Stone
Kassebaum	Proxmire	Wallop
Laxalt	Roth	Warner
Lugar	Schmitt	
McClure	Schweiker	

NAYS—58

Baucus	Hart	Packwood
Bentsen	Hatfield	Pryor
Biden	Heflin	Randolph
Boren	Hollings	Ribicoff
Boschwitz	Huddleston	Riegle
Bradley	Jackson	Sarbanes
Burdick	Javits	Sasser
Byrd, Robert C.	Johnston	Stafford
Cochran	Kennedy	Stennis
Cohen	Leahy	Stevenson
Culver	Levin	Stewart
DeConcini	Long	Talmadge
Dole	Magnuson	Thurmond
Domenici	Mathias	Tower
Durkin	Matsunaga	Tsongas
Eagleton	McGovern	Williams
Exon	Melcher	Young
Ford	Metzenbaum	Zorinsky
Glenn	Moynihan	
Gravel	Nelson	

NOT VOTING—9

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	Weicker

So Mr. HELMS' amendment (No. 405) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, as far as I am aware, there are no other amendments pending at this time.

I understand there is an amendment.

Mr. DOLE. Mr. President, the Senator from Kansas would like about 3 minutes on the bill.

I will be thinking about the amendment in that 3-minute period while I am talking about something else. It should be a good amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield such time as the Senator may desire.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas was not present when the vote was taken on the motion to table the Jepsen amendment. Had I been present, I would have voted against the tabling motion as a cosponsor of that amendment.

Mr. President, I wonder whether we can agree to an amendment.

The Jepsen amendment involved excluding fire and hail. Could we just exempt hail? Would that be acceptable to the distinguished manager of the bill?

Mr. HUDDLESTON. Mr. President, I say to the distinguished Senator from Kansas that that would not be acceptable. It still has the major fallacy of the original amendment, in that it serves to weaken substantially the salability of the Federal crop insurance program. It does very little to help the private insurance

industry. We would be very much opposed to that amendment.

UP AMENDMENT NO. 541

(Purpose: To exclude insurance coverage for hail)

Mr. DOLE. On that basis, I will offer the amendment and will debate it very briefly.

I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 541:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. Mr. President, there are about 140 private insurers, employing between 4,000 and 5,000 full- and part-time employees, involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector; they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private hail-crop industry.

Mr. President, there is a great deal of talk about the private sector. There is a lot of debate and a lot of rhetoric about the need for the private sector.

I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.

I reserve the remainder of my time.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I ask that the amendment be read, so that Senators may understand it.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. What the amendment would do is this, I say to the distinguished Senator from North Carolina: The Jepsen amendment, which failed by just three votes, would have excluded fire and hail coverage from the bill. This is a further compromise and excludes hail coverage from the bill.

The Senator from Kansas is prepared to vote on the amendment.

Mr. HUDDLESTON. Mr. President, I mentioned a moment ago that we would oppose this amendment.

In the first place, though I am not an expert in hail and fire and wind insurance, it occurs to me that this approach may have some difficulty for the private insurance business. Many policies are designed for hail, wind, and fire. Whether or not they can rewrite those policies to limit them to just hail, I do not know.

We do know this: If we are going to have a successful crop insurance program, one that will replace the very limited and the very unsuccessful and undesirable disaster payment program we have now, which is borne entirely by the taxpayers of the United States, one that will involve the participation and contribution by the beneficiaries of the program, we must have one that we can sell to the farm producers of this country.

To nibble away at the features that would be available, such as taking out the hail coverage, would make it less salable. As I have indicated in previous debates on this subject this afternoon, it would do very little to benefit the private crop insurance industry.

So, at the appropriate time, I will make a motion to table this amendment by the Senator from Kansas.

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

Mr. HUDDLESTON. I yield.

Mr. BELLMON. I want to see if I understand this properly. The bill before the Senate is an all-risk insurance policy.

Mr. HUDDLESTON. That is correct.

Mr. BELLMON. The way it would be administered would be this: At the end of the year, when the farmer harvested his crop and sold it, if the yield was less than insured, the producer would be entitled to a settlement from the Government.

Mr. HUDDLESTON. If he had paid premiums and purchased the insurance.

Mr. BELLMON. The objection I have to the Dole amendment is that if a loss was experienced by the grower, how would the administrator of the Government program know whether that loss came from hail, flood, or perhaps crop disease?

Mr. HUDDLESTON. That is one of the complications we discussed earlier. The all-risk crop insurance program that is anticipated by this bill covers the crop from beginning to end. If damage occurs from more than one source—perhaps hail is one of those sources—it would be virtually impossible to make a determination which portion of that damage could be ascribed to the particular event.

Mr. BELLMON. It is for that reason that I would support the Senator from Kentucky in a motion to table the amendment.

Mr. DOLE. Mr. President, I say to the Senator from Oklahoma that if you have hail coverage, you have to prove the damage is as a result of hail. I do not see any difference if it is crop disease. You still have to prove that it was hail damage, before you will be paid.

Mr. BELLMON. The Senator is correct so far as a private insurance company is concerned, but so far as the Government is concerned, you do not have to show that it resulted from disease or hail. You simply have to show at the end of the year that you did not harvest as much crops as guaranteed by the insurance policy.

Here, we will have a different administrative problem in trying to decide the cause for the shortfall in the yield. I do not see how you can administer an all-risk program when you have to leave out one of the major risks.

Mr. DOLE. The same argument may have applied to the Jepsen amendment. It seems to me that this is a further effort to compromise some very strong differences in this proposal.

Also, the Senator from Kansas believes that it goes to the heart of the private sector, and we are trying to preserve that as long as we can around here.

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

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time, and I move that the amendment by the Senator from Kansas be laid on the table.

Mr. DOLE. 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.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. On this question 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 Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE),

and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

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

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—47

Baucus	Hollings	Pryor
Bellmon	Huddleston	Randolph
Bentsen	Jackson	Ribicoff
Biden	Javits	Riegle
Bradley	Jchnston	Sarbanes
Byrd, Robert C.	Kennedy	Sasser
Cannon	Leahy	Stafford
Chiles	Levin	Stennis
Church	Magnuson	Stevenson
Cochran	Matsunaga	Stewart
Cranston	McGovern	Stone
Durkin	Metzenbaum	Talmadge
Exon	Morgan	Tsongas
Glenn	Moynihan	Williams
Gravel	Nelson	Young
Hatfield	Nunn	

NAYS—45

Baker	Goldwater	Packwood
Boren	Hart	Percy
Boschwitz	Hatch	Proxmire
Burdick	Hayakawa	Roth
Byrd, Harry F., Jr.	Heflin	Schmitt
	Heinz	Schweiker
Chafee	Helms	Simpson
Cohen	Humphrey	Stevens
Culver	Jepsen	Thurmond
Danforth	Kassebaum	Tower
DeConcini	Laxalt	Wallop
Dole	Long	Warner
Domenici	Lugar	Weicker
Eagleton	Mathias	Zorinsky
Ford	McClure	
Garn	Melcher	

NOT VOTING—8

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	

So the motion to lay on the table Mr. DOLE'S UP amendment No. 541 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the well.

The Senator from North Carolina.

Mr. HELMS. How much time remains for each side?

The PRESIDING OFFICER. The Senator from North Carolina has 34 minutes. The Senator from Kentucky has 47 minutes.

Mr. HELMS. I yield 5 minutes to the Senator from Maine (Mr. COHEN).

Mr. COHEN. Mr. President, I rise to express my support for the Federal Crop Insurance Act of 1979. This expanded crop insurance program will provide greater protection for farmers against the many natural hazards that can severely damage crops.

In my own State of Maine, many sectors of the farming industry are affected by natural disasters. Located in Maine's northernmost area, Aroostook County, the potato industry is especially susceptible to the effects of weather, insects and disease. Aroostook County has a very short growing season, frosts are frequent during planting or harvest, and both flooding and drought are problems in some areas. Since there is a lack of adequate irrigation facilities, the drought areas are affected acutely by rain shortages. Potatoes are also susceptible to blight and other diseases.

The burden of natural disasters is especially difficult for small farmers, since they are unable to absorb major crop losses. The vast majority of Maine farmers are small farmers and natural disasters are responsible in large measure for the decline of the family farm in my State by nearly 50 percent from 1960 to 1970.

In 1978, 5½ percent of Maine's total potato crop was lost to the weather-related storage problems, and more failed to reach market because of disease.

Considering the importance of crop insurance to Maine, especially to the potato industry, I urge the Department of Agriculture to move quickly to include potato growers as beneficiaries under this important program.

Mr. HELMS. I yield the Senator from South Carolina such time as he may require.

Mr. THURMOND. Mr. President, I rise in support of S. 1125, the Federal Crop Insurance Act of 1979.

This legislation is designed to extend nationwide a system of comprehensive, all-risk crop insurance to producers of all major agricultural crops. At the same time, the Federal disaster payments program, which is now available to producers of wheat, upland cotton, feed grains, and rice, would be discontinued after crop year 1981.

Mr. President, this legislation is clearly needed by the agricultural sector, and if the program works as planned, it should reduce the cost of agricultural programs to the taxpayers. The need for this bill exists because of several deficiences in current agricultural programs. First, disaster payments are not now available for the vast majority of farm commodities, and even where available, are often inadequate to compensate farmers for production costs incurred. Second, Federal crop insurance is presently available in only about one-half of the Nation's counties, and even in these counties where Federal crop insurance programs now operate, only the major agricultural commodities are insurable. Third, private insurance companies do not now offer all-risk crop insurance protection. Most private crop insurance policies only insure against specific perils, such as fire, hail, or both.

These and other deficiencies are addressed in this legislation, which will, for the first time, make comprehensive, all-risk crop insurance available to producers of all major agricultural crops throughout the Nation.

Mr. President, I am aware of the concerns expressed by some private insurers, especially those who now write coverage for fire, hail and lightning perils. Within the limited context of these perils, the private insurance industry has done a commendable job of protecting farmers against losses. Both the Senate and House Agriculture Committees have attempted to design this expansion of Federal, all-risk crop insurance in a fashion that not only will allow the private crop insurance industry to survive, but also will give private insurers a key role in marketing the Federal, all-risk insurance. Furthermore, since the nature of private, specific peril crop insurance is fundamentally different from Federal, all-risk coverage, it is believed that the two systems not only will be able to coexist, but will actually complement each other.

In summary, Mr. President, I believe this legislation will prove beneficial and cost effective. It will make all-risk crop insurance available to our Nation's farmers at affordable rates, thereby giving farmers protection against disasters at a minimum cost to the taxpayers. I urge the Senate to approve this bill.

● Mr. BENTSEN. Mr. President, I wholeheartedly support S. 1125 as reported by the Senate Agriculture Committee. The members of the committee are to be commended for developing a reasonable and workable bill, and special recognition should go to the distinguished senior Senator from Kentucky who has spent many hours working on this legislation since he first introduced it. He can be justifiably proud of this bill, which provides an actuarially sound system of badly needed protection for crops in all areas of the Nation.

I am proud to see the Government and the farmer working together in a program that both are involved in and are supporting. The current system of Federal crop insurance is offered in some counties in Texas and is being used by the farmers in those counties.

I carry Federal crop insurance myself on citrus orchards in the Rio Grande Valley. This bill will allow producers of over 400 crops to receive the benefit of Federal assistance through an actuarially sound system of all-risk crop insurance.

In addition, the bill provides for a needed 2-year extension of the current disaster programs. This program is of immense values to farmers in Texas and throughout the Nation. Today's farmers are capital-intensive and highly leveraged, and the loss of a crop because of adverse weather conditions can be a crippling if not fatal blow to a farmer. These disaster programs have kept many farmers afloat when a violent quirk of nature might otherwise have sucked them under and further thinned the ranks of the family farmers who are the traditional backbone of this Nation. These programs are an integral part of the growing of the crops for which they are offered—crops which are grown in

large part in regions which are subject to climatic extremes. We lack good data on the cost of premiums and other factors in the insurance program proposed to replace these disaster programs, so it is only fair that we extend these proven programs until we have more information and have a tested program to offer as a substitute.

The 2-year extension of the disaster payments is vital to the farmers which produce the largest amount of the most basic commodities which feed and clothe our Nation. Making available the option of using either the disaster program or the crop insurance program in 1981 will provide a good test of the acceptability of the Federal crop insurance program to the producers of these commodities, it will provide local experience with the Federal Crop Insurance Corporation, and it will greatly smooth the transition to a complete system of all-risk Federal crop insurance if Congress should decide to adopt that policy.

Producers of crops not covered by disaster programs, and there are over 400 of them, are just as deserving of protection from the calamities of nature. They, too, are capital-intensive and highly leveraged as a rule. They are hurt and often completely wiped out financially by disastrous crop losses, but all too often they are not eligible even for the current system of Federal crop insurance due to the limitations placed on expansion of the program. Over 400 counties are now on the waiting list for the current program, and it is not even subsidized. In addition, coverage available under the current program is inadequate and needs to be broadened. A good case in point is citrus, in which now the crop on the tree can be covered but the tree itself cannot. The same freeze which destroys the citrus crop may often damage or kill the tree itself, which is a much more catastrophic loss and much more likely to totally ruin the farmer.

Mr. President, this bill is good for agriculture. It will help the farmers of this Nation to do a better job of seeing that we are the best fed and best clothed Nation in the world. But the policy implications of this bill are much, much broader than even that. The survival of the small family farmer is a matter which is receiving increasing attention and concern. The basic structure of this Nation's agriculture is the subject of a hearing the Department of Agriculture is holding this fall. In this context, I note that this bill is a major step toward helping that small family farmer to survive the competitive rigors of modern agriculture.

If we are to maintain a viable system of family farms in this country, we must have a steady supply of young people entering farming. These are precisely the people who will benefit most from a workable system of all-risk crop insurance. The young farmer, the beginning farmer—these are the ones who have larger debts. These are the ones who have less equity. And these are the ones who disappear forever when hit by large losses, whether from the vagaries of nature or the swings of the market. Larger farmers, better-established farmers, can take these losses and survive much more often than can the small, beginning farmer. And when the little guy's place comes up for sale his bigger neighbors who survived are usually the ones who buy it. Without this bill we will only see more and more of this. More and more farmers leaving the farm. Fewer and fewer young people able to enter farming. An increasing concentration of agricultural production in a decreasing number of family farmers. A weakening of our rural areas as they slowly wither because the young people which are their lifeblood flow out to the cities in search of a job.

It is high time that we take note of the plight of the small before we become the world of the big. The small businessman squeezed between big Government and big business. The independent oil man racing against big oil while entangled in the redtape of big Government. This country was built by individual entrepreneurs, people with imagination, initiative, and drive. We need a continuing supply of those qualities if we are to continue to grow and prosper as a nation, and to get them we must give those adventurous individuals the tools they need to survive in an increasingly large and hostile world. I believe that this bill is a step in the right direction that will benefit this whole Nation, not just its farmers, and I urge my colleagues to support it.●

● Mr. DOLE. Mr. President, on February 8, 1979, I introduced a bill, S. 399, the Federal Crop Insurance Expansion Act of 1979.

I felt at the time that the expiration of the crop disaster payments program at the end of this year affords Congress with an excellent opportunity to fashion a new and comprehensive strategy in helping agricultural producers meet the risk of disastrous crop losses resulting from causes beyond their control.

The disaster payments program is administered by the Agricultural Stabilization and Conservation Service, is limited to producers of upland cotton, wheat, rice, and three feedgrains—corn, grain sorghum, and barley.

Additional protection from crop losses is provided by the Federal Crop Insurance Corporation—FCIC. Unfortunately, Federal crop insurance is not available in all agricultural counties nor does it cover all basic commodities in the counties where insurance is available.

In many instances, insurance is not available where it is needed most. Moreover, high premiums and competition from the disaster payments program have kept participation low.

This bill establishes an expanded and comprehensive crop insurance program for U.S. farmers. It would remove limits on the expansion of the Federal crop insurance program, provide additional funding for the program, provide for a reinsurance program, and require the Federal Crop Insurance Corporation to pay a portion of the cost of crop insurance premiums under the programs.

It extends the disaster payments program for producers of wheat, feed grains, upland cotton, and rice under the Agricultural Act of 1949.

Farming, at best, is an exceptionally high risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable (and unpredictable) natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

PRESENT CROP INSURANCE BILL

I have felt for sometime the Federal crop insurance program needed improvements. The program needed improvements to provide farmers with a comprehensive, meaningful, and efficient program under which they may protect their massive investments in food and fiber production.

I have also felt that in improving the Federal crop insurance program the interests of the Federal taxpayer in budget deficits and taxes also had to be considered. I have felt the interests of free enterprise and the private insurance companies and private insurance agents were also important.

I cannot support the bill before the Senate today for two basic reasons: First, the high level of Federal subsidy, and second, the inclusion of fire and hail coverage by the Government program.

I wanted to support the bill because of the improvements in the crop insurance program and because of the extension of disaster payments for 2 years.

The bill I introduced in February contained a lower level of Federal subsidy than the bill before us today and excluded fire and hail coverage.

DISASTER PAYMENTS

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program.

FIRE AND HAIL COVERAGE

Approximately 140 private insurance companies employing between 4,000 and 5,000 full- and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

EXCESSIVE PREMIUM SUBSIDY

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill before us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent (exclusive of congressional appropriations for FCIC's administrative and operating costs) compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

I believe it is important to limit Government intervention into the private market place. I also believe it is important to limit Federal subsidies which increase budget deficits.

The bill before us today for final passage does not limit Government intervention and does not limit Federal subsidies.

I cannot vote for the expanded crop insurance bill as it now stands.●

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. 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. HELMS. Mr. President, I yield back my time.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the bill is ordered to be engrossed for a third reading.

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

Mr. HUDDLESTON. Mr. President, I commend the Members of the Senate for the attention they have given this particular legislation today. I think we have made a step forward in providing adequate coverage for agriculture producers in this country, eliminating a very unsatisfactory, very narrowly constructed program of disaster payments. I am hopeful that we shall see the passage of this bill during this session of Congress and be under way with a new program of benefit to the farmers of the Nation.

Mr. President, unless there is someone else who has some comment on the bill on this side, I yield back the remainder of my time to the bill.

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

The PRESIDING OFFICER. 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 legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

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

The result was announced—yeas 64, nays 27, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—64

Baker	Heinz	Ribicoff
Baucus	Hollings	Riegle
Bellmon	Huddleston	Sarbanes
Bentsen	Jackson	Sasser
Biden	Javits	Schmitt
Boren	Johnston	Schweiker
Bradley	Kennedy	Stafford
Byrd, Robert C.	Leahy	Stennis
Cannon	Levin	Stevens
Chiles	Long	Stevenson
Church	Magnuson	Stewart
Cochran	Matsunaga	Stone
Cohen	McGovern	Talmadge
Cranston	Morgan	Thurmond
DeConcini	Moynihan	Tower
Durkin	Nelson	Tsongas
Exon	Nunn	Weicker
Ford	Packwood	Williams
Glenn	Percy	Young
Gravel	Proxmire	Zorinsky
Hart	Pryor	
Hatfield	Randolph	

NAYS—27

Boschwitz	Garn	Lugar
Burdick	Goldwater	Mathias
Byrd, Harry F., Jr.	Hatch	McClure
	Hayakawa	Metzenbaum
Chafee	Heflin	Roth
Culver	Helms	Simpson
Danforth	Humphrey	Wallop
Dole	Jepsen	Warner
Domenici	Kassebaum	
Eagleton	Laxalt	

NOT VOTING—9

Armstrong	Durenberger	Muskie
Bayh	Inouye	Pell
Bumpers	Melcher	Pressler

So the bill (S. 1125) was passed as follows:

S. 1125

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 "Federal Crop Insurance Act of 1979".

TITLE I—FEDERAL CROP INSURANCE PROGRAM

CAPITAL STOCK

SEC. 101. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$200,000,000" and inserting in lieu thereof "$500,000,000".

(b) Within thirty days after the effective date of subsection (a) of this section, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on the effective date of that subsection.

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

SEC. 102. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, the Under Secretary or Assistant Secretary of Agriculture responsible for the Federal crop insurance program, the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the three farmers who are not otherwise employed by the Federal Government, shall ensure that such members are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of the Federal Crop Insurance Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505(c) of the Federal Crop Insurance Act is amended to read as follows: "The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5 of the United States Code when actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.".

AMENDMENTS TO THE PROVISIONS ESTABLISHING GENERAL POWERS FOR THE CORPORATION

SEC. 103. Section 506 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (d) to read as follows:

"(d) subject to the provisions of section 508(c), may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business;"; and

(2) in subsection (f), striking out "free".

USE OF PRIVATE INSURANCE COMPANIES IN THE FEDERAL CROP INSURANCE PROGRAM; CONFORMING AMENDMENT

SEC. 104. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Board may establish or use committees or associations of producers, and contract with private insurance companies, in the administration of this title and make payments to such committees, associations, or companies to cover the administrative and program expenses incurred by them in cooperating in carrying out this title, as determined by the Board."; and

(2) in subsection (d), inserting "or 516A" immediately after "section 516".

REMOVAL OF LIMITS ON EXPANSION OF THE FEDERAL CROP INSURANCE AND REINSURANCE PROGRAMS

SEC. 105. Effective with respect to the 1980 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is amended by—

(1) striking out all that follows the subsection designation down through the end of the fifth complete sentence, which begins, "Reinsurance for private insurance companies . . .", and inserting in lieu thereof the following: "If sufficient actuarial data are available, as determined by the Board, to insure producers of crops grown commercially in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infection, plant disease, and such other unavoidable causes as may be determined by the Board. Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field."; and

(2) striking out the eighth complete sentence, which begins "Counties selected by the Board . . .".

FEDERAL CROP INSURANCE EXTENT OF COVERAGE

SEC. 106. Effective with respect to the 1981 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is further amended by—

(1) striking out the sixth complete sentence, which begins, "Any insurance offered against loss in yield . . .", and inserting in lieu thereof the following: "Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just). In addition, the Corporation shall make available to producers lesser levels of yield coverage. Any insurance offered under this subsection shall make available to producers coverage (per unit of production insured) equal to the highest of (1) the established price for the commodity and crop year involved, if any, (2) the loan rate for the commodity and crop year involved under a Federal price support program, if any, or (3) the projected market price for the commodity and crop year involved, as determined by the Board. In addition, the Corporation shall make available to producers lesser price selections per unit of production insured ."; and

(2) in the seventh complete sentence, which begins, "Insurance provided under this subsection . . .", inserting "or an approved substitute crop" immediately after "the same crop".

PREMIUM SUBSIDY; TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 107. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems actuarially sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay a portion, not less than 20 per centum nor more than 40 per centum, as determined by the Board, of each producer's premium: *Provided*, That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer elects to make the acreage of the commodity eligible for payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's election to make the acreage of the commodity involved eligible for disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium. Federal premium payments for a commodity shall be applied uniformly among producers. The remaining portion of each premium to be paid by the producer shall be collected at such time or times, and shall be secured in such manner, as the Board may determine.";

(2) amending subsection (c) to read as follows:

"(c) To adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court for the district in which the insured farm is located: *Provided*, That no suit on such claim may be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."; and

(3) striking out subsection (d), and redesignating subsection (e) as subsection (d).

REINSURANCE OF PRIVATE INSURANCE COMPANIES; EXTENSION OF THE PROGRAM TO COMMONWEALTHS AND TERRITORIES OF THE UNITED STATES; SPECIFIC RISK PROTECTION PROGRAMS

SEC. 108. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by striking out subsection (f) and inserting immediately after subsection (d), as redesignated by section 107(3) of this Act, new subsections (e), (f), (g), and (h) as follows:

"(e) To provide, upon such terms and conditions as the Board may determine to be consistent with subsection (a) of this section and sound reinsurance principles, reinsurance to private insurance companies, groups or pools of such companies, and government entities that insure producers of any agricultural commodity under contracts acceptable to the Corporation. In

order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance to private insurance companies, groups or pools of companies, or government entities insuring producers under this subsection, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on 1981 crops, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums.

"(f) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in the same manner as provided in this section for provision of insurance or reinsurance for production of agricultural commodities in the United States.

"(g) To offer specific risk protection programs including, but not limited to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation programs under such terms and conditions as the Board may determine: *Provided*, That no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

"(h) To include appreciation (including interest charges) as an insurable cost of production in calculating premiums and indemnities in connection with insurance on yields of timber and forests.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 109. Section 515 of the Federal Crop Insurance Act is repealed.

PROGRAM FUNDING

SEC. 110. Effective October 1, 1980, section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums for each fiscal year as may be necessary to cover the operating and administrative costs of the Corporation, agents' commissions, partial premium payments by the Corporation, and direct costs of loss adjusters for crop inspections and loss adjustments, which shall be alloted to the Corporation in such amounts and at such times as the Secretary of Agriculture may determine. Expenses in connection with agents' commissions and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from insurance premium funds, and any such payments from premium funds may be restored by appropriations in subsequent years.".

COMMODITY CREDIT CORPORATION FUNDING

SEC. 111. (a) The Federal Crop Insurance Act is amended by inserting immediately after section 516 a new section 516A as follows:

"COMMODITY CREDIT CORPORATION FUNDING

"SEC. 516A. The Secretary of Agriculture is authorized to use the funds of the Commodity Credit Corporation to meet obligations to indemnify producers for losses under this title, and otherwise in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under this title whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable that Corporation to cover other program expenses.".

(b) The authority to make commitments under section 516A of the Federal Crop Insurance Act, as added by subsection (a) of this section, in excess of funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation acts. Appropriations under the preceding sentence are authorized beginning October 1, 1980.

PILOT PROGRAM OF INDIVIDUAL RISK UNDERWRITING OF FEDERAL CROP INSURANCE

SEC. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than twenty-five counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis.

EFFECTIVE DATE

SEC. 113. Except as otherwise provided in this title, the provisions of this title shall become effective October 1, 1979.

TITLE II—DISASTER PAYMENTS

PREVENTED PLANTING DISASTER AND FARM DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

SEC. 201. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignating subparagraph (D) as subparagraph (F) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, co-operators on a farm shall not be eligible for disaster payments under this paragraph if the co-operators elect to cover the rice acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, after consultation with the Board of Directors of the Federal Crop Insurance Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.

Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

SPECIAL DISASTER PAYMENTS FOR THE 1979 CROP YEAR

SEC. 202. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is further amended by—

(A) striking out "subparagraphs (B) and (C)" in subparagraph (F), as redesignated by section 201(a)(1)(C) of this Act, and inserting in lieu thereof "subparagraphs (B), (C), and (E)"; and

(B) inserting after new paragraph (D), as added by section 201(a)(1)(C) of this Act, a new subparagraph (E) to read as follows:

"(E) Effective only with respect to the 1979 crop of rice, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), persons involved in producing rice on a farm (i) are prevented from planting any portion of the acreage allotments of producers on the farm or the farm acreage allotment to rice and (ii) plant a nonconserving crop in lieu of rice, the Secretary shall make a special disaster payment to cooperators on the farm in an amount determined by multiplying (I) the number of acres so affected, by (II) 75 per centum of the yield established for the farm, by (III) 15 per centum of the established price for rice, except that the Secretary shall make no payment under this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is further amended by adding at the end thereof a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of upland cotton, if the Secretary determines that, as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for cotton to cotton and (ii) plant a nonconserving crop in lieu of cotton, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for cotton established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(3)(C) of this act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of feed grains, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for feed grains to feed grains and (ii) plant a nonconserving crop in lieu of feed grains, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(4)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of wheat, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for wheat to wheat and (ii) plant a nonconserving crop in lieu of wheat, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for wheat established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(b) This section shall become effective October 1, 1979, and the provisions hereof shall be retroactive to cover special disaster payments to producers for the 1979 crops of rice, upland cotton, feed grains, and wheat.

Mr. HUDDLESTON. 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. HUDDLESTON. Mr. President, I ask unanimous consent that S. 1125 be printed as passed by the Senate and that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1125.

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

TIME LIMITATION AGREEMENT—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, this request has been agreed to on both sides of the aisle.

I ask unanimous consent, with regard to the conference report on H.R. 4388, the energy-water appropriations bill, that there be 1 hour, equally divided, on the report, to be controlled by Mr. JOHNSTON and Mr. HATFIELD, and 30 minutes on amendment 30 in disagreement, to be equally divided between Mr. JOHNSTON and Mr. CULVER.

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

Mr. ROBERT C. BYRD. Mr. President, I hope the Senators understand that there will be further rollcall votes today.

ORDER FOR SENATE TO PROCEED TO CONSIDERATION OF S. 1403 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order the Senate proceed to the consideration of Calendar Order No. 288, S. 1403, a bill to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program.

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

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on H.R. 4388 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BRADLEY). 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. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, 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 25, 1979.)

Mr. JOHNSTON. Mr. President, this is the Energy and Water Resources conference report. The conference report is totally noncontroversial. The bill originally passed the Senate by a vote of 90 to 6 and passed the House of Representatives by a vote of 359 to 29.

I contemplate very shortly making my statement for the RECORD and asking approval of the conference report.

There are two important amendments in disagreement which will be voted on separately by the Senate. One is the Hart Building, because the House approved the Senate action on the Hart Building after reducing the amount as approved by the Senate. I will plan shortly to ask for concurrence in the House amendment because, as a matter of fact, the House did precisely what I as chairman of the Building Committee had recommended in the first place. I think it was very sound action.

Second, we will have a vote on the Tellico Dam, which is, of course, controversial and will be debated.

But the conference report itself, for which we will shortly ask approval, is totally noncontroversial.

Mr. President, this is the conference report on H.R. 4388, the energy and water development appropriation bill for fiscal year 1980. The House of Repre-

sentatives agreed to the conference report on August 1, and I hope that the Senate will clear this measure this afternoon in order that the bill can be sent to the President immediately.

Mr. President, inasmuch as the conference report has been available since July 25—both the printed report and in the CONGRESSIONAL RECORD, I will only give a brief summary of the conference action in settling the differences between the House and the Senate.

As recommended by the committee of conference, the conference agreement provides $10,856,475,700 in new budget (obligational) authority for the fiscal year 1980, including the amount of $57,480,700 for the Hart Senate Office Building. This amount for the Hart Building was changed slightly by action of the House and I will move that the Senate concur in the House amendment.

For the energy and water development appropriation bill items, the agreement would provide a total of $10,798,995,000, an amount which is $30,020,000 less than the bill as passed by the Senate, and $113,065,000 more than the bill as passed by the House. The conference agreement is $195,497,000 less than the President's budget estimates submitted for our consideration. I want to emphasize that this is almost a $200 million reduction from the amounts requested in the President's budget.

The conference agreement provides $6,488,874,000 to the Department of Energy for various research and development programs and other activities. Of this amount, $3,061,828,000 is for energy supply R. & D. programs; $471,900,000 is for general science and research; and $2,959,396,000 is for atomic energy defense activities.

Mr. President, I would also point out that the conference report includes $620,879,000 for solar energy development and applications; $149,202,000 for geothermal energy, $18,324,000 for small-scale hydroelectric; and $355,405,000 for fusion energy. There is also provided $569,919,000 for the breeder reactors program, although there are no funds in this bill for the Clinch River breeder reactor demonstration project. Funds are also provided for continuing work on other nuclear fission activities including funds for the continuation of the program for the storage of spent nuclear fuel.

Both Senate and House Appropriations Committees have made clear that they expect a vigorous effort by the administration to have one or more Away-From-Reactor (AFR) storage facilities in being by 1983.

The funds provided by the conference agreement will permit the administration to move forward with this effort. The administration can and should study possible regional AFR sites, hold public hearings in States with existing or proposed AFR sites and negotiate with owners of existing AFR sites to determine the availability of these sites.

In addition, the conference agreement provides $5 million for plant and capital equipment spending for an AFR facility. This will enable the administration to continue developing site suitability data and to allow design work to proceed to a degree sufficient to prepare licensing documents, to prepare and submit the licensing and licensing support documents and to prepare procurement packages for long lead items which are on the critical path such as high density storage racks. These activities are essential if storage requirements predicted for 1983 are to be met.

The conference agreement for title II of the bill—which is the civil works program of the U.S. Army Corps of Engineers—is $2,795,926,000. Of this amount, $1,467,566,000 is for the construction, general appropriation; $210,515,000 for the Mississippi River and tributaries flood control program; and $848,500,000 for operation and maintenance. The recommendations for each project and activity are included in the conference report.

Mr. President, for title III, the Bureau of Reclamation, the conference agreement contains $607,341,000 for the important water development projects and activities in the 17 Western States.

For title IV, independent agencies, the agreement provides a total of $906,854,000, including an amount of $359,490,000 for the Appalachian regional development programs; $363,340,000 for the Nuclear Regulatory Commission $148,677,000 for the Tennessee Valley Authority and $34,614,000 for the Water Resources Council.

Mr. President, there were a number of typographical and printing errors in the conference report as printed in the CONGRESSIONAL RECORD and an error in the slip copy of the report. The House managers brought these errors and corrections to the attention of the House as listed on page 21990 of the August 2, 1979 CONGRESSIONAL RECORD, and I will not repeat enumerating these items now corrected.

Mr. President, the Senate amendment numbered 30 relative to the Tellico Dam-snail darter controversy and Senate amendment numbered 37 regarding the Hart Senate Office Building were reported by the conferees outside of the conference report and will require separate, further action by the Senate in light of the House action. These matters will be pending immediately after action on the conference report.

Mr. President, this is a good conference report, and I take this opportunity to express my thanks and appreciation to the Senate conferees, particularly the distinguished Senator from Oregon (Mr. HATFIELD) who is the ranking minority member of the subcommittee. I would also like to express our appreciation and warm regards to the able and effective gentleman from Alabama, Mr. BEVILL, chairman of the House conferees, and to the House conferees. It is our good fortune and pleasure to work with these fine gentlemen and ladies of the House of Representatives and to be able to settle our differences in an amicable fashion and with a minimum of disagreement.

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

Mr. JOHNSTON. I yield to the distinguished Senator from Oregon.

Mr. HATFIELD. Mr. President, I support the adoption of the conference report on H.R. 4388, making appropriations for energy and water development. The bill provides $10,798,995,000 for these purposes, approximately $195,000,000 below the President's budget for fiscal year 1980. I believe this is a reasonable and prudent amount that will allow us to expedite action on necessary projects without unduly fueling inflation through increased Federal spending.

I am especially pleased with the initiatives the bill takes in renewable forms of energy development and hope that we can continue to make progress in this important area. I should also point out that the bill contains no money for the Clinch River breeder reactor pending resolution of that issue in the authorizing legislation. I certainly hope we will vote to terminate that outmoded project and move away from what I consider to be a dangerous and unnecessary technology.

That concludes my remarks, Mr. President, except to again express my appreciation to the subcommittee chairman, Mr. JOHNSTON, and the staff, for their work on this bill.

Mr. DOMENICI. Mr. President, at this time I take the opportunity to express my sincere gratitude to the Energy and Water Development Subcommittee for their responsiveness to the many pressing issues facing our Nation and my State of New Mexico. The bill contains funding for several extremely important projects in my State, and I appreciate the committee's attention to these matters. I think that they have done a fine job with this bill.

Mr. JOHNSTON. Mr. President, unless there are any questions or anyone desires further discussion, I move the adoption of the conference report.

Mr. CULVER. Mr. President, reserving the right to object, I address this question to the manager of the bill: I gather that the pending motion is——

Mr. JOHNSTON. The pending motion is to adopt the conference report.

Mr. CULVER. Procedurally, what will come subsequent to that?

Mr. JOHNSTON. Matters in disagreement are outside the conference report, so the Senator from Iowa is not foreclosed on the Tellico Dam issue by the adoption of the conference report.

Mr. CULVER. And the Senator from Louisiana is not foreclosed.

Mr. JOHNSTON. Neither of us is foreclosed. That is correct. It is completely outside the conference report.

Mr. CULVER. I thank the distinguished floor manager.

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

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

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, the conference report is agreed to.

The clerk will state the first amendment in disagreement.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendments numbered 1 and 8 en bloc at this time. These amendments are technical in nature and are not controversial.

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

The amendments are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $2,048,523,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $448,478,000

Mr. JOHNSTON. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1 and 8.

Mr. CHAFEE. Mr. President, will the Senator explain this?

Mr. JOHNSTON. This does not involve the Hart Building or the Tellico Dam. These are technical amendments.

Mr. CHAFEE. I thank the Senator.

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

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30. Amendment No. 37 refers to the Hart Building. I am asking unanimous consent that we first consider that. If unanimous consent is granted, we will consider it; and if anybody wants to discuss it or vote on it, we can do so at that time, under the time agreement. The alternative would be to consider first the Tellico Dam matter, before the Hart Building matter.

Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30.

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

The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

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 toward finishing such building and 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.

It is further provided that such building and office space therein upon completion shall meet all needs for personnel presently supplied by the Carroll Arms, the Senate Courts, the Plaza Hotel, the Capitol Hill Apartments and such building shall be vacated.

Mr. JOHNSTON. Mr. President, when I was appointed chairman of the Senate Office Building Commission not too many weeks ago, we undertook a detailed investigation of this building and came up with a recommendation to the Senate that it approve an expenditure in the total amount of about $137.7 million, and that that constitute a ceiling on the cost of construction of the building.

When those recommendations got to the Appropriations Committee, the committee added a number of items to that recommendation, which included the finishing of the cafeteria and the insertion of paneling in the Senate offices and a number of other things, together with the completion of the hearing room, in the total amount of approximately $5 million.

That action of the Senate Appropriations Committee was subsequently approved on the Senate floor. The measure left the Senate floor and went to the House. On the House floor, a vote first was taken on the Senate action—that is, the expanded amount—and it was defeated on the House floor.

Subsequently, the chairman of the full Appropriations Committee, Mr. WHITTEN, submitted an amendment deleting approximately $5 million, which involved going back to the original figure that the Senate Office Building Commission had recommended. So the action of the House was to approve that amendment, which in turn put the House in exact conformity with the Senate Office Building Commission.

Obviously, since I first recommended it, I think it is proper. It was good action on behalf of the House.

Therefore, I move that the Senate concur in the House action. It will have the effect of putting a limit of $137,730,400, which is about $5 million less than the amount approved by the Senate.

Mr. CHAFEE. Mr. President, I ask the Senator this question: As I understand it, the situation is back to where the Office Building Commission originally was—that is, without the paneling in the offices, without the restaurant.

Mr. JOHNSTON. And the hearing room.

Mr. CHAFEE. Without the hearing room.

Mr. JOHNSTON. The Senator is correct.

Mr. CHAFEE. When the action of the House was stated, I thought the clerk said the House receded from its position. But apparently we are going to agree with the House action. Is that correct?

Mr. JOHNSTON. I moved that we concur with the House action, which is the lower figure.

Mr. CHAFEE. Mr. President, I agree. I think the building is a disgrace. It is a shame that we did not adopt the position that was advocated here on the floor. We fought it out and voted and lost. So this is some small progress. Do not put me down as enthusiastic.

Mr. DOMENICI. Mr. President, I wish to express my deep concern over the fact that the Senate will today vote additional money to continue work on the new Hart Senate Office Building. I oppose this funding. Completion of this building, I am convinced, disregards the will of the American people. While there is no way to stop this building within the context of this conference report, I want to remind my colleagues that we are today ratifying a bad decision, one that we shall regret.

I shall not reiterate the many reasons why work on the Hart Building should be halted. This is simply not the time to appropriate an additional $52.5 million to continue work on this building. Whether we complete it with or without the additional $5 million, which the Senate added over and above what the House agreed to, is of little concern, for my colleagues know that this money will eventually be spent.

Mr. President, the Senate should not fund the completion of the Hart Building.

Mr. JOHNSTON. Mr. President, if there are no other questions and if there is no further discussion, I yield back the remainder of my time; and I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 37.

Mr. HATFIELD. I yield back my time.

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

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Skip Walton, of my staff, have the privilege of the floor during the consideration of this matter.

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

Mr. JOHNSTON. Mr. President, I move that the Senate recede from its amendment numbered 30. This is the Tellico Dam amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House insist upon its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill.

Mr. JOHNSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Louisiana for yielding.

Mr. President, I do not intend to take much of the Senate's time. Most of us know the issues involved here. There has been a great deal of rhetoric—both pro and con. But the basic facts remain.

As a member of the Appropriations Committee, my main concern is that we do not waste the taxpayer's money.

I say to my colleagues that the question before the Senate today is not an environmental question—it is an economic question. I direct the attention of Senators to the factsheet that has been placed on their desks. As can be seen from the picture, Tellico Dam is built—it is an existing structure. The entire project is 95 percent complete. More than $111 million has been appropriated by Congress for this project since 1967.

If this body does not agree to the House amendment, these funds will go down the drain. In addition, it would cost the taxpayers another $23.4 million to tear down the project we have already spent $111 million to build. I do not think the American people want us to do that.

What are the environmental considerations of this project? The Tellico opponents say we must halt the Tellico Dam and tear it down because the snail darter must be saved.

So, what about the snail darter—a fish barely larger than a paper clip with an

adult weight of only 5 grams? It has been listed as an endangered species under the Endangered Species Act. Now, I support the Endangered Species Act and have voted for it in the Chamber. A majority of the House and Senate supports the intent of this act—important species must be protected and maintained.

But I say to my colleagues that we are not faced with a decision whether or not to save the snail darter. The Tellico Dam is built on the Little Tennessee River in my State. The snail darter is already dying out in that river. Officially the Tennessee Valley Authority has stated that there are only 100 snail darters left in the Little T. But I am told by local officials that the last time the TVA sent divers down to count the snail darter population they could not find any—so the snail darter may already be extinct in the Little Tennessee River. So the logic of saying that the Little T is critical to the survival of the snail darter escapes me.

To those who are concerned with saving the snail darter, I want to ease your mind right here and now—the snail darter is being saved. It is alive and well. Four years ago 700 snail darters were transplanted to the Hiwassee River. Today the snail darter is thriving in the Hiwassee. The 700 which were transplanted have reproduced and now number at least 2,500 and possibly as many as 3,000. So it is clear that a new habitat for the snail darter has been established in the Hiwassee River. The Little T, where the Tellico is built, apparently is no longer suitable for the snail darter.

In addition there have been reports that the snail darter is living in other bodies of water. The mayor of Sparta, Tenn., has reported that the snail darter lives in the Calfkiller River near his town. A Kentucky biology teacher has said that the snail darter is living in a river in his State.

Mr. President, the Endangered Species Committee, which was created by Congress to review conflicts arising from projects and endangered species, failed to exempt Tellico from the Endangered Species Act. Now I would think that the Endangered Species Committee reviewed this controversy very carefully and with great deliberation, just as the Congress has carefully considered this project and approved it for the past 12 years. But I am sorry to report to the Senate that the Endangered Species Committee failed to take an objective look at the situation. The Endangered Species Committee reviewed the matter only 15 minutes before making its decision. Furthermore, that committee condemned the Tellico project without even visiting the site. In fact, I am advised that no member of that Committee has visited the Little Tennessee River as it exists today.

The Endangered Species Committee made its decision based not on environmental issues but economic issues. Actually the committee made its decision not on the basis of sound economics, but rather by some creative accounting. The Endangered Species Committee would lead us to believe that the Tellico Dam project does not have a favorable benefit-to-cost ratio. The fact is the benefit-to-cost ratio has been calculated to be well above unity at 2.3 or 2.6 to 1. It is my understanding that there are several dozen other projects in this bill before us which have benefit-to-cost ratios much less than the Tellico benefit-to-cost ratio. So, Tellico Dam is an economic project. But the Endangered Species Committee would lead us to believe otherwise.

The Endangered Species Committee also said that if the Tellico Dam were to meet Bureau of Reclamation standards, another $14.5 million would have to be spent on the spillway. But Tellico is a substantially completed Tennessee Valley Authority dam, not a Bureau of Reclamation dam. And Tellico meets the spillway standards set by the TVA. In addition, I would pose the question: Why does not the Bureau of Reclamation go back and redesign its own dams that are already built and substantially complete? The Endangered Species Committee is saying to the TVA that it should comply with the guidelines of another agency. But that other agency is not going to the extreme suggested for Tellico. But the Endangered Species Committee does not tell us that.

Now, there are those who will say that since the Endangered Species Committee has made its decision, we should abide by it; that the Congress should let its own creation work its will. But I say to those who hold this opinion, that when Congress approved the Endangered Species Committee, this body did not abdicate its legislative responsibilities. It is clear the Endangered Species Committee did not make a thorough and objective review of this matter, therefore Congress must act.

Mr. President, I would like to mention one other benefit from the Tellico project before yielding the floor. This project will lead to the generation of electricity for 20,000 homes. I think all of us agree that this Nation is energy short. We should not turn our backs on any readily available energy source. Stop this project and destroy Tellico Dam and you are shutting off electricity to a town the size of Reston, Va.

Mr. President, the amendment of the House is a logical, sensible approach to ending this ridiculous impasse. The Supreme Court in its opinion invited the Congress to have the final say. Let us agree with the House and put this issue behind us so this body can get on with more important legislation.

Mr. President, the Tellico Dam is a reality. It exists. It has the almost unanimous support of the people of the area, as has been pointed out by the distinguished chairman of the subcommittee, Senator JOHNSTON. We have spent $111 million on this project already; it would cost another $24 million to tear it down. Provision has been made for the snail darter—it is thriving in another habitat.

I think the mood of the American people is clear—do not waste our money. Approval of the House position is a logical, economic conclusion to the current problem. To destroy this dam—to fail to utilize this needed public facility—would be utter waste.

That is the issue before the Senate today.

The PRESIDING OFFICER. Is there further discussion?

Mr. CHAFEE. Mr. President, who controls the time here? Could I take 30 seconds and ask the Senator from Tennessee one question?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CULVER. Mr. President, if he yields time.

The PRESIDING OFFICER. Does anyone yield time to the Senator from Rhode Island?

Mr. CULVER. I yield time to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I wish to ask the Senator from Tennessee one question. He said $100 million has been spent on this dam. I think it is not so, that $22 million has been spent on the construction of the dam, and the balance of the funds is for the purchase of the acreage that is going to be flooded. In other words, we are not looking at a $100 million dam.

Mr. SASSER. I say to the Senator from Rhode Island that $22.5 million has been used for the construction of the dam. But this figure does not include the additional cost of the canal built to connect Tellico with the Fort Loudoun Reservoir or the cost of numerous other improvements that were built to serve the perimeter of the proposed lake, the waters of which were to be impounded by the Tellico Dam itself.

Mr. CHAFEE. I thank the Senator very much.

Mr. SASSER. I just might say that 348 families have moved and the land entirely cleared for this project. All buildings, fences, and trees, have been removed or dismantled; roads have been abandoned; bridges have been removed, et cetera.

The PRESIDING OFFICER. The Chair will clarify that the time is controlled by the Senator from Louisiana and the Senator from Iowa.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. JOHNSTON. I yield 30 seconds.

Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the Chair and thank my colleague from Louisiana.

Mr. President, I hope this is the last time around. I hope that we can resolve this issue once and for all, and I hope finally reason will prevail.

I trust that at this time the Senate will concur in the position taken so overwhelmingly by the House of Representatives and let us get on with the business of utilizing a dam that is 99 percent complete—it will supply electricity for heating 20,000 homes—and proceed to completion with the project that was authorized before I ever came to the Senate.

Mr. President, the remarks that I made on this subject so often in the past do not bear repetition here, and I will not burden the Senate except to say that if we have any serious intent to solve the

energy shortage in this country, to make a reasonable and decent balancing judgment on the requirement of the Environmental Policy Act on the one hand and social necessity on the other, this in my judgment is a perfect example of it.

Mr. President, the awful beast is back. The Tennessee snail darter, the bane of my existence, the nemesis of my golden years, the bold perverter of the Endangered Species Act is back.

He is still insisting that the Tellico Dam on the Little Tennessee River—a dam that is now 99 percent complete—be destroyed.

In the midst of a national energy crisis, the snail darter demands that we scuttle a project that would produce 200 million kilowatt hours of hydroelectric power and save an estimated 15 million gallons of oil.

Although other residences have been found in which he can thrive quite serenely, the snail darter stubbornly insists on keeping this particular stretch of the Little Tennessee River as his principal domicile.

In 1975 and 1976, more than 700 snail darter pioneers journeyed from the Little Tennessee to the Hiwassee River, also in Tennessee, and the latest snail darter census, taken in 1978, showed 2,500 of these wonderful fish going about their business in the Hiwassee River. A new snail darter subdivision is taking hold in the Holston River, as well.

Let me stress again, Mr. President, that this is fine with me. I have nothing personal against the snail darter. He seems to be quite a nice little fish, as fish go.

But it occurs to me that he should not have the ultimate veto power over his choice of residences, especially when a major energy-producing dam lies all but 1 percent complete on the snail darter's original front porch.

Frankly, Mr. President, I am beginning to question his motives. This 2-inch terror kept the lowest profile of all God's creatures for thousands of years until a relatively short time ago, but now he seems to enjoy the publicity.

Perhaps if we gave him a cover story in Time or Newsweek, or got him a feature on the CBS evening news or an interview with Barbara Walters, his lust for fame might be fulfilled and he would leave us alone.

Now seriously, Mr. President, the snail darter has become an unfortunate symbol of environmental extremism, and this kind of extremism, if rewarded and allowed to persist, will spell doom to the environmental protection movement in this country more surely and more quickly than anything else.

I am seriously concerned that if present trends continue, the Endangered Species Act will be perverted from its original intent as the means of protection of endangered species and be used instead as a convenient device to challenge any and all Federal projects.

If the snail darter can be found in the Little Tennessee River, there is a snail darter or some equally obscure creature in every river and under every rock in America. Opponents of public works projects will have a virtually limitless arsenal of weapons with which to do battle.

We who voted for the Endangered Species Act with the honest intention of protecting such glories of nature as the wolf, the eagle, and other treasures have found that extremists with wholly different motives are using this noble act for meanly obstructive ends.

That is precisely what has happened in the case of the snail darter against Tellico Dam, and if this perversion of the law is allowed to continue, the law itself will soon stand in jeopardy—and that will be the ultimate environmental tragedy.

We must not let that happen, Mr. President. The House has given us another opportunity to set things right, and at long last we should take it. I implore my colleagues to seize this opportunity to redeem our commitment to energy production while not forsaking our commitment to environmental protection, to turn away from extremism toward reason, to save both the darter and the dam.

I urge the adoption of the conference report as written.

Mr. STENNIS. Mr. President, will the Senator yield to me just for a brief observation?

Mr. BAKER. I yield.

Mr. STENNIS. My mind goes back to the points the Senator made, the history of this matter, the development of it, the authorization and appropriations, and the building. I heartily agree with his point about energy.

We are right on the brink—I do not mean a brink of disaster—but we are on a brink of having to make preparations for the future, the future of others who are younger than we are.

It is a small amount involved here of further investment. It just makes me feel good to think that such a small amount will finish this project and put it in operation and create energy.

I commend the Senator for his position. I do not think it is prompted by the proximity of it to his State. There are people involved and energy involved. There is very little additional money involved.

I hope we take the stand the House of Representatives did.

Mr. BAKER. Mr. President, I thank my friend from Mississippi and I thoroughly concur and agree.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. I will just be interested in hearing from the sponsor of the motion to recede and accept the House position as to why he is sponsoring that amendment. I think under those circumstances one who may find himself in opposition to it could address the argument that has been advanced.

Mr. JOHNSTON. Very well, Mr. President. How much time is remaining?

The PRESIDING OFFICER. Seventeen minutes and fifteen seconds.

Mr. JOHNSTON. Mr. President, I yield myself 5 minutes.

Mr. President, this matter has indeed been debated a great deal. There may be no open minds on the question. That is regrettable because I think it is a rather clear question.

Let me just cover two points that have not been covered before.

First of all, if you want an energy and water resources bill, in my judgment, we are going to have to drop the snail darter. We are going to have to build the Tellico Dam.

Why is that? Because the Senate was closely divided 53 to 45 on the question last time. The House brought it up and reconsidered and by a vote of 156 ayes and 258 nays voted against the Senate amendment and then voted to insist on their language. They made it perfectly clear that no Tellico—no bill.

I commend that to my colleagues to think about.

I do not give it to you as a threat. I pass it along to you as what I think are the facts in the matter.

We know the dam is 98-percent complete with $110 million spent. We know that the snail darter and in fact the endangered species law is irrelevant to this whole matter. I think the most telling argument in the minds of some people has been the fact that in their view it costs more to complete the dam than the benefits are. That has come up over and over again in the argument.

Mr. President, that argument is patently unsound and untrue. TVA and the Department of the Interior task force did a study on it, Mr. President, and came up with a benefits-to-remaining-costs ratio of somewhere between 2.3 to 1 and 2.6 to 1.

Where did these figures, then, come from that the Secretary of the Interior has been talking about? Well, I will tell you where those figures came from, and how they got them. Not satisfied with the TVA and the Department of the Interior figures, the staff of this committee created under this law did their own investigation, using novel, untried, brand new methods, and having done that, they said it would cost more to complete than the benefits.

What were their methods? First of all, they took an interest rate of 10 percent—for opportunity—costs of land for an annual cost estimate which is not sanctioned in law, not used anywhere else in the law, and said, "We are just going to use 10 percent."

Second, they took another novel approach. They said, "We are going to consider the land that has been purchased at its highest opportunity cost."

What does that mean? The cost they figure they can sell it at. Can you imagine, having exappropriated this land from farmers and other landowners to build the dam, turning around and selling the land for some other use to some other farmers, and the Federal Government pocketing the profits? It is patently absurd to think about doing that, unfair, and probably unconstitutional, because property can be exappropriated only for public use under the Constitution.

Nevertheless, they did that. But the key thing is the value they put on the property. First of all, they took the highest sales in Blount and Loudon Counties, the highest sales, and figured

that in at an average cost of over $1,000 an acre for some of this land which is so rocky, hilly, and unusable that you cannot even farm on it. And having done that, they took land, the comparable sales, according to them, in Blount and Loudon Counties, when most of the land is in Monroe County.

Mr. President, there are 38,000 acres involved here, and only a portion of that was even used for farming. Of that which was used for farming, much of the topsoil has been scraped off to use for fill for roads, the damsite, and bridges surrounding it. All the roads have been taken out. If you were going to go back to farming use, you would have to spend an estimated $37 million to put back in the 60 miles of roads, not to mention the bridges or the cost of topsoil, or utilities.

So, Mr. President, to say it costs more to complete this thing than you get in benefits is patently absurd. They added other items. The fact of the matter is that electricity for 20,000 homes can be produced from the reservoir waters, really just by closing the dam.

Let me say one final thing here, Mr. President. We keep hearing all this talk about solar energy being able to provide 20 percent of the Nation's energy resources. A very important part of that 20 percent is hydroelectric, which is defined as solar energy, and that thrust of solar energy and hydroelectric is unanimously supported by the environmental community.

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

Mr. JOHNSTON. One more minute.

The problem is, Mr. President, when we get from the general to the specific and start talking about specific projects, we are always opposed. We are opposed on this one, even though $110 million is invested and it is 98 percent completed. We are opposed on the Dickey-Lincoln Dam, and I will bet you if we try to build any dams in Washington and Oregon, where we have sites, we will be opposed there too.

Mr. President, we have to start somewhere. If we cannot start with this one, 98 percent complete, capable of producing additional electricity for 20,000 homes, we cannot start anywhere. The snail darter is irrelevant. If we cannot start with this one, we might as well quit, Mr. President. Every time we have some problem—this kind of problem with synfuels, that kind of problem with oil and gas development, another kind of problem with coal. This is the cleanest and cheapest kind of energy we can get. I urge the Senate to get about it, and let us produce the energy.

Mr. CULVER. Mr. President, I rise in opposition to the motion to recede and accept the House position.

The Senate has expressed itself on several occasions, twice within the last few months, on this issue, and I think very creditably has upheld the integrity of the Endangered Species Act, as well as the report and recommendations of the Endangered Species Committee, which was the child of the Culver-Baker amendment to the Endangered Species Act last year, and which recommended unanimously that this dam not be completed, and that it is not in the public interest that it be completed.

The distinguished floor manager has said that if we do not go ahead and accept the House position on this issue, and say "You get a green light to a project that has not demonstrated its economic viability or justification on a cost-benefit ratio," and that has suitable alternatives which are in the public interest, that somehow, because the House conferees threaten us—threaten us that we will have no bill—that suddenly we are to repudiate the conscientious effort of the Senate for the past year, and accept that kind of logic.

What we are talking about here, make no mistake about it, is not only the waiver of the Endangered Species Act, not only opening up the floodgates for countless subsequent representations of a similar nature to the Senate, where we are going to have to sit in judgment and make these highly complex decisions regarding endangered species, but also waiving all laws—all laws and all Federal statutes entered into that impact on this project.

What is the justification? Because the House of Representatives might not give us a bill if we do the right thing and reject that kind of ultimatum and threat. Well, I have respect for the integrity and the persuasiveness of the conferees on the Senate side and believe they will represent with fidelity the position expressed on innumerable occasions by the Senate as a body, and uphold the appropriate and just solution of this problem.

Mr. President, as I have stated so often in the past, as a matter of fact twice in just the last 3 months, the Tellico Dam in Tennessee should not be exempted from the Endangered Species Act. For any of my colleagues who, after voting twice on this matter, remain in a quandry as to how to cast their votes today yet a third time, let me once again outline the pertinent facts of the issues.

The Tellico Dam project is not economically viable. To date, the Tellico has cost $103.2 million but only $22.5 million of that is in actual dam construction. The remainder is in roads, land and many other recoverable costs which could be beneficially used in an alternative river development program outlined by TVA.

The Endangered Species Committee, which was created by last year's Culver-Baker amendment to provide flexibility to the Endangered Species Act, analyzed the benefits of completing the Tellico Dam. The representative from the State of Tennessee joined the rest of his Endangered Species Committee members in unanimously concluding that the Tellico project would cost an additional $35 million to complete and would then annually cost $720,000 more than it would provide in benefits.

The distinguished economist, Charles Schultze, the Chairman of the President's Council of Economic Advisors and also a member of the Endangered Species Committee stated:

Here is a project that is 95 percent complete, and if one takes just the cost of finishing it against the total project benefits, it doesn't pay, which says something about the original project design.

Mr. President, it is very interesting to note the points raised in a letter from OMB written on September 10, 1979, to me. I ask unanimous consent that its entire contents be printed in the RECORD at this point.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., September 10, 1979.

Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: I want to take this opportunity to emphasize the strong objections of the Administration to the Tellico project, which I understand will be coming up for floor consideration in connection with action on the conference report on H.R. 4388, the Energy and Water Development Appropriations Bill.

The Tellico Dam was rejected by a special seven-member Endangered Species Committee, chaired by Secretary Andrus, which was created by the Congress specifically to resolve conflicts arising under the Endangered Species Act. While the Dam was originally halted for environmental reasons, the Committee unanimously found that the project clearly lacked economic justification. Annual benefits of $6.52 million are well outweighed by annual costs of $7.25 million. In short, the project does not meet the test of economic merit applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case.

In a period of fiscal stringency, I believe it is critical that only those projects which were clearly justified receive scarce Federal funds; and I am, therefore, hopeful that when the Senate acts on H.R. 4388, it will delete language in the bill which would direct completion of construction of the Tellico project.

Sincerely,

JOHN P. WHITE,
Deputy Director.

Mr. CULVER. John White, Deputy Director of OMB, wrote in part that while the dam was originally halted for environmental reasons, the seven member Endangered Species Committee unanimously found that the project clearly lacked economic justification.

Mr. President, I repeat, that committee, that seven member committee, in its unanimous vote said the Tellico lacked economic justification.

Says Mr. John White:

Annual benefits, of $6.52 million are well outweighed by annual costs of $7.25 million.

According to Mr. White, the project does not meet the test of economic merit "applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case."

Mr. President, it baffles me that those who are coming forward in the most vigorous support of the position of the distinguished floor manager of this bill are the very ones talking about the need for a balanced budget, who are talking about the need to eliminate waste and inefficiency in our Federal expenditures in our fight against inflation.

Mr. White goes on to say:

In a period of fiscal stringency, I believe it is critical that only those projects which

are clearly justified receive scarce Federal funds.

He continues that OMB hopes the Senate will sustain its earlier position.

The distinguished Senator from Rhode Island asked a question of the Senator from Tennessee about the amount of money that has been spent on the Tellico. Let us get it straight.

To date, the Tellico has cost $103.2 million, but only $22.5 million, as has been pointed out by the Senator from Tennessee, has been spent on the dam itself. All the remainder of Federal expenditures is in roads, in land condemnation, and many other recoverable benefits and costs which could be beneficially used in an alternative river development program outlined by TVA.

In addition, Mr. President, this project would remove from production approximately 14,000 acres of prime agricultural land. We are losing in America today 1 million acres annually to nonfarm uses. We are losing in America today 3 to 4 billion acres in soil erosion alone every year. Completing the Tellico will only add to and accelerate these trends and developments. I recently received a letter from the Department of Agriculture expressing their concern for the destruction of prime farmland that would be caused by the Tellico. I ask unanimous consent that the letter be printed in the RECORD at this point.

The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 6, 1979.

Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: Your concern for the preservation of prime farmland is recognized and appreciated. For that reason, we felt that the following information concerning the proposed Tellico Dam Project in Tennessee would be of interest.

Thirty-eight per cent, or 13,935 acres of the total project area has been designated as either Prime Farmland (USDA definition) or Lands of Statewide Importance (defined by USDA and Tennessee State Government). In the reservoir area, 6,721 or 46 per cent of the total 14,159 acres were designated as Prime Farmland or Lands of Statewide Importance.

The loss of more than two square miles of the most productive farmland of a local region is always of concern. However, in Eastern Tennessee the occurrence of such a large block of the best farmland is rare, and its possible loss is of serious concern. The loss of the large block of land formerly used to grow corn, grain sorghum and alfalfa has a severe impact on the local farming economy.

The local area has suffered not only the lost tax revenue from the 36,159 acres of land purchased for the project, but the loss of the land's contribution to the important farm industry of the area as well. We suggest, then, any further evaluations of the economic viability of continuing with the inundation of these important farmlands include a complete identification of the direct and indirect impacts on the agricultural economy.

If the Tellico Dam Project is to proceed as originally planned, the new residential, industrial, and vocational uses of the project lands would be substantial. The additional land use changes brought about outside of the project area might add an important increment to the already large direct and indirect impacts. We are concerned about this fact, and enclose a fact sheet on the land quality of the project area for your use.

Thank you for your keen interest in this country's farmland.

Sincerely,

JIM WILLIAMS,
Acting Secretary.

TELLICO PROJECT, LAND QUALITY

	Acres	Percent of total
1. Normal pool elevation: 813 ft above mean sea level		
2. 38,000 acres in total project, 36,159 acres of land in project		
3. Land quality, total project:		
Prime farmland	8,447	23
Lands of statewide importance	5,488	15
Undesignated	22,224	62
Total	36,159	100
4. Land quality, reservoir area (813 ft):		
Prime farmland	6,500	46
Lands of statewide importance	1,221	9
Undesignated	6,438	45
Total	14,159	100
5. Land quality, area outside reservior (813 ft):		
Prime farmland	1,947	9
Lands of statewide importance	4,267	19
Undesignated	15,786	72
Total	22,000	100

Mr. CULVER. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes and 40 seconds.

Mr. CULVER. I have only used 8, have I not? I asked for 5 minutes and 3 minutes.

The PRESIDING OFFICER. The time that was utilized by the Senator from Rhode Island was charged to the Senator from Iowa.

Mr. CULVER. So how much do I have?

The PRESIDING OFFICER. Five minutes and 27 seconds.

Mr. CULVER. I reserve that time.

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

The PRESIDING OFFICER. The Senator has 1 minute and 2 seconds.

Mr. JOHNSTON. Mr. President, obviously, the Senator from Iowa wants to have the last bite at the apple, and I feel inclined to give it to him.

Mr. President, obviously, this is an Alice in Wonderland argument. It does not cost $35 million to complete the dam. It will cost about $2.3 million to finish up minor work and close the gates. Who says $35 million? This Endangered Species Committee whose recommendations are patently—I will not say, Mr. President, fraudulent, but patently wrong.

Mr. President, how do you suppose they are going to get this land back into farm use that they keep talking about? Are they going to give it back to the farmers, or sell it to them? Oh, no. What they have in mind is to make some kind of wild and scenic free-flowing river park. This is not even a free-flowing, wild river; it is backwater or tailwater, with dams upstream and a reservoir below.

Mr. President, this is so clear: With about $1.8 million to $3 million the dam is complete as originally designed. They have to do some minor work—just a very small part—to close this dam. And it will give additional hydroelectric power for 20,000 people, hydroelectric power, flood control, navigation and recreation benefits. And it is then complete.

How this Senate, this Congress, can come in with a project that is essentially complete and, for some asinine reason like the Endangered Species Act, which does not even preserve the endangered species—that is irrelevant here. It has already been transplanted. How we can do that, Mr. President, I do not know. I hope we shall act in good sense and approve the Tellico Dam.

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.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CULVER. Mr. President, I shall take 3 minutes of my time.

You know, Mr. President, it is an old trick, of course, in a legislative body that if you have a convenient train passing a window that has some trendy appeal to it as a political issue, grab onto it. If energy is the name of the game, we shall trot that out as a justification to do anything in the name of progress. Let us just look at how fallacious that whole argument is.

The fact of the matter is that the Tellico Dam would provide only negligible power at best. The amount of energy the Tellico produces is insignificant. It is less than 23 megawatts, Mr. President. This represents less than one one-thousandth of TVA's total capacity at this time, which is in excess of 27,000 megawatts. TVA's planned capacity for 1985 is in excess of 40,000 megawatts. TVA does not need the additional energy from the Tellico dam project.

Demand within the system is rising currently at less than 4 percent a year, instead of the previous rate, Mr. President, of 6 to 7 percent a year. A 1978 GAO report projects that at the current rate of expansion, there could be an excess power capability, in the TVA system, ranging from 6,700 to 24,800 megawatts in the year 2000. Because of this, TVA today is in fact deferring four power units that are nuclear that would produce an additional 5,200 megawatts.

The proponents of the project speak of energy as if it were free. It is not. To get the 23 megawatts that are being spoken of, we have to spend an additional $35 million. What they are really advocating is, to get these additional 23 megawatts that we do not need, we have to spend an additional $35 million to flood $40 million worth of prime farmland and spend $720,000 after that annually, over and above the project benefits.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CULVER. Mr. President, I give myself an additional 30 seconds.

The snail darter is endangered. There are two populations of snail darters today that we know of in this area, one in the

Little Tennessee and one in the Hiawassee River. The Little Tennessee population would be destroyed if the gates of this dam were closed.

In a survey this year, the Fish and Wildlife Service found the number of young snail darters down in the Hiawassee River. The Fish and Wildlife Service considers the snail darter an endangered species. More importantly, there are no pending petitions from any Members of the Senate or any other group or party to reconsider this position.

Finally, Mr. President, in addition to ordering the completion of a dam which is environmentally and, most importantly today, economically unsound, the exemption would violate the jurisdictional prerogatives of the Environment and Public Works Committee, which, after all, is the committee of legislative jurisdiction here, which has carefully considered this issue, and which has rejected a Tellico exemption by a vote of 10 to 3. This is legislating on an appropriations bill and should not even be germane.

By approving the Tellico exemption, the Senate would also undermine an equitable solution it adopted just last year, a Cabinet-level review committee to resolve conflicts between endangered species and other legislation that it needs.

Mr. President, I again urge my colleagues to reject an exemption for the Tellico and ask that an eloquent defense of this position by former Senator James C. Buckley which appeared recently in the Washington Post be printed in the RECORD at this point.

[From the Washington Post, Sept. 4, 1979]

IN DEFENSE OF SNAIL DARTERS

(By James L. Buckley)

Few laws in recent years have caused such apoplexy among so-called practical men of affairs as the Endangered Species Act of 1973. It first burst upon the public consciousness two years ago when it was invoked to scuttle projected dams in Tennessee and Maine: the first to save a nondescript little fish called the snail darter, and the other, an inconspicuous flower called the furbish lousewort.

It is idiotic, cry the practical men of affairs, to allow sentimentality over a few hundred weeds or minnows to stand in the way of progress. It is irresponsible, reply the conservationists, to destroy forever a unique pool of genetic material; and the conservationists can marshal a host of non-sentimental arguments in support of what many consider to be the most important environmental legislation of this decade.

Of what good is a snail darter? As practical men measure "good," probably none; but we simply don't know. What value would they have placed on the cowpox virus before Pasteur; or on penicillium molds (other than those inhabiting blue cheeses) before Fleming; or on wild rubber trees before Goodyear learned to vulcanize their sap? Yet the life of almost every American is profoundly different because of these species.

Fully 40 percent of modern drugs have been derived from nature. Most of the food man eats comes from only about 20 out of the thousands of plants known to be edible. And even those currently being cultivated require the preservation of large pools of genetic materials on which plant scientists can draw in order to maintain their vigor and produce more useful strains. Only recently a perennial plant was discovered in a remote mountain region in Mexico that crossbreeds with corn. This grass may revolutionize the production of one of the world's most important foods. Had practical men of affairs been in charge of building dams in the Mexican sierras, however, it might have been lost—forever.

This century has witnessed over half the extinctions of animal species known to have occurred during recorded history; and largely because of the vast scale on which tropical rain forests are now being cut around the world, it is estimated that upward of a million additional species—about 20 percent of those now in existence—may become extinct by the year 2000.

The Endangered Species Act was enacted to slow down this accelerating rate of man-caused extinctions. Its purpose is not only to help save species that might prove of direct value to man, but to help preserve the biological diversity that provides the fundamental support system for man and other life.

As living creatures, the more we understand of biological processes, the more wisely we will be able to manage ourselves. Thus the deliberate extermination of a species can be an act of recklessness. By permitting high rates of extinction to continue, we literally limit the potential growth of biological knowledge. In essence, the process is tantamount to book burning; but it is even worse, in that it involves books yet to be deciphered and read.

As originally enacted, the legislation was defective, but not for the reasons given by those for whom the snail darter has become the symbol of environmental extremism. As correctly interpreted by the Supreme Court, the act prohibited any federally financed activity that might lead to the extermination of any species. Critics were quick to point out that the legislation rendered unlawful America's contribution to the now successful effort to exterminate smallpox. Man cannot escape the need to make difficult choices, and such choices will necessarily be made in the context of man's perception of his own best interests. The best one can hope for, therefore, is to establish safeguards that will tend to assure that those unavoidable choices will reflect a truly enlightened view of where those best interests lie.

This need to provide for some exceptions from the operation of the act was the focus of a sometimes bitter debate leading to the adoption of a series of amendments on the last day of the 95th Congress. They have been damned with equal vehemence by total protectionists and the bulldozer set—which suggests that the Congress may, on the whole, have worked out as reasonable a compromise as can be expected in any area giving rise to such strong emotion. Conservationists, for example, are concerned that the criteria for exemptions are too loosely drawn, but they can take heart from the fact that in the first two tests under the amended act, the Cabinet-level committee appointed under its terms unanimously voted against the completion of the Tellico Dam in Tennessee, and to require the safeguarding of vital whooping crane feeding grounds as a condition for approving the completion of the Greylocks Dam in Wyoming. The Greylocks decision suggests that progress and protection are not mutually exclusive objectives.

One might contend, of course, that our country's biological diversity is still so great and the land so developed—so criss-crossed with the works of man—that it will soon be hard to locate a dam anywhere in which some species would not be endangered. But as we develop a national inventory of endangered species, we certainly can plan our necessary developments so as to exterminate the smallest number possible, if not preclude man-caused extinction altogether. This, of course, is what the legislation, as amended, is intended to accomplish.

This objective represents a quantum jump in man's acknowledgement of his moral responsibility for the integrity of the natural world he passes on to future generations. It is this that lends the Endangered Species significance. It recognizes values, be they ethical or aesthetic, that transcend the purely practical and admit to an awe in the face of the diversity of creation.

The PRESIDING OFFICER. The Senator is reminded that he has 34 seconds remaining.

Mr. CULVER. I reserve that time.

Mr. JOHNSTON. Mr. President, I ask that a copy of a letter with a fact sheet from Representative "Bennie" Stafford, of Loudoun and Blount Counties, and Representative Bob Harrill of Monroe and McMinn Counties be printed in the RECORD at this point.

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

SEPTEMBER 1, 1979.

Hon. J. BENNETT JOHNSTON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JOHNSTON: We wish to thank you for your assistance and your vote when the Senate last considered the Tellico Dam and Reservoir Project in east Tennessee. This means a great deal to us and to our people, and we earnestly hope that when the matter again reaches the Senate in the near future, enough additional Senators will join you and the other supporters to finally pass the amendment which will make completion possible.

Since so much inaccurate information has been circulated about this project and so many misleading statements have been made, we have prepared the two pieces of *factual* material which are enclosed. Copies of each have been sent to every Senator who voted against this project on July 17, and we hope a better understanding of the true facts will cause some of them to change their minds and vote with you to settle this matter in the only sensible way, namely, by putting this project to work in order that the public's investment may be justified.

You may recall that the charge was made during the last Senate debate that the adoption by the House of Representatives of Congressman John Duncan's amendment was done in a manner which did not reflect the true intent of the House. That charge can no longer be made, and it has been resoundingly refuted by the House vote taken on August 2. Following more than one hour of debate, the House strongly reaffirmed its decision that this project should be completed by a vote of 258 to 156, with a majority of both parties voting in favor of completion. We trust that the Senate will now adopt the amendment, and we feel the House vote should help make that possible.

You will note in the text on the enclosed photographs some pertinent facts which were obviously not known to some Senators who voted against the project; for example, that the people have already moved out of the reservoir and that all farm buildings and improvements, such as fencing, have been removed; that utility lines have been taken out and roads and bridges destroyed.

The cost of refitting the cleared reservoir area for any other use would probably exceed the value of the land by a wide margin. Only completion will produce the low-cost hydroelectric power which we need. Only completion will give us the flood control, navigation, and job opportunities which our people want and need so badly.

May we again thank you for your past help, and we hope you will assist us to see that this long controversy is ended by completing the project for the purposes for

which it was authorized by Congress and built by TVA.

M. F. "BENNY" STAFFORD,
State Representative, Loudon and Blount Counties.
BOB E. HARRILL,
State Representative, Monroe and McMinn Counties.
CLYDE MCMAHAN,
County Judge, Blount County.
CHARLES EBLEN,
Mayor, Lenoir City (Loudon County).
CHARLES HALL,
Mayor, Tellico Plains (Monroe County).

FACTS ON THE TELLICO PROJECT

Much misleading and erroneous information has been circulated concerning the Tellico project. An example is the letter of Secretary Andrus to Senator Magnuson dated July 16, 1979, a copy of which was sent to each member of the Senate. Statements of the Secretary are followed by the facts regarding each statement.

ANDRUS. "The annual benefits of the project are $6.52 million, compared to annual costs of $7.25 million."

FACTS. Annual benefits and costs were jointly computed by a TVA-DOI Task Force in a report released August 10, 1978, as follows:

Total annual benefits, $4.95–$5.76 million. Total annual costs, $2.18 million. For a benefit-cost ratio of 2.3–2.6:1.

The TVA report to the Endangered Species Committee in December 1978 included recomputed benefits for a total annual benefit of $7,215,000 versus annual costs of $2,180,000 for a benefit ratio of 3.3:1. The Endangered Species Committee's staff made its own computation of annual costs adding $4.03 million per year as a penalty for failure to sell the land acquired for the project back to the public at a profit. Estimated land value was arrived at by using the highest value for land sold in Blount and Loudon Counties, applying it to the least valuable category of the land acquired, and ignoring Monroe County, in which most of the land actually lies. Moreover, an arbitrary discount figure of 10 percent was used rather than the Congressionally mandated rate prescribed by the Water Resources Council of 6⅝ percent. The Committee's calculations are erroneous, as is the statement of the Secretary based thereon. TVA outlined its plans for land acquisition and use to the Congress in 1967, those plans were accepted and approved, and TVA was directed to proceed accordingly. It has done so, and the land is in public ownership and ready for use for the purposes for which it was acquired. If and when some project lands are sold for recreational and industrial development, proceeds will amount to a recovery of a portion of the costs of the project and will constitute a benefit—not an annual cost.

ANDRUS. "Although project costs to date total $103.2 million, only $22.5 million has been sunk into actual construction of the dam. Remaining expenditures were for salaries, land acquisition, road construction, and the like, most of which have produced or will produce benefits regardless of whether the dam is completed."

FACTS. The figure of $22.5 million used for construction of the dam is misleading; it does not include the costs of the canal built to connect Tellico to Fort Loudoun Reservoir, or the costs of the road system built to serve the perimeter of the proposed lake. The entire reservoir area has been cleared; 348 families have moved out; all buildings, fences, trees, and water supplies have been removed or dismantled; roads have been abandoned; bridges removed; and 16,000 acres have been readied for the reservoir. The failure to complete the project as built would necessitate rebuilding many miles of roads, many bridges, and refitting the land for other than reservoir use. The Secretary ignores these costs. Only completion of the project as planned and built provides any benefits for electric power generation, flood control, and industrial development using the navigable waterway which would be created.

ANDRUS. "Tellico does not meet current Bureau of Reclamation standards for dam safety. In its 1978 report, TVA states that the maximum design flood is larger than the maximum flood that can be contained by the dam. That is, in the event of such a flood, the dam would be overtopped and breached, resulting in more significant destruction than if the dam had not been built. Furthermore, for less severe floods, flood control benefits are slight, total $1.04 million annually, and a substantial portion of these benefits are achieved by other means such as local zoning."

FACTS. The Tellico project is designed to pass the maximum probable flood from the Little Tennessee watershed without hazard to the dam. Such a flood would be far greater than any experienced in the east Tennessee region, and represents a safe and conservative basis for design of the Tellico project in the judgment of TVA engineers. Apparently, DOI's Bureau of Reclamation envisions some flood which would overtop the structure. In the event of such an unlikely condition, the dam would not suffer significant damage because the water level below the dam would be almost as high as that above due to flooding of the main river. The same is true of all relatively low dams such as Tellico and all of the TVA-built main river dams on the Tennessee River. TVA has a perfect record of safety for its system of both high and low dams in the Tennessee River Valley. The value of Tellico for flood control purposes can be simply illustrated. If completed, it will bring under control a large watershed which is presently unregulated by the TVA system. Had completion not been delayed by environmental litigation, the Tellico Reservoir could have saved the city of Chattanooga over $15 million (12 percent of the project cost in one year alone) during the major flood which occurred in 1973. The floodcrest in Chattanooga would have been reduced by more than 2 feet. If the 1973 flood is repeated in 1980, the savings would amount to an additional $32 million in 1979 dollars, more than ¼ the cost of the entire project.

ANDRUS. "Although project proponents claim substantial energy benefits for Tellico, actual benefits total only $2.7 million annually, and are based on the cost saved by substituting 200 million kilowatt hours of hydro for power which would otherwise be generated by TVA's existing coal-fired and nuclear facilities."

FACTS. The 200 million kilowatt hours of additional electricity made possible by completion of Tellico would enable 20,000 homeowners in the Tennessee Valley using oil for heating to convert to electricity. At the same time, TVA could avoid burning 15 million gallons of oil in its gas turbines which it must use to meet demand. This is also the energy equivalent of 90,000 tons of coal or 1.8 billion cubic feet of natural gas. Cost of generation of this power to TVA would be 1/10 that of equivalent oil-generated electricity. Hydro is the cheapest and cleanest power which TVA produces. TVA badly needs this additional power. It has been forced to buy high-cost power from neighboring utilities in each of the past three years and it has also reduced voltage in attempting to meet demand.

ANDRUS. "The dam itself has no generators, but rather creates water flow to provide additional generation for the nearby Fort Loudoun Dam. This electricity is not available as peaking power and does not add to the capacity of the TVA system."

FACTS. Additional generation at Fort Loudoun by water diverted from the Little Tennessee was planned when the Fort Loudoun generators were installed. Completion of the project and the additional water flow will enable Fort Loudoun to meet an increased share of the peak load on the TVA system. It will add 200 million kilowatt hours per year, presently worth $2.7 million, to TVA's electric energy output, thereby enlarging its capacity to serve its customers by that amount of additional generation. While not a great addition to TVA's total generating capacity, it is a greater amount than that produced at ½ of the dams in the TVA system, and it can effect a saving of oil, coal, uranium, or gas which TVA would otherwise be forced to purchase and burn.

ANDRUS. "Annual recreation benefits of the free-flowing river alternative exceed those of the dam by $600,000."

FACTS. The description of the lower 33 miles of the Little Tennessee River as "free-flowing" is inaccurate. This stretch of the river which is that affected by the Tellico project is actually tailwater below Chilhowee Dam. Six other major dams are upstream, including Fontana, one of the largest storage lakes in the TVA system. This makes the lower Little Tennessee one of the most completely regulated and controlled streams in America. The Secretary's statement as to recreation benefits is also erroneous since it is based on the assumption that demand for recreational facilities on a river equals that for lakeside facilities. Not one dollar of private capital has been invested on the "free-flowing" stretches of other rivers below other dams in east Tennessee; including the Holston, the French Broad, the Clinch, the Ocoee, or the Hiwassee. In contrast, many millions of dollars of private investment have been made in marinas, lodges, restaurants, vacation housing, boat clubs, camping areas, etc., on nearby lakes including Watts Bar and Fort Loudoun downstream, and Fontana upstream from the Tellico project area. In short, inflated and theoretical benefits were computed in order to make the river alternative acceptable. In so doing, the known facts in regard to actual demand and the resulting development on lakes in the area were intentionally ignored.

ANDRUS. "In addition to the various economic problems I have described, the Tellico amendment to H.R. 4388 overturns the deliberate and thoughtful processes designed by Congress to deal with conflicts between endangered species and development projects."

FACTS. The Endangered Species Committee considered the Tellico project for 15 minutes. It acted on a staff report containing basic errors, some of which are pointed out above. Before the Committee could have granted an expansion, it was required to prescribe measures for conserving the snail darter or its critical habitat. At the very outset of the hearing, Dr. Robert K. Davis of the Committee staff made the following statement to the Committee: "The project which consists of a concrete and earthen dam would inundate the only habitat in which the snail darter is known to survive." This is not the truth. In 1975 and 1976 TVA, with DOI approval, moved 710 snail darters from the Little Tennessee to the nearby Hiwassee River. By 1978, the number had grown to over 2,500 specimens in the Hiwassee, and a second transplant, again with DOI approval, has been made to the Holston River. The latest count in the Little Tennessee showed a remaining population of 7 snail darters. The Hiwassee and the Holston are now the habitats—not the Little Tennessee. These facts were known to the Department of the Interior. The Committee was misinformed on this key point. The economic benefits from completion of the project in relationship to annual costs were also misrepresented. Had the Committee acted responsibly and in the light of an accurate factual presentation, this amendment would not have been necessary. Its failure to do so makes the adoption of the

amendment essential in the public interest in order that the will of the Congress may be carried out.

(Prepared in the interest of truth, fairness, and common sense by Supporters for Completion of the Tellico Dam and Reservoir.)

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. How much time remains?

The PRESIDING OFFICER. The Senator has 27 seconds.

Mr. CULVER. On whose side?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. Does the other side have any time remaining, Mr. President?

The PRESIDING OFFICER. There is no time remaining to the other side.

Mr. CULVER. Mr. President, I will yield the remaining time to the Senator from Rhode Island.

I just point out, an exemption for Tellico will put the Senate squarely in the business every week in the months ahead having several of these kinds of exemptions we can play with over and over again.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 16 seconds.

Mr. CHAFEE. Mr. President, I merely note that this is extraordinary language. It provides that notwithstanding the provisions of 16 U.S.C., or any other law, TVA is authorized to proceed with this.

It means they are exempt from all other laws—workmen's compensation, clean water, historic preservation, Davis-Bacon—any other law that exists in the books, they are exempt from under the extraordinary language we are considering here.

The PRESIDING OFFICER. All time has expired. The question now is on agreeing to the motion that the Senate recede from its amendment No. 30. 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 Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

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

The PRESIDING OFFICER (Mr. BAUCUS). Are there any Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 48, nays 44, as follows.

[Rollcall Vote No. 269 Leg.]

YEAS—48

Baker	Burdick	Byrd, Robert C.
Bellmon	Byrd, Harry F., Jr.	Cannon
Boren		Cochran
Danforth	Jackson	Schmitt
Dole	Javits	Schweiker
Domenici	Jepsen	Simpson
Ford	Johnston	Stennis
Garn	Kassebaum	Stevens
Glenn	Laxalt	Stewart
Goldwater	Long	Talmadge
Gravel	Lugar	Thurmond
Hatch	Mathias	Tower
Hayakawa	McClure	Wallop
Heflin	Morgan	Warner
Helms	Pryor	Young
Huddleston	Ribicoff	
Humphrey	Sasser	

NAYS—44

Baucus	Hart	Packwood
Bentsen	Hatfield	Percy
Biden	Heinz	Proxmire
Boschwitz	Hollings	Randolph
Bradley	Kennedy	Riegle
Chafee	Leahy	Roth
Chiles	Levin	Sarbanes
Church	Magnuson	Stafford
Cohen	Matsunaga	Stevenson
Cranston	McGovern	Stone
Culver	Melcher	Tsongas
DeConcini	Metzenbaum	Weicker
Durkin	Moynihan	Williams
Eagleton	Nelson	Zorinsky
Exon	Nunn	

NOT VOTING—8

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	

So the motion to recede from Senate amendment No. 30 was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on H.R. 4392 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, 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 31, 1979.)

Mr. HOLLINGS. Mr. President, we will not be asking for a rollcall vote unless some of the Members wish it. I have checked that on the other side of the aisle.

I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I will support the conference agreement on the State, Justice, Commerce, the Judiciary and related agencies appropriation bill for fiscal year 1980. I point out to my colleagues, however, that the conference agreement fails to include my amendment to the Senate bill dealing with disaster assistance.

The purpose of that amendment was to push through needed reforms in the Farmers' Home and Small Business Administration disaster loan programs. These reforms were approved by the Senate in May as part of S. 918, the Small Business Act Amendments of 1979. Even though the House-passed companion bill contains similar provisions, conferees on the bill have been unable to reach agreement.

The deletion of my amendment from this appropriation conference agreement makes it imperative that the conferees on S. 918 continue efforts to iron out their differences. The Senate-passed disaster loan program reforms are necessary to realize legislative savings envisioned in the second budget resolution reported to the Senate. If those disaster loan provisions do not emerge from the conference on S. 918 intact, significant upward budget pressure will result.

I wish to ask the manager of the bill about the amendment that was in the Senate bill to bring about reforms in the Farmers' Home and Small Business Administration disaster loan program.

I understand that was dropped out of this bill, but there is a possibility we may——

Mr. HOLLINGS. It was dropped out of this bill but I am advised it will be in the Small Business Administration bill.

Mr. BELLMON. Which is S. 918?

Mr. HOLLINGS. Yes.

Mr. BELLMON. So that reform opportunity is not permanently lost?

Mr. HOLLINGS. Oh, no, sir. No, siree. And our distinguished ranking Republican Member, of course, the Senator from Connecticut (Mr. WEICKER), is the ranking Republican Member also on the small business bill. That opportunity is not lost.

Mr. MAGNUSON. Mr. President, I thank the distinguished chairman of the State, Justice, Commerce and Judiciary Subcommittee, the Senator from South Carolina (Mr. HOLLINGS), for the leadership and expediency he has shown in managing this bill.

The bill includes program increases in several areas under the jurisdiction of the National Oceanic and Atmospheric Administration. It includes $7,565,000 for Regional Fishery Management Council support. This appropriation will accelerate the implementation of the Fishery Conservation and Management Act of 1976 by the regional councils, by providing them with administrative and programmatic grants to develop fishery management plans for the various fisheries. The committee also directed that $1,300,000 in Saltonstall-Kennedy funds be used to fund anadromous fisheries programs, in order to address Pacific Northwest salmon conservation and management problems.

In addition, the bill provides the full amount requested, $1,100,000 and four positions, for NOAA's ocean use planning and assessment activities. Under title II of the Marine, Protection, Research, and Sanctuaries Act, and as trustee for

living marine resources under the Outer Continental Shelf Lands Act Amendments of 1978, NOAA must conduct comprehensive research aimed at assessing the impact of human activities on ocean ecosystems. The appropriation will allow NOAA to initiate three new projects, as well as to continue three ongoing studies in this area.

Once again, I would like to commend the Senator from South Carolina (Mr. HOLLINGS) for the excellent job he has done in handling this bill.

Mr. HOLLINGS. Mr. President, the distinguished chairman of our Appropriations Committee, the Senator from Washington (Mr. MAGNUSON) followed through on the extension of that 200-mile limit. I am happy that our appropriations do now implement his 200-mile legislation.

Mr. MAGNUSON. The 200-mile limit has been very successful.

Mr. HOLLINGS. It has been very successful, and, as a matter of fact, actually increases the jurisdictional limits of the United States of America by about a third. And in the accomplishment of this desirable end, the Senator from Washington joined us individually and enthusiastically.

Mr. MAGNUSON. It actually extended our jurisdiction more than the Louisiana Purchase.

Mr. HOLLINGS. Exactly.

Mr. SASSER. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield to the distinguished Senator from Tennessee.

Mr. SASSER. It is my understanding that the House of Representatives insisted on its disagreement to amendment numbered 26 which provided funds for the International Energy Exposition to be held in 1982. The House, I understand, felt that since this project is not yet authorized, that the funding should be delayed without prejudice until the necessary authorization is approved by the Congress. Is that the understanding of the gentleman from South Carolina, the chairman of the subcommittee?

Mr. HOLLINGS. Yes, that is my understanding. In view of a lack of authorization, the House wanted to defer this appropriation at this time.

Mr. SASSER. If the Senator will yield further. The plan of participation and the administration bill has recently been sent to the Congress. In addition, several weeks ago, my colleague from Tennessee, Senator BAKER, and I introduced a bill to authorize Federal participation in this exposition. That bill is pending in the Committee on Foreign Relations. Similar legislation is being introduced in the House. So, I would say to my friend from South Carolina that the authorization should be forthcoming in the next few weeks. I would assume that once we are making progress on the authorization, we would be able to place the necessary funding on the next available supplemental appropriations bill. If my information is correct, there should be an energy supplemental before the end of the year. Does the Senator from South Carolina agree that these funds could be placed in the next available supplemental?

Mr. HOLLINGS. I would say to the distinguished Senator from Tennessee that once this exposition has been authorized, then it would be appropriate to place these funds on a supplemental.

Mr. SASSER. I thank the distinguished chairman of the subcommittee. With that assurance I will not urge the Senate to insist on its position. I feel that it would be appropriate, in view of the position of the House of Representatives, that we defer the funding of this exposition at this time without prejudice.

I thank the distinguished and able chairman of the subcommittee for yielding.

Mr. HOLLINGS. I thank my distinguished colleague for his understanding and cooperation. I will move at the appropriate time, Mr. President, that the Senate recede on amendment No. 26.

Mr. President, this conference report was printed as House Report 96–402, and the statement of the managers fully explains the conference agreement.

The conference on this bill was held on July 31 and it was a good session with both sides striving hard for their priorities but at the same time cooperating to work out a satisfactory final bill. Our session was presided over by the distinguished chairman of the House subcommittee, the Honorable JOHN M. SLACK of West Virginia, who has handled this bill for many years and skillfully developed this conference agreement. Throughout the conference our distinguished ranking minority member, the junior Senator from Connecticut (Mr. WEICKER), stood steadfastly with me in the subcommittee in defending the Senate's positions on the various matters. Senator WEICKER has been a tremendous assistance and a most valuable partner in the hearings and the deliberations on this bill.

The conference agreement amounts to $8,345,091,000 excluding the $20,800,000 for the Energy Exposition in Knoxville, Tenn., upon which we could not reach agreement. The conference agreement is $181,777,000 below the budget estimates, and is $803,842,000 below the amount appropriated for fiscal year 1979. The decrease from the current year is largely due to the nonrecurrence of the $1,020 billion recently appropriated to the disaster loan fund of the Small Business Administration. As is the usual practice, the disaster requirements will be handled by supplemental appropriations.

Briefly stated, the major Senate items retained in the conference include:

First. Endorsement of the Senate's action in withdrawing funds requested by the Department of State and the International Communications Agency for wage increases for foreign national personnel exceeding the 7 percent guidelines to American wage earners. The Secretary of State has indicated that he is compelled by Government decrees and other requirements to make wage increases for these personnel averaging 15.2 percent and ranging up to 45 percent in one country.

However, we have removed this compulsion by removing the funds, and now the compulsion on the Secretary of State is to conform to both the Presidential and congressional policy of 7 percent.

Second. All of the additional 75 positions over the original budget estimates provided by the Senate for the Land and Natural Resources Division of the Department of Justice; as well as 18 additional unbudgeted positions for the Civil Rights Division and 41 over the budget for the Criminal Division.

That is well taken, Mr. President, in the light of recent reports by the FBI on the increase in both personal and property crimes in the United States.

Third. The full $584,408,000 authorized for the Federal Bureau of Investigation, an increase of $8,800,000 over the request.

Fourth. The Senate increase for the Immigration and Naturalization Service of 495 positions over the budget request for augmentation of the border patrol; and funds to automate processing and recordkeeping in Immigration and Naturalization Service district offices and to improve the nonimmigrant document control system.

Fifth. The full amount approved by the Senate for the new Office of Justice Assistance, Research and Statistics, which replaces the LEAA. This amount is $100 million less than the amount requested for the LEAA-type activities in order to conform with the first concurrent budget resolution, but includes a $50 million increase to maintain the current level of the juvenile justice and delinquency prevention program.

Sixth. In the Department of Commerce we agreed to $604,900,000 for the periodic censuses including all of the additional funds the Senate approved for the 1980 decennial census, except the $9,500,000 for the contingency. The census officials are understandably anxious that conducting the census by the mail may not be as successful as planned. However, the fiscal year has been moved back by 3 months since the last census and there will be time to make an emergency supplemental if the need arises.

Elsewhere in the Department of Commerce, we retained the full $8 million allowed for continuation of the U.S. Travel Service; all of the Senate approved budget add-ons for the National Oceanic and Atmospheric Administration; half of our increase to the budget of the Patent and Trademark Office, which will hopefully improve the deteriorating situation in processing patents and trademarks; and the full amounts for the educational television facilities and ship construction programs.

Seventh. Our most intense negotiations were with regard to the Small Business Administration. There is a sharp difference in the outlook of the Small Business Committees of the Senate and House with regard to the role of the SBA. Our recommendations had followed the lead of our Small Business Committee that SBA should get out of the direct lending business and concentrate on a developmental role. However, the House side still sees a need for SBA direct lending. As a result the compromise amount includes $154 million more for SBA's direct lending programs than the Senate approved. However, the conferees did endorse many of the additions that the Senate approved in SBA's salaries and expenses program, including $6,500,000

for expansion of the small business development centers.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that gives the complete results of the conference in tabular form. The table includes a comparison of the conference agreement with new budget authority made in fiscal 1979, the budget estimates for fiscal 1980, and the amounts approved in the House and the Senate versions of the bill.

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

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF STATE									
Administration of Foreign Affairs									
Salaries and expenses	$676,505,000	$715,811,000	$712,700,000	$712,322,000	$709,011,000	+$32,506,000	−$6,800,000	−$3,689,000	−$3,311,000
Representation allowances	2,900,000	3,190,000	3,100,000	3,090,000	3,090,000	+190,000	−100,000	−10,000	
Acquisition, operation, and maintenance of buildings abroad	125,177,000	64,443,000	64,000,000	64,000,000	64,000,000	−61,177,000	−443,000		
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	6,025,000	18,150,000	18,150,000	18,150,000	18,150,000	+12,125,000			
Emergencies in the diplomatic and consular service	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000				
Payment to the American Institute in Taiwan		5,954,000		5,954,000	5,954,000	+5,954,000		+5,954,000	
Payment to the Foreign Service retirement and disability fund	41,569,000	43,369,000	43,369,000	43,369,000	43,369,000	+1,800,000			
Total, administration of foreign affairs	854,526,000	853,267,000	843,669,000	849,235,000	845,924,000	−8,602,000	−7,343,000	+2,255,000	−3,311,000
International Organizations and Conferences									
Contributions to international organizations	386,033,000	411,552,000	411,500,000	411,552,000	411,500,000	+25,467,000	−52,000		−52,000
Contributions for international peacekeeping activities	67,000,000	70,000,000	67,000,000	67,000,000	67,000,000		−3,000,000		
Missions to international organizations	12,985,000	14,193,000	13,800,000	13,800,000	13,800,000	+815,000	−393,000		
International conferences and contingencies	8,000,000	7,200,000	6,700,000	6,700,000	6,700,000	−1,300,000	−500,000		
International trade negotiations	4,717,000					−4,717,000			
Total, international organizations and conferences	478,735,000	502,945,000	499,000,000	499,052,000	499,000,000	+20,265,000	−3,945,000		−52,000
International Commissions									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	6,989,000	7,708,000	7,700,000	7,700,000	7,700,000	+711,000	−8,000		
Construction	3,900,000	8,248,000	8,200,000	8,200,000	8,200,000	+4,300,000	−48,000		
American sections, international commissions	2,565,000	3,261,000	3,200,000	3,200,000	3,200,000	+635,000	−61,000		
International fisheries commissions	6,600,000	7,516,000	7,500,000	7,500,000	7,500,000	+900,000	−16,000		
Total, international commissions	20,054,000	26,733,000	26,600,000	26,600,000	26,600,000	+6,546,000	−133,000		
Other									
United States-Yugoslavia Bilateral Science and Technology Agreement		7,000,000	500,000	500,000	500,000	+500,000	−6,500,000		
Total, title I, new budget (obligational) authority, Department of State	1,353,315,000	1,389,945,000	1,369,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
TITLE II—DEPARTMENT OF JUSTICE									
General Administration									
Salaries and expenses	28,624,000	28,168,000	25,550,000	33,000,000	32,500,000	+3,876,000	+4,332,000	+6,950,000	−500,000
(By transfer)	(1,165,000)					(−1,165,000)			
United States Parole Commission									
Salaries and expenses		5,555,000	5,500,000	5,500,000	5,500,000	+5,500,000	−55,000		
Legal Activities									
Salaries and expenses, general legal activities	91,424,000	102,789,000	100,900,000	107,800,000	106,267,000	+14,843,000	+3,478,000	+5,367,000	−1,533,000
(By transfer)	(750,000)					(−750,000)			
Salaries and expenses, Antitrust Division	46,377,000	43,592,000	43,544,000	48,544,000	43,544,000	−2,833,000	−48,000		−5,000,000
(By transfer)	(1,131,000)					(−1,131,000)			
Salaries and expenses, U.S. attorneys and marshals	196,700,000	231,921,000	231,275,000	233,700,000	232,915,000	+36,215,000	+994,000	+1,640,000	−785,000
(By transfer)	(7,478,000)					(−7,478,000)			
Support of U.S. prisoners	25,100,000	21,800,000	21,800,000	21,800,000	21,800,000	−3,300,000			
Fees and expenses of witnesses	26,464,000	27,052,000	27,000,000	27,000,000	27,000,000	+536,000	−52,000		
Salaries and expenses, Community Relations Service	5,353,000	4,473,000	4,925,000	4,473,000	4,925,000	−428,000	+452,000		+452,000
Total, legal activites	391,418,000	431,627,000	429,444,000	443,317,000	436,451,000	+45,033,000	+4,824,000	+7,007,000	−6,866,000
Federal Bureau of Investigation									
Salaries and expenses	580,570,000	575,608,000	577,408,000	584,408,000	584,408,000	+3,838,000	+8,800,000	+7,000,000	
(By transfer)	(3,913,000)					(−3,913,000)			
Immigration and Naturalization Service									
Salaries and expenses	309,285,000	304,354,000	299,326,000	318,854,000	318,465,000	+9,180,000	+14,111,000	+19,139,000	−389,000
Drug Enforcement Administration									
Salaries and expenses	192,953,000	193,836,000	193,836,000	193,836,000	193,836,000	+883,000			

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE II—DEPARTMENT OF JUSTICE—Continued									
Federal Prison System									
Salaries and expenses, Bureau of Prisons	$315,200,000	$321,500,000	$311,600,000	$321,500,000	$321,500,000	+$6,300,000		+$9,900,000	
(By transfer)			(9,900,000)					(−9,900,000)	
National Institute of Corrections	9,920,000		9,884,000	9,884,000	9,884,000	−36,000	+$9,884,000		
Buildings and facilities	35,280,000	5,960,000		5,960,000	5,960,000	−29,320,000		+5,960,000	
Federal Prison Industries, Incorporated: (Limitation on administrative and vocational training expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
Total, Federal prison system	360,400,000	327,460,000	321,484,000	337,344,000	337,344,000	−23,056,000	+9,884,000	+15,860,000	
Law Enforcement Assistance Administration									
Salaries and expenses	646,488,000					−646,488,000			
Office of Justice Assistance, Research, and Statistics									
Law enforcement assistance		497,936,000		442,695,000	442,695,000	+442,695,000	−55,241,000	+442,695,000	
Research and statistics		48,411,000		43,768,000	43,768,000	+43,768,000	−4,643,000	+43,768,000	
Total, Office of Justice Assistance, Research, and Statistics		546,347,000		486,463,000	486,463,000	+486,463,000	−59,884,000	+486,463,000	
Total, title II, Department of Justice:									
New budget (obligational) authority	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−$7,755,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
TITLE III—DEPARTMENT OF COMMERCE									
General Administration									
Salaries and expenses	25,640,000	26,612,000	25,715,000	28,625,000	27,375,000	+1,735,000	+763,000	+1,660,000	−1,250,000
Participation in United States Expositions		20,800,000		20,800,000			−20,800,000		−20,800,000
Total, General Administration	25,640,000	47,412,000	25,715,000	49,425,000	27,375,000	+1,735,000	−20,037,000	+1,660,000	−22,050,000
Bureau of the Census									
Salaries and expenses	51,033,000	55,632,000	52,090,000	52,090,000	52,090,000	+1,057,000	−3,542,000		
Periodic censuses and programs	201,928,000	630,974,000	582,900,000	614,400,000	601,900,000	+402,972,000	−26,074,000	+22,000,000	−9,500,000
Total, Bureau of the Census	252,961,000	686,606,000	634,990,000	666,490,000	656,990,000	+404,029,000	−29,616,000	+22,000,000	−9,500,000
Economic and Statistical Analysis									
Salaries and expenses	16,977,000	17,898,000	17,725,000	17,875,000	17,875,000	+898,000	−23,000	+150,000	
Economic Development Administration									
Economic development assistance programs	(507,525,000)	(716,375,000)				(−507,525,000)	(−716,375,000)		
(By transfer)	(5,658,000)					(−5,658,000)			
(Economic development revolving fund-limitation)	(171,000,000)					(−171,000,000)			
Total obligational authority, economic development assistance programs	(684,183,000)	(716,375,000)				(−684,183,000)	(−716,375,000)		
Local public works program	(10,968,000)					(−10,968,000)			
Salaries and expenses	(30,536,000)	(42,667,000)				(−30,536,000)	(−42,667,000)		
Total, Economic Development Administration	(549,029,000)	(759,042,000)				(−549,029,000)	(−759,042,000)		
Regional Action Planning Commissions									
Regional development programs	(62,800,000)	(74,005,000)				(−62,800,000)	(−74,005,000)		
Industry and Trade Administration									
Operations and administration	73,573,000	85,083,000	77,394,000	78,837,000	77,670,000	+4,097,000	−7,413,000	+276,000	−1,167,000
Minority Business Enterprise									
Minority business development	57,965,000	58,783,000	58,689,000	58,689,000	58,689,000	+724,000	−94,000		
United States Travel Service									
Salaries and expenses	13,597,000			8,000,000	8,000,000	−5,597,000	+8,000,000	+8,000,000	
National Oceanic and Atmospheric Administration									
Operations, research, and facilities	676,353,000	718,382,000	688,656,000	711,939,000	702,350,000	+25,997,000	−16,032,000	+13,694,000	−9,589,000
(By transfer)	(5,000,000)		(5,000,000)	(5,000,000)	(5,000,000)		(+5,000,000)		
Total obligational authority, operations, research, and facilities	(681,353,000)	(718,382,000)	(693,656,000)	(761,939,000)	(707,350,000)	(+25,997,000)	(−11,032,000)	(+13,694,000)	(−9,589,000)
Coastal zone management	63,840,000	65,978,000	63,575,000	65,925,000	64,675,000	+835,000	−1,303,000	+1,100,000	−1,250,000
Construction	60,000,000					−60,000,000			
Coastal energy impact fund		4,043,000					−4,043,000		

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE III—DEPARTMENT OF COMMERCE—Continued									
National Oceanic and Atmospheric Administration									
Fishing vessel and gear damage compensation fund	$1,000,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	+$2,500,000			
Fishermen's contingency fund	450,000	600,000	600,000	600,000	600,000	+150,000			
Total, National Oceanic and Atmospheric Administration	801,643,000	792,503,000	756,331,000	781,964,000	771,125,000	−30,518,000	−$21,378,000	+$14,794,000	−$10,839,000
Patent and Trademark Office									
Salaries and expenses	96,654,000	97,598,000	97,562,000	102,000,000	99,672,000	+3,018,000	+2,074,000	+2,110,000	−2,328,000
Science and Technical Research									
Scientific and technical research and services	90,300,000	100,454,000	96,344,000	97,825,000	96,528,000	+6,228,000	−3,926,000	+184,000	−1,297,000
National Telecommunications and Information Administration									
Salaries and expenses	11,620,000	18,762,000	15,315,000	18,410,000	17,305,000	+5,685,000	−1,457,000	+1,990,000	−1,105,000
Public telecommunications facilities, planning and construction	18,000,000	23,705,000	12,000,000	23,705,000	23,705,000	+5,705,000		+11,705,000	
Total, National Telecommunications	29,620,000	42,467,000	27,315,000	42,115,000	41,010,000	+11,390,000	−1,457,000	+12,695,000	−1,105,000
Maritime Administration									
Ship construction	157,000,000	101,000,000	32,000,000	101,000,000	101,000,000	−56,000,000		+69,000,000	
Operating-differential subsidies (appropriation to liquidate contract authority)	(250,000,000)	(256,208,000)	(156,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Research and development	17,500,000	16,360,000	16,300,000	16,300,000	16,300,000	−1,200,000	−60,000		
Operations and training	58,516,000	61,472,000	64,622,000	64,622,000	64,622,000	+6,106,000	+3,150,000		
Total, Maritime Administration	233,016,000	178,832,000	112,922,000	181,922,000	181,922,000	−51,094,000	+3,090,000	+69,000,000	
Total, title III, Department of Commerce:									
New budget (obligational) authority	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+130,869,000	−48,286,000
(Liquidation of contract authorization)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
TITLE IV—THE JUDICIARY									
Supreme Court of the United States									
Salaries and expenses	9,690,000	10,250,000	10,250,000	10,250,000	10,250,000	+560,000			
Care of the building and grounds	1,475,000	2,157,000	2,157,000	2,157,000	2,157,000	+682,000			
Total, Supreme Court of the United States	11,165,000	12,407,000	12,407,000	12,407,000	12,407,000	+1,242,000			
Court of Customs and Patent Appeals									
Salaries and expenses	1,121,000	1,719,000	1,719,000	1,719,000	1,719,000	+598,000			
Customs Court									
Salaries and expenses	3,095,000	4,983,000	4,850,000	4,850,000	4,850,000	+1,755,000	−133,000		
Court of Claims									
Salaries and expenses	3,570,000	5,361,000	5,290,000	5,230,000	5,230,000	+1,660,000	−131,000	−60,000	
Courts of Appeals, District Courts, and other Judicial Services									
Salaries of judges	41,458,000	48,814,000	48,500,000	48,500,000	48,500,000	+7,042,000	−314,000		
Salaries of supporting personnel	175,495,000	196,532,000	195,700,000	195,700,000	195,700,000	+20,205,000	−832,000		
Defender services	24,800,000	26,595,000	26,000,000	26,000,000	26,000,000	+1,200,000	−595,000		
Fees of jurors and commissioners	24,750,000	36,000,000	34,000,000	34,000,000	34,000,000	+9,250,000	−2,000,000		
Travel and miscellaneous expenses	35,514,000	40,272,000	37,800,000	37,800,000	37,800,000	+2,286,000	−2,472,000		
Salaries and expenses of magistrates	19,441,000	22,193,000	22,000,000	22,000,000	22,000,000	+2,559,000	−193,000		
Bankruptcy courts, salaries and expenses	36,658,000	67,818,000	57,000,000	60,000,000	58,500,000	+21,842,000	−9,318,000	+1,500,000	−1,500,000
Services for drug offenders		3,500,000	3,500,000	3,500,000	3,500,000	+3,500,000			
Space and facilities	98,400,000	125,928,000	117,500,000	117,500,000	117,500,000	+19,100,000	−8,428,000		
Special Rail Reorganization Court		2,000,000					−2,000,000		
Furniture and furnishings	12,700,000					−12,700,000			
Pretrial services agencies	5,000,000					−5,000,000			
Total, courts of appeals, district courts, and other judicial services	474,216,000	569,652,000	542,000,000	545,000,000	543,500,000	+69,284,000	−26,152,000	+1,500,000	−1,500,000
Administrative Office of the United States Courts									
Salaries and expenses	12,899,000	15,879,000	15,100,000	15,100,000	15,100,000	+2,201,000	−779,000		
Federal Judicial Center									
Salaries and expenses	8,279,000	9,768,000	8,500,000	8,500,000	8,500,000	+221,000	−1,268,000		
Total, title IV, new budget (obligational) authority, the Judiciary	514,345,000	619,769,000	589,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES									
Arms Control and Disarmament Agency									
Arms control and disarmament activities	$17,720,000	$18,876,000	$17,670,000	$18,870,000	$18,270,000	+$550,000	−$606,000	+$600,000	−$600,000
Board for International Broadcasting									
Grants and expenses	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights									
Salaries and expenses	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000	----------	−140,000
Commission on Security and Cooperation in Europe									
Salaries and expenses	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000	----------	----------
Equal Employment Opportunity Commission									
Salaries and expenses	107,000,000	125,060,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,060,000	----------	−6,000,000
Federal Communications Commission									
Salaries and expenses	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission									
Salaries and expenses	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000	----------	−42,000
Federal Trade Commission									
Salaries and expenses	(65,300,000)	(69,021,000)	----------	----------	----------	(−65,300,000)	(−69,021,000)	----------	----------
Foreign Claims Settlement Commission									
Salaries and expenses	----------	1,030,000	----------	----------	----------	----------	−1,030,000	----------	----------
(By transfer)	(1,015,000)	----------	(1,000,000)	(1,030,000)	(1,030,000)	(+15,000)	(+1,030,000)	(+30,000)	----------
International Communication Agency									
Salaries and expenses	373,938,000	401,245,000	399,200,000	395,445,000	396,010,000	+22,072,000	−5,235,000	−3,190,000	+565,000
Salaries and expenses (special foreign currency)	10,124,000	13,012,000	13,012,000	13,012,000	13,012,000	+2,888,000	----------	----------	----------
Center for cultural and technical interchange between East and West	13,500,000	14,835,000	14,500,000	14,835,000	14,667,000	+1,167,000	−168,000	+167,000	−168,000
Acquisition and construction of radio facilities	19,685,000	2,400,000	2,400,000	2,400,000	2,400,000	−17,285,000	----------	----------	----------
Total, International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission									
Salaries and expenses	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission									
Japan-United States Friendship Trust Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	----------	----------	----------	----------
(Foreign currency appropriation)	(1,000,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(+200,000)	----------	----------	----------
Legal Services Corporation									
Payment to the Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission									
Salaries and expenses	702,000	640,000	640,000	940,000	940,000	+238,000	+300,000	+300,000	----------
Office of the Special Representative for Trade Negotiations									
Salaries and expenses	2,707,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,293,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger									
Salaries and expenses	1,300,000	975,000	975,000	975,000	975,000	−325,000	----------	----------	----------
Renegotiation Board									
Salaries and expenses	5,260,000	7,363,000	----------	----------	----------	−5,260,000	−7,363,000	----------	----------
Securities and Exchange Commission									
Salaries and expenses	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	----------
Select Commission on Immigration and Refugee Policy									
Salaries and expenses	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000	----------	----------
Small Business Administration									
Salaries and expenses	182,935,000	185,300,000	192,300,000	182,300,000	182,300,000	−635,000	−3,000,000	−10,000,000	----------
(Transfer from Disaster Loan Fund)	(13,000,000)	----------	----------	(11,650,000)	(16,650,000)	(+3,650,000)	(+16,650,000)	(+16,650,000)	(+5,000,000)
Total obligational authority, salaries and expenses	(195,935,000)	(185,300,000)	(192,300,000)	(193,950,000)	(198,950,000)	(+3,015,000)	(+13,650,000)	(+6,650,000)	(+5,000,000)

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES—Con.									
Small Business Administration									
White House Conference on Small Business	$4,000,000					−$4,000,000			
Business loan and investment fund	520,500,000	$546,000,000	$580,000,000	$411,000,000	$565,000,000	+44,500,000	+$19,000,000	−$15,000,000	+$154,000,000
Disaster loan fund	1,248,000,000	60,000,000	60,000,000	60,000,000	60,000,000	−1,188,000,000			
Lease guarantees revolving fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000				
Surety bond guarantees revolving fund	35,000,000					−35,000,000			
Total, Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
United States Metric Board									
Salaries and expenses	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Total, title V, new budget (obligational) authority, related agencies	3,079,589,000	1,996,563,000	1,977,837,000	1,797,277,000	1,949,938,000	−1,129,651,000	−46,625,000	−27,899,000	+152,661,000
TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979									
DEPARTMENT OF JUSTICE									
Legal Activities									
Salaries and expenses, U.S. attorneys and marshals (by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
RECAPITULATION									
Grand total, titles I, II, III, IV, V, and VII:									
New budget (obligational) authority	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
(By transfer)	(39,110,000)		(15,900,000)	(17,680,000)	(22,680,000)	(−16,430,000)	(+22,680,000)	(+6,780,000)	(+5,000,000)
(Fiscal year 1979 supplemental, by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
Memoranda: (Appropriations to liquidate contract authorizations)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Total appropriations, including appropriations to liquidate contract authorizations	9,398,933,000	8,783,076,000	7,951,215,000	8,509,542,000	8,601,299,000	−797,634,000	−181,777,000	+650,084,000	+91,757,000
Department of State	1,353,315,000	1,389,945,000	1,369,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
Department of Justice	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−7,755,000
Department of Commerce	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+131,869,000	−48,286,000
The Judiciary	514,345,000	619,769,000	589,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000
Related agencies:									
Arms Control and Disarmament Agency	17,720,000	18,876,000	17,670,000	18,870,000	18,270,000	+550,000	−606,000	+600,000	−600,000
Board for International Broadcasting	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000		−140,000
Commission on Security and Cooperation in Europe	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000		
Equal Employment Opportunity Commission	107,600,000	125,060,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,060,000		−6,000,000
Federal Communications Commission	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000		−42,000
Federal Trade Commission	(65,300,000)	(69,021,000)				(−65,300,000)	(−69,021,000)		
Federal Claims Settlement Commission		1,030,000					−1,030,000		
International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission	702,000	640,000	640,000	940,000	940,000	+233,000	+300,000	+300,000	
Office of the Special Representative for Trade Negotiations	2,707,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,293,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger	1,300,000	975,000	975,000	975,000	975,000	−325,000			
Renegotiation Board	5,260,000	7,363,000				−5,260,000	−7,363,000		
Securities and Exchange Commission	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	
Select Commission on Immigration and Refugee Policy	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000		
Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
U.S. Metric Board	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Grand total	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000

Mr. HOLLINGS. Mr. President, when the conference report was considered by the other body they voted to insist on their disagreement to amendment number 26. This amendment appropriates $20,800,000 for participation in international expositions in order to construct and operate a Federal pavilion at the 1982 Energy Exposition in Knoxville, Tenn. We asked them to take this back and give the proponents a vote and the House has now clearly spoken. In order not to delay the bill any further, I shall recommend at the appropriate time that the Senate recede on amendment number 26.

Mr. President, I believe I have adequately covered the highlights of the conference agreement and I am ready to respond to any questions that the Senators may have regarding this report. However, prior to yielding to our distinguished ranking minority member for any comments he may have, I want to update my remarks with one further comment relative to the reconciliation that is presently proposed by the Senate Budget Committee in the second concurrent resolution, which will be considered by this body come Wednesday of this week.

Obviously, if a reconciliation is mandated, then we shall have to have a rescission bill and we shall have to cut back. The reconciliation recommended by the Budget Committee calls for almost $4 billion amount in its entirety. A substantial part of that will have to be handled by the Appropriations Committee; some $2.9 billion will have to be extracted from appropriations measures broadly across the board.

We have not worked this out with the distinguished chairman of appropriations as the committee will have to meet on it, but I think our State-Justice Commerce Subcommittee has been tentatively allocated a cut of about $200 million if we have a rescission. So we would have to go back to the drawing board, looking at some of these add-ons of $150 million in direct lending for SBA; the ship construction of $69 million; and of course, we had some $50 million added in juvenile justice. There is some leeway, but I wanted to have a full, open, candid statement to our colleagues, in acting on this conference report, that we did not act without the knowledge of reconciliation.

It could be that the reconciliation could be had at the end of all action by all of the Appropriations Subcommittees similar to the action of the Senate to be taken this afternoon. That is going to be worked out by the distinguished chairman of the Committee on Appropriations and the distinguished chairman of the Committee on the Budget when he returns to the city tomorrow. I did want just to comment on that particular course of action.

Rescission could be had. It could be had immediately, later on next week sometime, or later in October, when all the appropriations bills have been acted upon. We shall respond accordingly, in accordance with the mandate of the Senate. We have given it our full consideration at this particular time and we are very proud to bring this conference report to the floor at this time.

I yield to my distinguished colleague, the Senator from Connecticut.

Mr. WEICKER. Mr. President, I join the distinguished Senator from South Carolina in requesting Senate approval of the conference report on H.R. 4392. Without further ado, I also compliment my distinguished colleague from South Carolina on a superb job, both within the committee and in the conference. It is not an easy thing to accommodate all of the various requests of the agencies and do it in a fiscally responsible manner. This has been done by my colleague from South Carolina; he has matched fiscal responsibility with compassion and foresightedness. The end product is due, in large measure, to those efforts.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. CRANSTON. Mr. President, I rise to express my opposition to the conference report on H.R. 4392, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, fiscal year 1980.

Mr. President, this conference report contains a provision prohibiting the use of Federal funds appropriated to the Legal Services Corporation for activities on behalf of any alien known to be in the United States in violation of the Immigration and Nationality Act or any law, convention, or treaty of the United States relating to the immigration, exclusion, deportation or expulsion of aliens. This provision, which was part of the House bill, was specifically rejected during the Senate Appropriations Committee consideration of this bill and was never considered by the Senate itself. I am strongly opposed to this type of discrimination in the provision of legal services to any group of individuals who are in need of legal assistance and the protections of our judicial system. I feel so strongly that this type of provision is contrary to the basic principles underlying the Legal Services Corporation Act that I will be compelled to vote against this appropriation measure because of this restriction.

Mr. President, the federally funded legal services program is founded upon the notion that access to competent legal assistance for individuals of all economic statuses is essential to our national commitment to equal justice for all. As one of the authors of the Legal Services Corporation Act, I am firmly committed to the policy that no individual should be denied legal assistance on an arbitrary or capricious basis. In the past, I have expressed my opposition to limitations in Federal legislation that would single out otherwise eligible individuals and exclude them from assistance under the act. This provision creates the same type of invidious discrimination which is contrary to the purpose of the Legal Services Corporation Act.

Not only does the restriction contained in this Appropriations Act conference report violate the policy underlying the Legal Services Corporation Act, I believe that it raises important constitutional questions in terms of denying a fundamental civil right—access to equal justice. The Bill of Rights does not limit the protections of the U.S. Constitution to citizens of this country. The 14th amendment very explicitly provides that no State may deprive "any person" of life, liberty, or property without due process of law; nor deny to "any person" within its jurisdiction the equal protection of the law. The fifth amendment applies those same principles to the Federal Government and the courts of this Nation have consistently interpreted those fundamental protections to apply to noncitizens residing in this country as well as citizens.

Mr. President, in addition to the constitutional and policy implications of this provision, I have grave concerns about the potential discriminatory application of this type of provision. There is a substantial likelihood that if this provision is not narrowly construed when it becomes law, only individuals of certain national origins will be required to prove their citizenship as a condition of receiving legal assistance. This type of "citizenship" test would create a kind of second-class citizenship for many minority groups in this country which many other Americans and I would find most repugnant.

Mr. President, this type of provision also might increase the likelihood that some individuals whose legal status in this country is unclear would be the victims of exploitation by employers and others who know that a request for legal assistance from a legal services office may precipitate an investigation into an individual's residency status. The potential for exploitation of these individuals—already large—could only be increased if it is Federal policy to deny legal assistance to these individuals.

INTERPRETATION OF "KNOWN" ALIEN PROVISION

Mr. President, the prohibition contained in the conference report states that no funds appropriated to the Legal Services Corporation may be used for activities on behalf of any alien "known" to be in the United States in violation of immigration laws. Under present immigration law, a determination that an individual is in this country in violation of an immigration statute is reached only after full due process have been completed.

It certainly cannot be the intent of Congress to substitute the subjective judgment of an individual legal services attorney as to whether a potential client is "legally" within the country for the full due process proceedings that the individual is entitled to receive under our immigration laws.

I should like to ask the floor manager if it is his understanding as it is mine, that this provision which forbids legal assistance to individuals "known" to be in the United States in violation of immigration laws means that the individual legal services attorney must be aware that a final judicial determination as to the client's residency status has been reached and that such a final determination has actually been reached.

Mr. HOLLINGS. That is my understanding as well.

Mr. CRANSTON. I thank the Senator.

Finally, Mr. President, as a member of the Labor and Human Resources Subcommittee on Employment, Poverty, and Migratory Labor, which has jurisdiction over legislation authorizing the legal services program, I believe that it is entirely inappropriate to add a legislative provision such as this to an appropriation bill—without hearings or consideration by the authorizing committee.

Mr. President, the existing Legal Services Corporation Act is a very carefully drafted and balanced measure. The subcommittee began oversight hearings on the program several months ago and has indicated that further oversight hearings will be scheduled. A provision of this magnitude and implications for this program should not be enacted as a rider to an appropriations measure, but should be considered only in the regular legislative process where the merits of such a restriction can be fully and fairly debated.

For all of these reasons, I intend to vote "no" on the conference report on H.R. 4392.

Mr. HOLLINGS. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $709,011,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended: *Provided,* That $342,695,000 of said amount shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

RESEARCH AND STATISTICS

For research, development, demonstration, statistical and related efforts directed towards the improvement of civil, criminal and juvenile justice systems authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, including salaries and other expenses, in connection therewith, $43,768,000, to remain available until expended: *Provided,* That these funds shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for prosecution of any person for the failure to return 1978 Agricultural Census forms 78–A40A or 78–A40B, or 78–A40C or 78–A40D, or for the preparation of similar forms for any future agricultural census.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

, and in addition $11,650,000 for disaster loan making activities shall be transferred to this appropriation from the "Disaster Loan Fund" and $5,000,000 for disaster loan servicing, as compensation for 275 temporary or permanent full time employees, shall be transferred to this appropriation from such "Disaster Loan Fund"

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 1, 23, 24, 29, and 64.

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

The clerk will state the amendment in disagreement numbered 26.

The second assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill.

Mr. HOLLINGS. Mr. President, I move that the Senate recede from its amendment numbered 26.

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

The motion was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the amendments in disagreement were approved.

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

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, once again, I thank my distinguished colleague from Connecticut (Mr. WEICKER) and the chairman of the full committee (Mr. MAGNUSON) for their helpfulness here this afternoon in getting the conference report approved.

Mr. President, at this time, we take for granted so often the outstanding work done by our clerk, Mr. Warren Kane, and his counterpart on the minority side, Burkett van Kirk.

I think in our own State, Justice, Commerce, the Judiciary, and related agencies appropriations bills that we have more individual agencies, Departments, and appropriations than any single appropriations bill, even including defense when we come down to the multiplicity of considerations.

There are approximately 120 individual accounts and we have to keep up with various special allocations, whether it be the Special Trade Representative, SBA, the LEAA, EDA, or all the other different ones that come before us from time to time, such as the international communications, or the disaster loan fund.

It calls for an expertise, Mr. President, that we do not easily find, so we go out and employ someone to oversee and coordinate and keep us, as Senators, informed and acting intelligently on these matters.

I commend particularly Warren Kane on the magnificent job he has done over the years. He is an expert in his own right. There is no more outstanding member of our Appropriations Committee staff. I should have done this long ago, but we take for granted the outstanding job they all do.

I do not want to delay the Senate. I am taking advantage of the leadership's indulgence here at this particular late hour. I am not holding anybody up, but while the majority leader still has us on the floor I wanted to take this opportunity and publicly thank Warren Kane for an outstanding job.

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.

NONALINED NATIONS MEETING IN HAVANA

Mr. HATCH. Mr. President, it is with a sense of surprise that I note the inadequate attention paid by the administration to the movement of nonalined nations in general and their ongoing meeting in Havana in particular. After all it was more than 3 years ago that the member nations of the nonalined movement decided to call their sixth conference in the Cuban capital. The administration has, therefore, no excuse for failing to develop a viable political alternative to the expected aggressive approach of Cuba and the Soviet Union. For since 1968, when Castro announced his full political support for the invasion of Czechoslovakia, Cuba's dependence on the Soviet Union has significantly increased.

Currently the principal forms of Soviet economic help are subsidies directed specifically to bilateral trade deficits, high subsidy prices for Cuban sugar, and concessionary prices for Soviet petroleum products. Moreover, an agreement signed in December 1972, governing Soviet-Cuban economic relations postponed payments of interest and principal on all credits granted to Cuba before January 1973. Soviet credits to cover trade balance deficits for 1973–75 were granted free of interest, with the principal to be repaid also beginning in 1986. Current repayment schedules stretch until 1986.

In the face of such almost total dependence of Cuban internal development on the goodwill assistance of the Soviet Union, it is not surprising that Havana accepted a significant curtailment of its political autonomy by the Soviet Union. This change in Cuban policies obviously engendered a greater degree of convergence with the foreign policy of the Soviet Union. The qualitatively new relationship with the Soviets has helped Cuba to acquire a special role in the nonalined movement.

For what was in the 1960's a lonely and thus desperate attempt to escape the effects of the American embargo has increasingly become the heart of globally oriented Cuban foreign policy, actively supported by the Soviet Union. Moreover, despite its close ties with the Soviet Union, Havana has managed to maintain a degree of relative independence from Moscow in its dealings with Latin American, Asian, and African countries by avoiding any conflict with major Soviet interests and supporting the themes of anticolonialism and progressivism. Thus to claim that Havana does not have a foreign policy of its own and is only a puppet of the Soviet Union would not only be a gross misjudgment of Cuba's international role, both within the Communist ramp and the nonalined movement, but also an eloquent evidence of our political singlemindedness that would inevitably lead to a complete failure of our foreign policy.

To add insult to injury we also failed to recognize that Cuba has an Africa

policy of its own that has been appealing to a number of African countries. This policy has been based mainly on the Soviet supported economic and military development of Cuba. Another important factor that encouraged a more direct Cuban involvement in Africa was the post-Vietnam weakness of the United States.

The increasing reluctance of the United States to enforce its policy of isolating Cuba has induced a number of Latin American countries to become more friendly to Havana. As a result of these political, economic, and military factors Cuba engaged with the tacit support of the Soviet Union in military actions in Angola, Ethiopia, Yemen, and most recently in Cambodia. Simultaneously to each military action Havana started to promote an increasingly aggressive ideological campaign of its principal ally, the Soviet Union.

In my opinion this policy is enormously dangerous for two reasons. Primarily this more aggressive foreign policy enjoys the full support of the Soviet Union. Indeed the obvious identity of Cuban and Soviet policies can have a decisive impact on the political posture of many nonalined countries. Such a development can transform the nonalined into a political appendage of the Communist camp. Second, Cuba's new approach represents a global concept of foreign policy, thus making it uniquely attractive for countries with volatile political systems.

How confident the Soviet Union and Cuba are that the time is ripe to bring about radical change in both the leadership and the political direction of this movement, and this confidence becomes crystal clear if one reads the Cuban draft of the communique to be issued at the end of the summit. This document calls for the immediate independence of Puerto Rico, it denounces naval activities in the Indian Ocean by the United States, it blames all of Indochina's recent troubles exclusively on the United States; and it calls for the unification of South and North Korea on Communist terms. Moreover, it condemns the peace treaty between Egypt and Israel and calls for the expulsion of Israel from the international community.

It is significant that this document does not deal with the responsibility of Vietnam for the various explosive situations in Indochina, the Soviet presence in the Indian Ocean, and the demand of moderate countries that the Egypt-Israeli Peace Treaty must be considered as the hardcore of any eventual future solution of the Middle East problem. Even the presence of Soviet combat forces on Cuban soil is openly praised as part of the international solidarity that must exist between the Soviet Union and the nonalined countries.

All this brings to me the conclusion that the Kremlin made the decision to infiltrate the American continent and thus to challenge the United States so close to its strategic boundaries. This unfolding spectacle threatens our society in its very existence. And yet what is the administration doing to counter this dangerous trend. Frankly, I do not see a workable concept that could become an effective response to the joint Cuban-Soviet foreign policy. We do not have a Weltanschauung, a global concept of the world. We do have an African policy. We do not have a convincing approach to deal with the mounting problems in Asia. In the Middle East we almost destroyed the peace process we helped to create. Finally, we still tolerate Soviet expansionism throughout the world without being able to develop a credible alternative to this aggressive policy.

What we do have is an irresponsible Government that is lacking in imagination and markedly singleminded in its foreign policy expectations. Our country is perceived as weak, because the Carter administration is not ready to fight for America's political heritage. Yet the overall political situation requires a national will, determination, and even toughness to overcome this weakness both at home and abroad. This country must free itself from the psuedo-realpolitik of Soviet-American detente that accepts the Marxists conclusion: That the United States and the other Western European democracies have no future.

We are strong and we have the resources to maintain this strength. Moreover we are able to reach out to the oppressed countries of Middle and Eastern Europe who in spite of 35 years of ruthless Soviet oppression still adhere to their own national values. We must develop a sensitivity for the needs of different regions and nations in the actual conduct of our foreign policy. And even that is not nearly enough. We have to impress the fact upon the world that we are strong and ready to use our strength dealing with anybody who dares to question the seriousness of our national will.

BUDGET SHAM

Mr. HATCH. Mr. President, an incisive editorial in this morning's Wall Street Journal illustrates the bankrupt thinking of the congressional budget committees in dealing with our present economic problems and in developing a national security posture. As this editorial points out, the Budget Committee has just pursued "business as usual" in following the same faulty economic thinking that has produced our present recession and accelerating inflation rate of over 13 percent. It has continued to trade off spending on our national security in favor of expanding social programs. And finally, the Budget Committee seems content to accept incredibly high rates of inflation for the next 5 years as if impotent to do anything to bring inflation more under control through its budgetary policies. I commend this editorial to my colleagues and ask unanimous consent to have it included in the RECORD.

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

BUDGET SHAM

With the autumn air comes the second congressional budget resolution for Fiscal Year 1980. But judging from the advance notices, fresh air hasn't penetrated the same old stale stuff. Faced with rising inflation rates, a declining defense posture, rising marginal tax rates and declining economic growth, the budget committees seem primarily occupied with giving the impression that there's more defense spending than is really there and less of every other kind of spending.

In preparation for the coming round, the House Budget Committee's Inflation Task Force has released its "Summary of Recommendations," a report which committee member Rep. Marjorie Holt says "cannot be taken seriously by any member concerned with our national security and the future health of our economy."

And little wonder. The report concludes: "Ultimately, if we don't want high inflation rates, we face the choice of accepting one of these three: (1) higher taxes, (2) high unemployment, (3) reduced defense expenditures." No mention here of reducing nondefense expenditures or cutting tax rates to lessen supply-side disincentives to production.

Objecting to the task force's disregard for the factual record, Mrs. Holt compares 1969 spending levels with the latest OMB estimates for 1979 and comes up with a 10-year growth in national defense spending of 44 percent compared to 359 percent for community and regional development, 335 percent for education, training, employment and social services, 319 percent for health, and 332 percent for income security.

Over in the Senate where the Budget Committee has completed markup of the resolution, money has been added to defense. But committee member Orrin Hatch says it represents no additional real commitment to defense. All the committee is doing is buying the same defense as before. There simply wasn't enough money in the numbers in the first resolution to buy the force structure in the budget. Furthermore, says Senator Hatch, there's no 3 percent annual real growth to meet the NATO pledge in the 5-year projection accompanying the committee's budget resolution. The committee's projection shows only a 2.6 percent real growth in defense outlays by the end of the entire 5-year period, and budget authority in the defense function actually declines 2.3 percent in real terms. As a percentage of GNP the Senate Budget Committee's projection has national defense declining from 5.1 percent in 1980 to 4.3 percent in 1984.

Meanwhile Senator Schweiker (R., Pa.), who intends to offer an amendment prohibiting any real spending growth in the overall 1980 budget, has found a variety of views as to which inflation projection represents no real spending growth. After consulting a number of forecasters, leading economists and former members of the Council of Economic Advisers, Sen. Schweiker's office found that the budget committee had the highest inflation projection, matched only by that of Otto Eckstein whose DRI model is much in use by the Congressional Budget Office.

In the least, says Sen. Schweiker, other forecasters believe we can do much better on the inflation front than the budget committee assumes. And in the worse, the CBO has assumed a higher inflation rate in order to mask real spending increases.

Looking over the budget numbers we see that the Senate Budget Committee has jumped 1980 spending more than $10 billion above the figure in the first budget resolution four months ago. Projected spending in the outyears has jumped even more dramatically, with 1984 outlays $31 billion greater in the second resolution than in the first.

Thus, the "austere budget" claimed on the

basis of the numbers in the first budget resolution last spring evaporated before it could become law. Having convinced themselves that they have fended off the tax revolt with budget sham, the Congress is cranking the spending machine back up with its programs still intact. At some point the deceit is going to catch up with the budget committees.

THE SECOND CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1980

Mr. HATCH. Mr. President, the Senate will be turning its attention in the next few days to the second concurrent budget resolution for fiscal year 1980. A major part of the debate on this resolution will focus on the defense budget and our defense posture in general. In anticipation of that debate, I would commend to the attention of my colleagues an excellent column from the editorial page of this morning's Washington Post entitled "'Dangerous Stockpiles' and Other Weary Theories" written by Dr. Thomas Sowell of UCLA. Dr. Sowell is one of the finest public policy thinkers of our time, most often focusing his attention on the impact of the Government's economic policies on minorities. Dr. Sowell has been a breath of fresh air for the minority community.

This morning, however, Dr. Sowell has focused his attention on the rapidly declining state of our defense posture and the decline in the American will to meet Soviet aggression around the world. He draws the analogy between the weak state of America's defense posture and lack of will before World War II and the weak position America again finds itself in today. Dr. Sowell says:

> Wars don't just happen because there hasn't been enough talk, but because one side sees that the other is all talk.

That is what America is today—all talk. And the Soviets know it!

The most important thing the Senate can do in its debate on this budget resolution is recognize the dangerous state into which we have let our defense posture fall. As Dr. Sowell points out, over the past several years the United States has cut in half the proportion of the budget going to defense while the Soviets have built up their defense forces at an unprecedented rate. It is time now to reverse this trend.

Dr. Sowell's article clearly enumerates the issues we face in the coming debate. I ask unanimous consent that it be printed in the RECORD at this point and congratulate Dr. Sowell on a fine piece of work.

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

"DANGEROUS STOCKPILES" AND OTHER WEARY THEORIES

(By Thomas Sowell)

This month marks the 40th anniversary of the beginning of World War II—the greatest carnage in human history. World War II is more than something to remember for its own sake. It is especially worth reexamining in the shadow of nuclear World War III, from which there might be no one left.

Many of the theories about war and the prevention of war that we hear today pay no attention whatever to facts or to history. We are told that we have to avoid an "arms race" or the stockpiling of dangerous weapons, and that negotiation of differences is the key to peace. It all sounds plausible, but is there any hard evidence that it is true?

The Western democracies all too successfully avoided an arms race in the decade preceding World War II. Britain, France and especially the United States let their military forces dwindle in size and deteriorate into obsolescence, while Germany, Italy and Japan built up enormous, modern military forces. The American army was reduced in size for four consecutive years in the 1930s, and its appropriations were generally cut in half in one year—while Japan was invading Manchuria, Germany was rearming, and Mussolini was preparing to invade Ethiopia. The U.S. Army was only the 16th largest in the world—behind Greece and Portugal.

Never was an arms race so successfully avoided.

Then as now, the implicit assumption behind "arms race" rhetoric has been that one side builds up only because the other side builds up. But Hitler built up his war machine while the West was channeling its resources into social programs, and Japan became a naval power in the Pacific while the United States was sinking its own warships as a contribution to world disarmament. In our own time, the proportion of the federal budget going to defense has been cut in half while the Soviets have built up a larger nuclear arsenal than the world has ever seen.

As for the stockpiling of dangerous weapons, we did so little of that before World War II that in the months after Pearl Harbor we had to use ships, guns and ammunition left over from World War I and even from the Spanish-American War. American soldiers fighting for their lives on Bataan found that most of their mortars and grenades were so old they would not go off. Our stockpile was dangerous only in its ineffectiveness.

The implicit assumption behind the "dangerous stockpile" theory is that somehow it may go off, or cause war, by itself. But no nuclear bomb has ever gone off accidentally; it would be hard to conceal if it did. People still cause wars. Weakness has invited wars far more often than strength, from the fall of the Roman Empire to the fall of Western democracies as Hitler rampaged through Europe in World War II. As our underground missile sites become obsolete sitting ducks for new Soviet missiles, the danger of war increases rather than decreases.

Finally, there is the panacea of negotiations and treaties as the way to prevent war. Plausible as this may seem, the facts just do not support it. The Western democracies were constantly negotiating with their adversaries in the years preceding World War II. The West negotiated away its own advantages and principles, one after the other—and almost negotiated away its survival. The United States was negotiating with the Japanese when they attacked Pearl Harbor.

Wars don't just happen because there hasn't been enough talk, but because one side sees that the other side is all talk.

This is all the more likely when unequal terms are intransigently insisted upon by one side, and the other "realistically" accepts this as a "fact of life" to which it must adjust. Hitler was a master of this tactic, and the Soviets and the Chinese are no slouches either.

There are other ominous parallels between the conditions that produced World War II and conditions today. Perhaps the most important is that the West has lacked the will, even when it has had the power. In the early years of the Nazi regime, the Western nations had overwhelming military superiority. But Hitler shrewdly tested their will, with a gradually escalating series of treaty violations and aggressions. The West's repeated yielding only led to bolder demands and more ruthless actions, until a point was reached where the West was finally forced to resist, even with the odds perilously against it.

The American military superiority in the first two decades after World War II was equally overwhelming. Yet the will has been noticeably declining in recent years, as the United States has backed down in confrontations with petty dictators who have seized our people in Uganda, or our ships on the high seas, or threatened our canal in Panama. We have taken China's insistence on our severing diplomatic relations with Taiwan as a "fact of life" to which we had to adjust.

Part of this has been a war-weariness growing out of Vietnam, just as the West in the 1930s was still war weary from the devastation of World War I. But along with this is the economic reality that military spending competes with spending on programs with more obvious and immediate political payoff. Both then and now, we have treated social experiments as a necessity, and survival as a luxury.

GOVERNMENT ECONOMIC AND ENERGY POLICIES

Mr. HATCH. Mr. President, an editorial in the August 3, 1979, issue of National Review clearly and succinctly explains the problems with the administration's thinking on the energy problem. Far from blaming the present energy problems in the American people's greed, as President Carter does, the editorial finds the cause of the problem in the Government's economic and energy policies. It goes on to point out how the President's present plan to divert a massive proportion of the Nation's capital resources to an uneconomical and inefficient synthetic fuels program will produce only more serious problems in the future, not only for our energy supply, but also for our economy in general. I commend this editorial to my colleagues and ask unanimous consent that it be printed at this point in the RECORD.

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

PROGRAM NOTES

President Carter believes the U.S. has an energy problem because 1) Americans waste energy, and 2) the U.S. is too dependent on energy imports, thus endangering the dollar and the independence of our foreign policy. The solution he proposes has three main features: mandatory conservation to stop U.S. energy imports from growing, a domestic synthetic fuel program to permit a reduction in future imports, and a new $24-billion transfer program to help the poor pay their energy bills.

The conservation policies consist of quotas holding oil imports to their 1977 level, mandatory temperature restrictions at work places, and standby gasoline rationing. The President already has the first two powers and has ordered the policies into effect. For gasoline rationing, synthetic fuels, and "energy stamps," he needs congressional cooperation.

The President envisions an Energy Security Corporation funded with $88 billion in "windfall profits taxes" on domestic oil producers. This new government enterprise will have vast powers to go with its vast sums. It will decide without considering profitability or price how to invest a sizable chunk of the nation's capital.

The form in which the President's proposals will emerge from Congress is unclear.

The $88-billion synfuel program may turn out to be too big a boondoggle for the Congress to digest. Divvying up such a large program between congressional districts and the various interests takes time. Each political player has an incentive to withhold agreement in hopes of obtaining a larger share. Something like this happened earlier to the "windfall profits tax" when Congress couldn't agree how to spend the revenues it would raise.

Nevertheless, the economic and political implications of the President's program are worthy of more comment than they have received. Looking first at the conservation measures, in imposing oil quotas the President has eliminated an important safety valve. The next time snafus develop in federal energy allocations, the government can't turn to the international market for supplies. This could be more serious than gasoline lines or home-heating-oil shortages. Right now the economy is beginning to slacken, so the quota is not a constraint. But when the economy begins another expansion the quota is likely to abort it for lack of fuel. Conservation is not free; it costs jobs and production.

The temperature restrictions will add sweltering and shivering to the annoyances of the work place, and the value of the production lost from the added stress will exceed the energy "saved." There will be political costs as well, because people's idealism will soon dissolve into discomfort, and they will hold the President responsible. Gasoline rationing is guaranteed to be a political nightmare. If the bureaucrats can't get gasoline allocations right among fifty states, they can't cope with allocations to 110 million motorists. And the price controls are prompting political organization among service station operators and the threat of strikes, thus extending organized unrest into a new sector of the economy.

The synfuel program is much more costly to the economy than even $88 billion suggests. Consider for example the lost production of lower-priced natural energy that is a consequence of diverting oil company revenues to the production of higher-priced government synfuel. Or the cost overruns that will accompany the transformation of the energy industry into government contractors. To put the $88 billion in perspective, in 1978 total expenditures for plant and equipment by the manufacturing sector came to less than $68 billion.

It is a foregone conclusion that any synthetic fuel that results from the massive diversion of the nation's investment capital will be more costly than the OPEC oil it replaces. This puts the oil import quota in a new light. Properly seen, it is a tariff to protect the government's high-cost synfuel from being undersold on the world market.

The President's program would saddle the nation with massive resource commitments that would leave future Presidents with little leeway to shore up Social Security, defense, or the capital stock on which the economy's growth and our standard of living depend.

CRIMINAL CODE REFORM ACT OF 1979 (S. 1722)

Mr. HATCH. Mr. President, I am pleased to be a cosponsor of the Criminal Code Reform Act of 1979. As a cosponsor of a similar effort in 1977, I believe that the time is long overdue for such a comprehensive reform of our Federal Criminal Code. The present legislation is the result of more than 6 years of discussions and negotiations between Senators of widely varying philosophies of criminal jurisprudence. It is the result of more than 13 years of rigorous analysis by many of the most informed participants in the criminal law process—academicians, the bar, business and industry, labor, public interest groups, and law enforcement agencies throughout the country.

BACKGROUND OF CODE

The Criminal Code Reform Act had its genesis in Congress' decision during the 89th Congress to establish the National Commission on Reform of Federal Criminal Laws. The Commission was charged with making a "full and complete study of the statutory and case law of the United States which constitutes the Federal system of criminal justice for the purpose of formulating and recommending to Congress legislation which would improve the Federal system of criminal justice." In addition, it was empowered to "make recommendations for the revision and recodification of the criminal laws of the United States."

The Commission, popularly known as the Brown Commission—its Chairman being former California Gov. Edmund G. Brown—produced a working draft of a new Federal Criminal Code in 1970, 1 year before submitting its final report to Congress, recommending comprehensive reforms of the Criminal Code.

In doing so, the Commission observed that the code had undergone only three revisions since the first Federal criminal statute had been approved in 1790. In 1866, Congress authorized the appointment of a Commission to consolidate in convenient, workable form the entire body of Federal statutory law. This effort culminated in the revised statutes of 1877 which organized this law, including its penal provisions, in a far more rational and accessible manner. A subsequent reform effort in 1909, limited to the criminal statutes, sought to perfect the form of these laws in addition to reorganizing them along more useful lines. Finally in 1948, following a period of great development of the Nation's criminal laws, a third code effort culminated in the consolidation of these laws in title 18 of the United States Code, entitled "Crimes and Criminal Procedure." These provisions remain in effect today.

Legislation incorporating the recommendations of the Brown commission was first introduced during the 93d Congress by Senators John McClellan and Roman Hruska, and by Representative Edward Hutchinson. Comprehensive code reform initiatives have been introduced in every subsequent Congress, generally containing modest technical and substantive changes. In 1977, the Senate Judiciary Committee and the full Senate approved a bill, S. 1437, legislation which sought to reform the Criminal Code while eliminating some of the most persistent and divisive areas of controversy. Despite being approved overwhelmingly by this body, similar efforts faltered in a House Judiciary Subcommittee. Given a new commitment to code reform by the leadership of that subcommittee this year, the prospects for a serious revision of our Nation's penal statutes appear to be a realistic prospect for the present Congress.

NEED FOR A CODE

Why the compelling need for a comprehensive Criminal Code reform? There are a number of answers to this:

First, the present body of Federal criminal law is beset by entirely too many provisions of a clearly archaic or obsolescent character. These include such statutes as those prohibiting piracy under the commission of a foreign prince, writing checks for debts of less than $1, and interfering with the flight of Government carrier pigeons. Many statutes along these lines have been eliminated, thereby reducing the sheer volume and bulk of the criminal law.

Second, there are entirely too many gaps in the present statutory law, instances in which Congress has totally deferred to the judiciary in the development of the law. As one who has been extremely concerned about an activist judiciary, one which increasingly has come to make law as well as interpret it, I believe that the code makes a major contribution in this area. Many areas of white-collar crime, for example, have been left to the courts in this manner, such as the issue of corporate liability for the actions of its agents. There are also clear gaps in the law in areas in which there is no opportunity for judicial involvement. There are no Federal bank extortion laws, while the arsenal of anti-racketeering laws is inadequate. Some would suggest also the need for new laws to combat sophisticated crimes conducted by computers.

Third, it is often difficult to locate and identify present law. While most of the Nation's criminal laws are concentrated in title 18, there are criminal laws scattered throughout the entire United States Code. There is simply not the notice provided by such an arrangement of penal laws that a fair Criminal Code must provide. In so serious a matter, it is essential that the law—the entirety of the law—is easily and readily accessible to those who would pursue it.

Fourth, partially as a result of this disorganization, the code is frequently inconsistent and inequitable. The penalty, for example, for making false statements to a Federal agency may vary from an infraction to 5-year imprisonment, depending upon which of various statutes is relied upon for prosecution. To this extent, the criminal laws are arbitrary and subject to the sort of abuse that a nation of laws cannot tolerate.

Fifth, apart from the surface inconsistencies in the statutes, there are also deeper, more disturbing inconsistencies that are reflected in the criminal sentencing process. The past several decades have witnessed a movement toward increasing individualization of criminal sentencing, with great discretion provided the courts and the parole authorities. While not an entirely objectionable trend, it has had the effect of insuring that relatively equally situated persons, having committed relatively equal crimes, may frequently be subject to widely disparate terms of imprisonment or nonimprisonment. This has had, and can have no other effect, than to engender increased resentment of the

criminal law among those who believe that they are being treated inequitably. A major reform in the Criminal Code Reform Act is the establishment of a program of determinate sentencing to be administered through judicial sentencing guidelines.

Sixth, the present body of criminal law is beset by excessive numbers of duplicative and overlapping provisions. These not only make for an unaesthetic Criminal Code, but afford too many opportunities for arbitrariness on the part of the Government. There are approximately 70 separate theft statutes, 80 separate forgery statutes, 50 false statement statutes, and 70 arson statutes. There is no need for this sort of statutory array, and the proposed Criminal Code reform would consolidate these into no more than a small handful of separate offenses.

Seventh, one of the primary reasons for the proliferation of essentially similar offenses is that the current law generally defines the substantive criminal offense in terms of its jurisdictional base. The question of Federal jurisdiction is a definitional element of each offense. As a result, the code becomes more complex and prosecutions under the code become more complex. The proposed code reform would separate the jurisdictional elements from the elements of the substantive offense. There are benefits for the accused from this reform to the extent that he will no longer be subject to multiple counts or charges springing from what is essentially a single transaction. Under current law, the robbery of a Federal credit union located on Federal property would violate three distinct provisions of the criminal code, each of which differ slightly in terms of the description of the criminal offense, the nexus of Federal jurisdiction, and the penalties. Under the code reform, the robbery would represent a single offense, with three potential bases for the assertion of Federal jurisdiction.

Eighth, another of the aspects of the present code which contributes mightily to its complexity and confusion is the treatment of culpable states of mind. The Brown Commission identified at least 78 different terms in the present law used to describe the mental elements comprising an offense. These range from "knowingly" and "willfull" to "knowingly and willfully," "improperly," "feloniously," and "maliciously." Further, most of these terms have been interpreted by the courts in widely varying, and often contradictory, manners. The code reform would reduce this incomprehensible assortment of terms to simply four—"intentional," "knowing," "reckless," and "negligent"—each of which would be defined in a coherent and consistent manner. For the first time, a discernible, consistent pattern would be reflected in the state of mind required for a Federal offense.

Ninth, the present organization of title 18 is a haphazard one, based more upon alphabetical imperatives than upon any sounder, more rational element. Like laws ought to be classified in a like manner, together and unalike laws ought to be separated by sections, chapters, titles, subtitles, or some other rudimentary form of demarcation. The code reform effort would achieve this.

Mr. President, I believe that the present code reform measure, by remedying these difficulties to a substantial extent, can work to enhance popular respect for the criminal law. It will reduce the opportunities for criminal justice determinations to be influenced by whim, arbitrariness, technicalities, and irrationality. The code is far from a panacea—by itself, it can have a limited effect in reducing the intolerably high levels of crime, particularly violent crime, in this country—but it can make a substantial contribution toward insuring a more conducive atmosphere within which the criminal justice process can operate. Dean Pound recognized four primary factors that influenced the quality of justice—personnel, administration, procedure, and substantive law. The Criminal Code is aimed largely at the final element.

PROVISIONS OF CODE

The proposed code is part recodification and part revision. By far the greatest part is the former. I would estimate that at least 90 percent of the code is intended to perpetuate the present state of the law. To this extent, the Criminal Code is not an ideological measure; it is not a conservative code and it is not a liberal code; it is a neutral, technical revision of a body of law that has gradually fallen in disarray as a result of both the rapid proliferation of new criminal laws and congressional carelessness. In attempting to impose a measure of uniformity upon the code—uniformity with respect to culpability, jurisdiction, penalties, and elements of offenses—it has been necessary sometime to effect slight, sometimes inadvertent, changes in a wide variety of areas of the present law. The long-term benefits of uniformity far outweigh, in my mind, the occasional disruptions that I anticipate may result from this process.

That part of the code reform intended to represent change from the present law has been handled with great care and with great sensitivity to the interests of all participants in the code effort. Most of the change reflects a broad-based consensus that the law was in need of modification; while there are remaining elements of controversy, most of these have gradually been culled from the code reform. In the great preponderance of cases where there was significant, or irresoluble controversy, the code has attempted to maintain the status quo as faithfully as possible.

No one, including myself, is unanimously approving of the provisions that remain in the code. It is simply too large an undertaking to reasonably expect that. There are a number of provisions that I would just as soon not see in a Criminal Code, as well as other provisions that are not included here, but that I wish were. I would hope that my colleagues bear this reality in mind when they consider it. There are few pieces of legislation that are more far-reaching than the Criminal Code. And there are few pieces of legislation that deal with more emotionally volatile issues than does the Criminal Code. In considering and debating the code, these realities must be carefully borne in mind. The Criminal Code Reform Act will not be a perfect bill from any single Members' point of view, but, I would hope, will be recognized by each of them as a substantial contribution in improving our criminal justice system.

I would very briefly like to review the overall structure of the act, and summarize some of the general provisions and principles that underlie it.

The bill is divided into five parts, each of which is further subdivided into chapters, subchapters, and sections. Part I sets forth the general provisions and principles that are the foundations of the code reform. Chapter 1 sets forth the general purpose of the Criminal Code. "Defining and providing notice of conduct that indefensibly causes or threatens harm to those individuals or public interests for which Federal protection, through the criminal justice system is appropriate"—the objectives of punishment under the code, and general principles of criminal liability.

Chapter 1 lists and defines more than 100 terms that are used in the code as part of the effort to impose more uniform and more equitable meanings upon the provisions of the criminal law. It also states the general principle of construction to be used in construing the meaning of the code—

> Shall be construed in accordance with the fair import of their terms to effectuate the general purposes of this title particularly to ensure definition and notice of the conduct prohibited in accordance with the rule of strict construction.

Chapter 2 of part I, one of the most critical parts of the code, establishes the various bases of Federal criminal jurisdiction. Unlike present law, the jurisdictional element is specifically excluded as an element of the offense, although, as with the elements of the offense, it must be proved on the basis of the "reasonable doubt" standard. Each individual offense instead contains a description of that conduct constituting the offense, with a separate jurisdictional statement indicating under what circumstances that conduct would be punishable as a Federal offense. As noted earlier, this organization will reduce substantially the bulk of the criminal law, reduce the number of essentially duplicative provisions, eliminate opportunities for multiple counts predicated upon single transactions, and reduce the complexity of both the code and of criminal prosecutions under the code.

All Federal jurisdiction is defined as being either "general," "special," or "extraterritorial." Offenses must be committed within one of these three geographical areas in order to be within the scope of the code. "General" jurisdiction is that which attaches simply because an offense is committed within the borders of the United States. "Special" jurisdiction is that which attaches within certain types of Federal enclaves, such as Indian reservations. "Extraterritorial"

jurisdiction is that attaching to certain actions committed outside the United States yet which impinge substantially upon the interests of the country, including violence committed against U.S. officials, treason, sabotage, and counterfeiting.

One of the most substantial changes in the present act from S. 1437 during the 95th Congress is section 205 which states the circumstances under which the United States is to exercise jurisdiction held concurrently with the States. It enumerates a number of factors that are to be considered by the Federal agency prior to exercising their jurisdiction. Each of these is designed to insure that some compelling and genuinely Federal interest exists in a case prior to the involvement of the Federal agency. The exercise of such jurisdiction would generally not be preemptive of State or local jurisdiction, unless expressly provided.

There is no general concept of "piggyback" or ancillary jurisdiction in the Federal Government provided by the code. Such jurisdiction, if conferred generally would extend the Federal Government into areas far beyond its proper purview; such jurisdiction is conferred, cautiously, on an offense-by-offense basis.

Chapter 3, as earlier observed, consolidates the various "states of mind" scattered throughout the code into four well defined terms. They are "intentional," "knowing," "reckless," and "negligent." Where there is no standard of culpability expressly stated within a provision, the particular state of mind that must be proved is presumed to be "knowing," for the conduct itself; "reckless," with respect to the existing circumstances; and "reckless," with respect to the results of an act.

Chapter 4 discusses complicity liability, setting forth the circumstances under which coconspirators, aiders, and abettors are responsible for the conduct of another person. Individuals having criminal liability in such a role may be treated as a principal for the purposes of the code. The chapter also describes the conditions under which an organization is to be treated as responsible for the actions of its agents, and an agent liable for the acts of an organization.

Finally, chapter 5, choosing to avoid one of the most controversial areas of the original code proposal, has left the development of most defenses and bars to prosecution to the courts. These include the issue of the insanity defense—one which I would like to reform substantially—mistake of fact or law, intoxication, duress, and entrapment. Except for the offense of murder, juveniles, under age 16, can be tried only as juvenile delinquents pursuant to part III of the code.

Part II of the Criminal Code, the heart of the bill, establishes each of the substantive offenses to be covered by the Federal criminal sanction. Each one of its nine chapters groups similar classes of offenses, including offenses involving national defense, international affairs, Government processes, taxation, individual rights, the person, property, and the general public welfare. In addition, there is a Federal attempt statute of general application, as well as criminal conspiracy and solicitation statutes which attempt to reflect current law. I will later discuss briefly some of the major substantive changes that distinguish the present proposal from S. 1437.

Part III of the code contains the sentencing provisions. The major reforms proposed include the adoption of a sentencing guideline system and a lessened reliance upon indeterminate sentencing practices. The act creates a Sentencing Commission that would establish guidelines to govern the imposition of sentences for all code offenses. While a judge could continue to impose sentences outside the range of sentences recommended by the guidelines, subject to the limits placed in the statute itself, he would have to explain his reason for doing so in writing. Appellate review of sentences would be available to offenders if the actual sentence exceeded the guidelines, and available to the government if the actual sentence was below the guidelines.

In addition, the court would be empowered to specify that portion of an offender's term during which he would be ineligible for parole. Thus, it would be the sentencing court, not the parole officers, who would determine how much time, in fact, an offender served in prison as a result of his offense. There would be no more gamesmanship in which courts, attempting to anticipate the actions of the parole officers, sentenced individuals to far longer sentences than actually deserved in the hope that the actions of the Parole Commission would shorten them to the most appropriate length. The U.S. Parole Commission is phased out of existence by the Criminal Code Reform Act.

Various sentences, other than imprisonment, remain available to the court, including monetary fines, restitution, probation with conditions, and criminal property forfeiture.

Part IV consolidates and clarifies a number of procedural points, most of which are contained in title 18. These include extradition procedures, Federal court jurisdiction and venue, civil commitment procedures, juvenile hearings, pretrial and trial procedure, and postsentence administration. There is no substantial change in the existing law.

Part V relates to certain ancillary public civil proceedings, such as civil forfeiture proceedings. There is also created a victim compensation fund from collected fines to assist in the recovery of victims of violent Federal crimes.

Title II of the bill contains several amendments to the Federal rules of criminal procedure, mostly of a technical or conforming variety. Title III makes several substantive changes in title 28 of the United States Code relating to the organization of the Federal Bureau of Prisons, the Victim Compensation Board, and the Sentencing Commission. Title IV contains several general provisions relating to severability and effective date. Title V contains various technical and conforming amendments.

NEW PROVISIONS OF CODE

The Criminal Code Reform Act of 1979 is similar to S. 1437 as passed by the Senate during the 95th Congress, but there are some differences. Most of these differences, I believe, make the act a better piece of legislation. Many of these changes are in response to some of the legitimate concerns of the business community, a group which was somewhat late in offering their input to S. 1437. I would like to briefly highlight a few of the key changes that have been incorporated in this year's act:

Federal jurisdiction.—A new section 205 has been added enumerating the factors that must be considered by the Federal Government in determining whether or not to exercise jurisdiction held concurrently with the States.

Nontitle 18 offenses.—Title VI of S. 1437, relating to nontitle 18 offenses, has been stricken from the bill. Thus, these offenses will continue to be applied without respect to the culpability terms and other provisions of the new code.

Reckless failure to supervise.—Section 403(c) relating to the reckless failure of an agent to supervise the conduct of an organization has been deleted, while section 403(b) relating to the omission of an agent to perform a duty of his organization has been substantially modified. Both original provisions were vague and imposed unclear burdens upon agents of business enterprises.

Consumer fraud and Federal Government.—The jurisdiction for the new "consumer fraud" offense has been substantially narrowed with respect to the Federal Government. The offense has been basically limited to violations occurring on Federal enclaves.

Parole Commission.—The U.S. Parole Commission has been abolished. With the virtual elimination of parole, there was felt to be no need to perpetuate the existence of this agency.

Employment of offenders.—The Federal Government has been given slightly more flexibility to consider the fact of previous criminal convictions in determining whether or not to hire an individual, section 4032.

Victim's compensation fund.—The Attorney General is authorized, to the extent practicable, to institute against criminal offenders actions to recover amounts of money disbursed from the victim's compensation fund with respect to offenses committed by that offender, section 4114.

Tax evasion.—The substance of the section 1401 tax evasion offense has been redefined to insure that it is evasion of the "tax" rather than evasion of a "tax liability" that is the crux of the offense. The latter term was considered ambiguous by many, and too reminiscent of IRS Commissioner Kurtz's effort to require taxpayers to "red flag" their questionable deductions.

Penalties.—Additional elements of due process have been added to some of the new penalties borrowed from the civil law, such as restitution and double fines. Unless the amounts in question are relatively easily determinable, they are not

to be imposed under the act. Double fines, certain conditions of probation such as the prohibition against an organization engaging in a particular business, and civil treble damages against fraud offenders, have been completely deleted from the bill.

Securities offenses.—The present law has been tracked in the area of securities violations, section 1761.

Recklessness.—The term has been redefined in section 302(c) to clarify that it involves a "substantial" risk.

Solicitation.—The number of offenses to which the solicitation offense, section 1004, is inapplicable, has been expanded somewhat.

Interstate commerce.—The term "facility in interstate commerce" has replaced the term "facility of interstate commerce" throughout the code.

Reckless endangerment.—Section 1617 has been limited to cases in which individuals are actually placed in danger of imminent death or serious bodily injury. Ancillary jurisdiction applied to nontitle 18 offenses is limited to statutes designed to protect the public health or safety.

False statements.—A "knowing" state of mind is now required with respect to the falsity of statements covered by sections 1341, perjury; 1342, false swearing; and 1343 false statements. 1343(a)(1)(C), omitting a material fact in a written statement on a Government matter, has been limited to an application for a benefit, or other document filed or required to be filed by a statute or regulation.

Revealing private information.—The affirmative defense in section 1525 based upon the Privacy Act and the Freedom of Information Act has been deleted.

Mail and wire fraud.—Section 1734's extraterritorial application has been limited to cases in which there is a "substantial" Federal interest.

Bribery.—The extraterritorial application of section 1751, commercial bribery, has been limited to instances in which there is a "substantial" Federal interest. There are also clarifying provisions to insure that section is not overly broad.

Ancillary jurisdiction.—Certain offenses such as criminal trespass, section 1713, have been eliminated as a basis for ancillary Federal jurisdiction. See also section 1701(c)(10).

Safety officer.—The separate offense in section 1842 of S. 1437 of failing to obey a public safety officer has been deleted.

Treatment of principle.—Section 404(a) has been modified to eliminate language that organizational defendants under sections 402 and 403 could be charged, tried, and punished as defendants.

Good time.—In order to better preserve prison discipline, section 3824 has been amended to provide for the accumulation of "good time" on a year-to-year basis rather than a month-to-month basis.

Order of notice.—Limits application of section 2005 order of notice requirement to fraud offenses for both individuals and organizations, provides for appellate review of such a requirement, and introduces a cost benefit element into determining the appropriateness of such a sanction.

Refusing to provide information.—Requires court, rather than agency, enforcement of many types of agency subpenas for information.

Security interest.—Requires, as an element of section 1736 that there be an intent to interfere with a security interest, rather than simply an inadvertent interference.

Comments by judges.—Strikes section 105 of S. 1437 prohibiting Federal judges from giving opinions as to whether or not facts have been sufficiently or fully proven.

In addition, several matters of importance such as the question of bail reform, or "pretrial detention" have been left open for full committee consideration which is to begin with a hearing on September 11. The issue of capital punishment will be taken up separately by the full Judiciary Committee later in the session.

CONCLUSION

Mr. President, I would urge my colleagues to take a close look at the Criminal Code reform effort. As Prof. Louis B. Schwartz, the Director of the National Commission on Reform of Federal Criminal Laws, has noted:

> Reform of the Federal criminal law is a project of awesome scope and complexity, entailing not merely legal considerations, but also sensitivity to history, politics, social psychology, penology, and the religious, economic, and ethnic tensions within this Nation.

This Criminal Code, if passed, will not only reflect the development of criminal jurisprudence in this country, but it will influence greatly its future development. To that extent, it will influence the entire structure and fabric of our society. Thus, it is critical that this effort be a broadly based consensus effort, not one dependent upon the achievement of any transient political majority. The Senate bill represents such an accomplishment, in my opinion.

I ask unanimous consent to have printed in the RECORD the structure of organization of the Criminal Code Reform Act.

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

S. 1722

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 "Criminal Code Reform Act of 1979".

TITLE I—CODIFICATION, REVISION, AND REFORM OF TITLE 18

SEC. 101. Title 18 of the United States Code, which may be cited as "18 U.S.C. § ——" or as "Federal Criminal Code § ——", is amended to read as follows:

"TITLE 18—CRIMINAL CODE

"TABLE OF CONTENTS

FEDERAL CRIMINAL CODE REFORM LEGISLATION

Mr. THURMOND. Mr. President, on Friday, September 7, 1979, I joined in the introduction of S. 1722, to codify, revise, and reform our Federal criminal laws. This is just another step in the long, painstaking process of perhaps achieving the enactment of the Federal criminal code in the 96th Congress.

As a principal cosponsor of this legislation, I want to commend the distinguished chairman of the Judiciary Committee, Senator KENNEDY, for his efforts in once again bringing criminal code reform legislation before the Senate for its consideration.

Mr. President, as my colleagues will recall, similar legislation was passed by the Senate in January of last year, but failed to gain enactment because of the brief time left in the 95th Congress for the House to act. The prospects this year are brighter, however, since the Criminal Justice Subcommittee of the House Judiciary Committee has made considerable progress in an effort to make criminal code reform a reality. But, if there is any real hope of enacting this monumental legislation, in my opinion, it must be accomplished in this Congress and to the extent possible, using the Senate bill as the vehicle.

BACKGROUND OF CODE EFFORT

The Congress, in 1966, created the National Commission on Reform of Federal Criminal Laws, which later became referred to as the Brown Commission, after its distinguished chairman, former Gov. Edmund E. Brown of California. The Commission labored for nearly 3 years and on January 7, 1971, submitted its recommendations to the Congress. Then, throughout the 92d, 93d, and 94th Congresses, the Judiciary Committee studied and analyzed all aspects of this legislation. Hundreds of witnesses testified and commented on its many provisions which is reflected in a hearing record totaling more than 8,500 pages in 15 volumes.

Mr. President, the previous work of the committee has been improved upon in a slow, but evolutionary process. Every provision of this legislation has been subject to the most intense scrutiny. The committee held numerous markup sessions in the last Congress and Senators spent 8 days considering this measure on the Senate floor. Both liberal and conservative amendments have been offered to the bill. Some have been adopted. Some have been rejected. Others have been worked out in a spirit of compromise. This has been the process throughout the consideration of this legislation in the Senate.

This legislation is a careful balance between liberal and conservative points of view. There are certain provisions of this legislation that I would probably not support if considered on their merits independently of this reform measure. There are certain provisions that I am sure Senator KENNEDY would not support under separate circumstances. But the only way a bill of this kind is going to reach enactment is for certain differences to be set aside, and the reform effort pursued in a sense of bipartisanship and common purpose.

BASIC FEATURES OF LEGISLATION

The overall purpose of the bill is to revise, update and consolidate the existing Federal criminal laws which are spread throughout all 50 titles of the United States Code. All Federal felonies, many of which are now outside title 18, will be integrated into the new code. Obsolete or unusable sections of the existing law are eliminated or updated.

The proposed code legislation provides an integrated system of terms and general provisions. Terms in the bill are defined clearly and reduced in number. Every effort has been made to draft offenses simply, precisely, and in common English.

In addition, the question of what criminal behavior triggers Federal jurisdiction is completely separated from what is criminal conduct. Thus, instead of approximately 70 different theft offenses under current law, each with its own jurisdictional base, there is only a single section of theft that lists only 32 different bases for Federal jurisdiction. Every effort has been made throughout the legislation to limit the criminal jurisdiction of the Federal Government to specific areas consistent with the U.S. Constitution and traditions of federalism. A number of changes in this bill have been made since the Senate last considered this legislation that more sharply curtail Federal intrusion into matters best left to the States.

As a Senator who opposes the growth of the Federal Government into the activities of our daily lives, I have been most sensitive to efforts to limit Federal jurisdiction as much as possible. The bill introduced contains a new section, section 205, that more carefully defines the limits of Federal jurisdiction vis-a-vis State jurisdiction. The showing of a substantial Federal interest is always required where Federal jurisdiction is not plainly indicated in the offense.

Also in the area of jurisdiction, nontitle 18 offenses and regulatory offenses outside the main body of the code will be determined by the courts as under current law. This is to prevent an unnecessarily broad reach of Federal prosecutorial jurisdiction into areas that are regulatory in nature and not major criminal offenses.

Major improvements, Mr. President, have been made in a number of areas of concern to America's business community. In addition to the Federal jurisdiction questions, the business community expressed concern about "culpability" definitions in the bill, regulatory offenses, fine levels, securities offenses, order of notice provision, a restitution provision, alternative fines and other offenses that could potentially affect American businessmen. Most of the problems raised about these matters were resolved prior to introduction. Although some issues are still outstanding, this bill is substantially improved in these areas over the bill considered in the Senate last year. I am confident that during the hearings on this measure in the Judiciary Committee, further amendments and modifications will be made to meet the objections of the business and corporate community.

Mr. President, this legislation has come about as the cumulative product of nearly 12 years of study and examination. It reflects the advice and counsel of hundreds of concerned people—academicians, lawyers, judges, legislators and private citizens of every political persuasion and point of view. It is not a haphazard attempt to pass more Federal laws. It has a solid, underlying foundation on which to rest. In addition to the Senators now sharing the work on this measure today, there are the efforts of the late Senator McClellan and Hart, as well as former Senators Ervin and Hruska, who have served with me on the Judiciary Committee. Their efforts are embodied in this measure. It represents the labors of all these men and their staffs over a period of many years.

The Senate bill has the unqualified support of the Department of Justice. This support is important, in my opinion, for it is the lawyers and prosecutors of the Justice Department who are responsible for enforcing the Federal laws. My continued support, however, for this legislation will depend in large part on the manner in which the Justice Department approves or disapproves of changes in the bill and the resolution of different House and Senate bills.

I believe the Senate bill is a sound one and needs only a few changes in order to gain the support of the full Senate. I will work hard in committee to accommodate some changes without doing violence to the overall form and style of this bill. It is a good bill and should be approved in due time by the Judiciary Committee and the Senate.

THE RESERVE COMPONENTS

Mr. THURMOND. Mr. President, our Nation's support of our military Reserve components is vital to our national security. America's employer and industry support of our Reserve components, backed by Congress and the administration, is essential, if we are to achieve a viable defense team. This is imperative with or without a draft of the Reserve components.

Mr. President, many employers have signed the statement of support for the Guard and Reserve, which has been developed by the National Committee for Employer Support of the Guard and Reserve. September has been designated by the committee to recognize more than 350,000 employers who have signed the statement. Although this represents almost 60 percent of the work force, there are still many employers, particularly the smaller ones, whose support is needed in order to assure the readiness of our volunteer citizen-military units.

The Honorable James M. Roche, former chairman of the board and chief executive officer of General Motors, has served as national chairman since the committee was formed in 1972. His article entitled, "Employer Support of the Guard and Reserve," appearing in the July–August, 1979, issue of the Defense Management Journal should be of special interest to my distinguished colleagues and all employers in our country. I urge Members of Congress and all employers to back the objectives of the National Committee for Employer Support of the Guard and Reserve.

Mr. President, I ask unanimous consent that the Defense Management Journal article be printed in the RECORD.

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

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

(By James M. Roche)

The debate over the need to reinstitute some form of obligatory military service for young Americans is beginning to stir in the halls of Congress and the Pentagon. Some say resurrection of the draft is the only way to ensure an adequately manned force for the security and defense of our country; others contend that only registration of service-age individuals is needed in order to cope with any emergency. Yet another group claims that the fairest and most efficient system is the presently configured all-volunteer force.

No one can disagree, however, that a deviation from the all-volunteer force, to whatever degree, would be a long and difficult road to traverse. No doubt the debate will be at least as prolonged and vociferous as the one that preceded the institution of the present system. Meanwhile, this nation's defense needs continue, as does the requirement to acquire and retain sufficient manpower to meet those needs.

Hardest hit by the suspension of the draft are the Army Reserve and National Guard which are experiencing serious manpower shortfalls. Considering that under the all-volunteer total-force policy, the reserve components have been assigned more critical missions than at any other time in recent history, this situation is specially worrisome. Thus, before it can become critical, measures must be taken to alleviate the shortages in case selective-service registration is not resinstituted.

BLUEPRINT FOR SUPPORT

In 1972, the Department of Defense, recognizing the need for public and private support of the all-volunteer total-force policy, formed the National Committee for Employer Support of the Guard and Reserve. As a result of this initiative, unpaid, influential volunteers have spent much time over the years persuading employers to support their employees who are members of the reserve components. So far, there has been considerable success as 350,000 employers have signed statements of support for the National Guard and Ready Reserve. In all, this covers about 60 percent of the American work force or about 54 million workers. Nonetheless, there is still a long way to go, not only in engaging the support of business executives but in securing the support of intermediate levels of management as well.

In an effort to gain the understanding and support of small-business employers and immediate supervisors of guardsmen and reservists, the program was expanded recently when state committees for employer support were formed. There is one located in each state and in Washington, DC, Puerto Rico, and the Virgin Islands. Each is headed by a group of prominent local businessmen and includes members of each of the reserve components located in the state and civilians selected by the state and national chairmen.

The primary theme of selling point used thus far to convince employers of the importance of their support is the critical role of the Guard and Reserve now that the Selective Service System is inoperative. Recent discussions with supportive employers revealed that employees are not sole benefactors in this partnership. The employer has much to gain from the training and skills acquired by employees during their military service.

Last fall an executive of the San Diego Gas and Electric Company expressed precisely this sentiment when he stated that his best employees are reservists. He explained that his reservist employees generally are better skilled in their trade, recognize when decisions are required and make them in a timely and logical fashion, assume responsibility without prodding, are thoroughly organized, and are adept at managing money, property, and people. He added that they know how to issue and follow orders and how to get along well with their co-workers. He attributed many of these positive qualities to the training and experience the employees had gained as members of National Guard and Reserve components.

A CHANGE OF UNIFORM

Executives of two divergent Colorado organizations were interviewed recently concerning their attitudes toward reservists employees. Lakewood, Colorado's law enforcement agency employs 195 people; 14 are members of local Guard and Reserve units and several others are considering joining. Because summer months are popular periods for vacations and for two-week, active-duty reserve training, the department's manpower situation during these months is a major concern. However, reserve units and department managers have worked together to resolve conflicts so that everyone has a chance to participate while ensuring adequate police protection for the city. Lakewood Mayor Chuck Whitelock stated, "I fully support the Guard and Reserve members. Their contributions to the city are recognized and very much appreciated. The time we give them is a very small price when compared to what the city gets back."

At the Denver headquarters of Gates Rubber Company, there are 28 reservists employed, 14 of whom belong to the same unit. Further, there are some 300 other reservists at Gates plants scattered throughout the country. A Gates personnel manager recently said, "It would not surprise me to find that our Guard and Reserve employees have a different outlook on their job from other employees. Take an enlisted reservist, for instance—a noncommissioned officer. He receives management training in the military which he can apply to his job here. Even if he is not in a management position with us, he understands the problems better and his attitude rubs off on other employees."

Both organizations provide more support for their reservist employees than the law requires. Lakewood police employees receive

their normal pay while on reserve duty; Gates Rubber Company makes up the difference between the military pay and the civilian pay. Although the law does not require any civilian reimbursement for the reservists' time on active duty, many firms are doing so as a demonstration of their encouragement and support. It is a policy the National Committee for Employer Support of the Guard and Reserve would like to see adopted by all employers.

State committees for employer support are learning that communication within organizations can be crucial to reservist employees. Top-level managers understand the program and sign statements of support, but the policy may not be transmitted to lower levels where schedules must be rearranged and substitutes found.

Such a problem does not exist at Lakewood's police department or at Gates. Charlie Johnston, a police captain and reserve major, says, "The department goes a long way in making the reserves an attractive part-time occupation. You could walk up to any person in this building and ask about our Guard and Reserve policies and get an answer. Everybody knows!" The same is true at Gates, where company policies are frequently published in newsletters sent to supervisors at every plant location. When necessary, these newsletters carry specific instructions for supervisors of reserve employees.

Several months ago, the Massachusetts state committee contacted the Raytheon Corporation about its continuing support. The company was so enthusiastic that it initiated a program to guarantee employee awareness of company policy about Guard and Reserve participation. It published articles in its house publication, reissued written guidance to every first-line supervisor, and displayed posters showing a group of employees in their military uniforms with the caption, *We lead two lives.* Company management even went so far as to invite military representatives to set up booths in its cafeterias so employees could obtain information about reserve programs.

SPREADING THE WORD

These are just a few examples of outstanding employer support. Many companies actually do more than the law requires. But there are also those who do not adhere to the requirements of the law. Some do not even know the law exists, as demonstrated by the cases handled by the national committee's ombudsman.

Most of these cases are mitigated when employer obligations such as granting military leave exclusive of earned vacation and offering equal promotion opportunities are explained. Some employers are surprised to learn that first-line supervisors are either unaware of, or simply ignore, supportive policies. Once the facts of the situation are explained to the supervisors, the reservist's problems in meeting his military obligations generally cease.

However, it is not always the employer who causes the problems. Sometimes the reservist employee is at fault for failing to notify the employer of training dates in advance, not submitting necessary paperwork, or taking advantage of the situation by fraudulently claiming military duty.

The ombudsman enjoys an extremely good track record at resolving these misunderstandings and disputes. Those which are not handled successfully by the committee are referred to the Department of Labor for investigation and possible legal action.

The ombudsman's caseload has decreased since the committee's inception, but his mission will not be complete until all employers lend their support. The National Committee for Employer Support of the Guard and Reserve continues to seek this understanding and support through exhibits, public-service advertising, liaison with business and professional associations, and personal contacts. Yet the burden cannot and should not be borne solely by a small committee; instead, the effort should be the cooperative venture of every individual involved at every level of command in the active and reserve components.

One program that all guardmen and reservists can help promote is National Employer Appreciation Month, which is being sponsored by the National Committee for Employer Support of the Guard and Reserve in September. This effort will emphasize the need for employer support by thanking already-supportive employers and reminding them of the continuing need for their assistance, and by acquiring additional understanding and support from the public and from employers who are unaware of the program.

Reserve units and individuals can contribute to the effort by inviting employers to open houses or training assemblies, by sending them letters of thanks, and by presenting them certificates of appreciation recognizing their special efforts to assist units and individuals. The possibilities are limited only by one's imagination. Moreover, the nature of participation need not be elaborate or expensive.

Gaining the support of employers cannot be overlooked or taken for granted. Certainly, employer support of the Guard and Reserve should be viewed as an increasingly vital facet of our national-defense policy.

S. 300, THE ILLINOIS BRICK BILL

Mr. THURMOND. Mr. President, recently, an editorial appeared in the Richmond Times-Dispatch, which I believe important enough to share with my colleagues. It takes a position against S. 300, the Illinois Brick bill. The point is well made that the proposed legislation would do irreparable damage to antitrust enforcement.

It has come to our attention that there is now being circulated among the Members of the Senate a draft of a purported "compromise" Illinois Brick bill. This so-called compromise between the positions of those in support of and those opposed to legislation to overturn the Supreme Court's decision in Illinois Brick Co. against Illinois is in reality no compromise at all. In fact, it is almost identical to S. 300, reported by the Judiciary Committee by a one-vote margin, and alleviates none of the concerns that have given rise to strong opposition to the enactment of that legislation.

The so-called compromise does not, as claimed by its sponsors, accomplish the following:

First. It does not cutback class actions, even though the "compromise" gives the impression of a class action cutback. The Judiciary Committee eliminated the class action cutback. The Judiciary Committee eliminated the class action fluid recovery section from S. 300, hence the real effect of the "compromise" is meaningless.

Second. It does not deal with parens patriae in the manner claimed. Supporters of the "compromise" position contend that it does nothing more than clarify the law as to parens patriae. The facts are the Illinois Brick decision does not overturn the Hart-Scott-Rodino Act of 1976. That law gave consumers the right to sue through their States acting as parens patriae to recover damages under the Sherman and Clayton Acts.

Third. It does not simplify the problem of tracing damages through a distribution chain. As Prof. Phillip Areeda said in his testimony during the 95th Congress, the so-called compromise attempts to sweep under the rug the concerns which led the U.S. Supreme Court to the decision reached in Illinois Brick.

Fourth. It does not cure the problem of loss of incentive for the direct purchaser to sue. Under Illinois Brick the direct purchaser, if successful, can look forward to receiving treble damages. The "compromise," which would reverse Hanover Shoe and Illinois Brick, would result in fractionalized recoveries to many plaintiffs. Incentive for the direct purchaser to sue would be weakened. Private antitrust enforcement would suffer.

The so-called compromise, however, does the following:

First. It adds uncertainty to the antitrust laws and encourages more lengthy antitrust suits;

Second. It makes available again the pass-on defense and pass-on offense rejected in Hanover Shoe and Illinois Brick.

Third. It would benefit the major business defendant, who can afford more lengthy litigation;

Fourth. It would unfairly apply retroactively, in the same manner as S. 300; and

Fifth. It would hurt the small businessman most, just as in the case with S. 300. With defendant asserting the pass-on defense against plaintiffs and all plaintiffs attempting to show that over charges were passed on to them, but were not passed on by them, small business would be dragged in, like it or not. Attorneys' fees, production of records, documents and other expenses would be their lot.

The purported "compromise" is not a compromise. It is a "play on words." Viewed in the best light, it is yet another ill-advised attempt to legislate a matter best left with the courts.

The only practicable course to pursue is to allow the Illinois Brick decision to operate for not less than 2 more years. If then it appears that some action is needed, we can consider and handle it in an appropriate manner at that time.

Mr. President, I ask unanimous consent that the editorial from the Richmond Times-Dispatch be printed in the RECORD.

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

"ILLINOIS BRICK" DISPUTE

In June of 1977 the U.S. Supreme Court handed down a ruling designed to prevent business firms from being the victims of potentially devastating and harassing antitrust suits. The two decidedly liberal members of the court were among the three dissenters from the court's decision.

Now, some liberal members of Congress are pushing legislation which, in effect, would overturn the court decision. If they are successful, it could be a serious blow to American business directly and to the public indirectly, since a healthy climate for business is in everybody's interest.

In the court case (*Illinois Brick Company vs. State of Illinois*) the state and 700 local governmental entities brought suit for damages against the brick company, claiming that the firm and other concrete block manufacturers had conspired to fix prices. As a result of that conspiracy, it was alleged, the state and localities had to pay more than a proper price for concrete blocks used in masonry structures.

But the state and the localities hadn't bought the blocks from the Illinois Brick Company. In effect, they had bought them from general contractors, who had bought them from masonry contractors, who had bought them from Illinois Brick.

The court ruled that the state and localities couldn't collect because they could not properly bring suit. Only the *direct purchaser* of goods can sue for damages under the antitrust laws, the court held.

The court's reasoning makes sense. The justices pointed to the chaos that would prevail if everybody in the distribution line, plus the ultimate consumer, could sue the original manufacturer of a product. How could it possibly be determined how much of the final selling price to the consumer was due to an overcharge by the manufacturer, since others in the distribution line had added their prices to help make up the final cost? Furthermore, said the court, if everyone in the distribution line could sue the manufacturer, the latter could suffer multiple liability and be forced to pay far more than its overcharge would justify. Indeed, declared the court, allowing everyone in the line to sue would result in such confusion that enforcement of the antitrust laws could be adversely affected.

People who want to overturn the court decision argue that the consumer should be able to collect damages, no matter how far removed he might be from the illegal price-fixer. But the Chamber of Commerce of the United States points out that if the consumer and everyone in the distribution line were allowed to sue, "a court would have to bring every potential claimant into a single lawsuit and then try to sort out who gets what. This would entail identifying and notifying potential claimants at every level, settling disputes among the various claimants, and allocating shares first to each level and then to each claimant. . . . Cases would crumble under their own weight."

It must be conceded that, as the court said, "direct purchasers sometimes may refrain from bringing . . . suit for fear of disrupting relations with their suppliers." But, on balance, declared the court, limiting the right to sue to the direct purchaser is the proper course under the antitrust laws as now written.

Any proposed legislation tagged with the word "consumer" attracts many members of Congress; it has political appeal. But if the lawmakers will look beyond the label and study the court decision and other relevant information, they will defeat the attempt to override the court's sound ruling.

THE DESIRE AND INGENUITY NEEDED TO COMBINE ECONOMIC GROWTH WITH IMPROVEMENT IN THE QUALITY OF LIFE

Mr. THURMOND. Mr. President, the unsettled future that our American people face concerning energy, economic growth, and the quality of life leave many with problems and questions that are critically disturbing—both for individuals and for our overall society. We are torn between the desire for economic and technological progress and for our very real concerns for improvement in the quality of life.

Mr. President, certainly these are not new problems; but more importantly, they are continuing problems. We need to give our best efforts to finding solutions that will be in the best public interest.

A recent Business Week magazine article by Mr. John W. Hanley, chairman and president of Monsanto Co., provides some excellent thoughts on this subject. Mr. Hanley, a highly respected innovator in both management and marketing, considers economic growth versus quality of life and asks the question: "Why can't we have it both ways?"

Mr. President, his discussion of our need and our capability to apply ingenuity and desire to develop realistic and acceptable alternatives deserves our special attention and consideration. A consistent and positive attitude by all Americans that we can accomplish these goals is crucial. This is the way that our people have always risen to meet the challenges of difficult times in our Nation's history. These very real and very serious problems today and tomorrow require this same type ingenuity and public attitude.

Mr. President, in order that my colleagues might have the opportunity to review and give further consideration to this excellent statement by Mr. Hanley, I ask unanimous consent that his article "Why Can't We Have It Both Ways?", which appeared in the September 10, 1979, issue of Business Week magazine, be printed in the RECORD.

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

WHY CAN'T WE HAVE IT BOTH WAYS?

(By John W. Hanley)

A few weeks ago a major publication ran an essay deploring the nation's unwillingness to come to grips with the real and serious energy crisis now upon us. The essay complained that U.S. citizens refuse to think through the issues and set priorities. "They want energy without risks. . . . Americans historically have believed they can have it both ways."

The same might be said regarding what our society expects from technology today. Episodes ranging from a failed nuclear plant to a falling space satellite have reminded us that we are still trying to cope with what Dr. Carl Sagan calls the age of "technological adolescence." Like a teenager wondering what he really wants from life, our society wonders what it really wants from technology.

Most Americans are anything but anxious to renounce their hard-won affluence. Witness the current agenda of socioeconomic goals—full employment, equal opportunities, a decent life for all Americans, and so forth—that depend on further economic progress and the national wealth it creates.

Nevertheless, our tastes for economic and technological progress are being tempered by increasing concerns for quality of life. The American people genuinely want cleaner natural and urban environments, safer and more humanized jobs, improved disease prevention and treatment, workable solutions to world food and energy problems, and continued reduction of the risks associated with modern technologies.

Inconsistent attitudes. It's not surprising, then, that public attitudes toward technology are rife with inconsistency and ambiguity. Americans want economic progress and quality of life.

Can we have it both ways? Some in our society say no—hardly surprising in itself—but I'm fascinated by all the different ways they arrive at that conclusion. There are those who follow a moral imperative, believing that this greedy society must be forced to return to more primitive life-styles with less dependence on technology. At the opposite end of the spectrum are those who grouse that weighing anything against economic growth is somewhere un-American. In between are the fatalists who knew all along it was too good to last.

None of them, however, has much sense of history. Because wanting it both ways—wanting to break away from some previously unavoidable trade-off—has been the driving force of human progress throughout history.

We hear it said today that we are running out of certain raw-material and energy resources necessary for growth. But when in human history has this not been the case—at least for the most readily recoverable and usable reserves of some resources? Human ingenuity has been the key to extending supplies by improving exploration and processing, by conservation, by recycling, and by substitution. For example, today's oil-supply crisis is not the first this world has seen. In the last century, people were already worrying that whales were being killed faster than they could reproduce. How would the world light its lamps and lubricate its machines without whale oil? The answer was that rising demand and innovative minds brought forth replacement products based on petroleum.

Furthermore, we are only beginning to realize the potential of an intellectual/technological explosion that R. Buckminster Fuller refers to as "doing more with less." He points out that a 200-ton jetliner can outperform the annual passenger-carrying capacity of the 85,000-ton Queen Elizabeth. Likewise, a quarter-ton communications satellite can outperform 150,000 tons of transoceanic cable. The point is that a single intellectual leap translated into new technology can create an entirely new dimension for economic expansion, pushing the physical limits of growth back beyond the horizon again.

Upgrading. On the quality-of-life side of the equation, we hear that the earth is running out of capacity to absorb the pollution byproducts of growth. Again, however, history is ignored. Look at the considerable progress we've already made in cleaning up the environment by applying our intelligence and technological abilities.

According to the Environmental Protection Agency's latest report, the quality of the nation's air improved significantly from 1972 to 1977. The levels of sulfur dioxide, carbon monoxide, and particulate matter declined. Ozone levels at least held steady despite a 30 percent increase in motor-vehicle traffic.

We've also been pleasantly surprised to see how quickly polluted waterways can recover once appropriate steps are taken. Around the nation, fish are returning to rivers where no aquatic life could survive a decade ago.

Americans want industrial products and jobs without having to worry about industrial wastes bubbling up in the backyard. I, for one, see nothing unreasonable about that, provided that we are willing to approach the situation rationally and not hysterically.

The same applies to other environmental problems, as well as energy and economic problems. We do have to learn to live with less energy while developing alternative sources. We do have to be more aware of the environmental consequences of our technology while recognizing that a vain quest for a totally risk-free society can only squander scarce economic resources.

These problems are real, and I don't intend to understate their seriousness. Nevertheless, I can't help thinking: If wanting it both ways brought us this far, why should we lose faith in human ingenuity now?

SELECTIVE SERVICE SHOULD BE RESTORED

Mr. THURMOND. Mr. President, an issue of utmost concern to countless Americans is the ability of our armed services to protect our Nation from any foreign aggression.

Recently, many military experts have voiced the fear that the number of personnel in our armed services is at a perilously low level. They have stated that the all-volunteer concept has been a dismal failure and that the United States must set in motion the machinery to resume the draft.

A recent editorial in the State newspaper of Columbia, S.C. deals with this issue and offers some interesting observations on our need to restore the selective service.

Mr. President, in order to share this editorial, "Selective Service Should Be Restored," with my colleagues, I ask unanimous consent that it be printed in the RECORD.

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

SELECTIVE SERVICE SHOULD BE RESTORED

Debate over ratification of the Strategic Arms Limitation Treaty centers for the most part around the relative strength of the United States and the Soviet Union in terms of exotic and sophisticated weapons systems.

It is essential, of course, that adequate attention be given to intercontinental ballistic missiles, long-range bombers, detection devices and other aspects of military preparedness in this era of advanced technology.

But when all is said and done, the residual component of an adequate national defense is manpower, and therein lies a cause for more concern than currently is being shown. There are, to be sure, periodic reports that the armed forces are woefully undermanned under the present volunteer system. But no one in Washington, least of all President Carter and his advisors, shows signs of working up a real head of steam over the situation.

Yet that is precisely what is needed if the nation is not to incur unacceptable military risks. Some form of compulsory service must be reinstituted to insure the availability of soldiers, sailors, airmen, and marines. It is obvious by now that the expensive and expansive campaign to woo young men and women into service with increased pay and privileges is not achieving its goals.

Indeed, there are some indications that some of the recruitment efforts are actually self-defeating. The unremitting pressure upon recruiters to "sign up" their quotas has resulted in outright deception concerning such essentials as literacy and educational qualifications.

Furthermore, the emphasis placed on long-term enlistments has triggered a higher-than-ever incidence of married servicemen, many of whom live off post and thereby reduce unit readiness. Consideration should be given to the family affairs of career servicemen, but short termers should be more concerned with martial than marital affairs.

What the nation needs—and needs badly—is a return to selective service registration. The country needs to know how many young men (and women) are available for military service, where they are, and how soon they can be mobilized—individually or collectively.

Beyond that, provision should be made for actually drafting so many as are needed to build up the armed forces to a state of readiness. And "armed forces" must be interpreted to include the reserve components, whether National Guard or the organized reserves of the various services. At present, all elements are suffering from lack of personnel.

Any serious move toward resumption of the draft will be met with outcries of "loss of freedom" and "interference with civil liberties." But is it too much to ask of a young man that he serve in uniform for a relatively brief but specified period of time? After all, millions of adult Americans have given years of their lives to the service of their country—in war or in peace, or both.

OPPOSITION OF THE NATIONAL GRANGE TO S. 1246

Mr. THURMOND. Mr. President, in recent months, and particularly in the last few weeks, we have heard many and widely divergent views concerning the Nation's energy problems. We have also heard and given consideration to numerous proposals directed toward the solution of these problems. Certainly these energy issues continue to have an unusually high priority position in our thoughts and actions in the Senate. We must not fail to give our most serious consideration toward reaching energy problem solutions that will be in the best overall public interest.

It is with this thought in mind that I refer again today to the proposed Energy Antimonopoly Act of 1979, S. 1246, and to the ever-strengthening opposition being expressed concerning this bill.

Those who proposed and support S. 1246 purport it to be a protection against the growth of monopoly of major petroleum companies. The expert testimony in hearings on this bill, however, has clearly demonstrated that this proposed legislation would actually cause the opposite to occur. While there are undoubtedly some aspects of the major oil companies' activities that do need some special attention during these days of critical shortages, this particular legislative proposal conflicts directly with the types of action needed to help solve the energy problem.

Mr. President, as a follow-up to the recent hearings on S. 1246, I call my colleagues' attention to a letter dated August 20, 1979, from Mr. John W. Scott, master of the National Grange, to Senator EDWARD M. KENNEDY, chairman of the Judiciary Committee, with copies to all members of the Judiciary Committee. The National Grange is the Nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

Mr. President, in expressing the opposition of the National Grange to S. 1246, Mr. Scott presents brief, but well-reasoned, point-by-point arguments that deserve our careful consideration.

Mr. Scott points out that an organization like the Grange is concerned about fuel for the home, the farm, and for the automobile to transport rural people extended distances to work. He notes further that:

The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

Mr. President, I feel it is extremely important that we listen carefully to this message sent to us from the people who make up the membership of the National Grange. These citizens have an understanding of the basic issues of this proposed legislation. This understanding, coupled with their patriotically strong feeling that the best interest of the United States be served, should be given our most serious attention.

Mr. President, in order to share the contents of this excellent letter, from Mr. Scott to Senator KENNEDY, with my colleagues, I ask unanimous consent that the letter be printed in the RECORD.

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

NATIONAL GRANGE,
Washington, D.C., August 20, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Judiciary Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to express the opposition of the National Grange to S. 1246. The National Grange is the nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

The National Grange has a historic record of opposing monopolistic practices, but the opposition to this legislation is based on Grange policy which would depend on enforcement of existing anti-trust and anti-monopoly laws. Grange policy development democratically and initiated at the community level over the past several years is attached.

The energy crisis that this nation has faced since 1972 would be better served in effort and direction by positive steps to develop our energy resources. It appears that this legislation is attempting to make the oil companies a convenient whipping post because of the visibility the oil companies have received, especially over the past several months.

An organization like the Grange is concerned about fuel for the home, the farm and for the automobile to transport rural people extended distances to work. In order to make some sense out of the dilemma we must depend on experts and thus far the experts cannot agree on the best way to solve the energy crisis.

S. 1246 is designed to keep the major oil companies from investing in any major corporate activity in or out of the oil industry. It is intended to force the investment of funds back into oil exploration and production. This argument was very adequately addressed by Phillip Areeda in the Wall Street Journal on August 6, 1979:

"The desire to channel oil company investments is astonishing on three counts. First, if oil companies could earn more by investing in energy than elsewhere, we wouldn't need this legislation. Thus, the proponents must believe that the oil companies could earn more by investing their funds outside the energy business. On other days, however, many of the same people castigate the oil companies for 'obscene' profits. They are consistent only in their scapegoating.

"Second, if investing in energy has so little profit potential that it must be coerced, the administration and the other proponents might consider whether their policies and proposals are responsible. Third, it would represent an extraordinary change of policy for this nation to close off profit-

able investment opportunities in order to force asset holders to make less profitable investments."

Although the federal government and the oil industry may have made some contribution to the existing energy crisis which faces this nation, it is obvious that the major problems are not domestic but foreign.

The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

We would appreciate this letter being included in the hearing record on S. 1246. Thank you.

Sincerely,

JOHN W. SCOTT,
Master.

DIVESTITURE

Whereas, the dismemberment of our nation's major oil companies by Congressional action has been proposed; and

Whereas, it is vital to all segments of the American economy that the petroleum industry be able to provide rapid and economical development of domestic oil supplies; and

Whereas, leading independent economists and the petroleum industry have testified that forced divestiture would result in higher fuel prices and greater dependence upon foreign oil; and

Whereas, there are over 50 competitive, integrated oil companies, 10,000 producing and exploring companies, and 130 refining companies; and

Whereas, it is in the public interest to permit opportunity for oil companies to compete in the production and exploration of other sources of energy, therefore be it

Resolved, that the National Grange oppose efforts to force vertical and/or horizontal divestiture of the major oil companies; and be it further

Resolved, that adequate regulation of the petroleum industry can best be handled through enforcement of anti-trust and anti-monopoly laws.

NATIONAL ENERGY POLICY

Of all the problems confronting agriculture, transportation and industry, the reality of diminishing world petroleum reserves presents the most serious threat and the greatest challenge to the present lifestyle of every world citizen.

Certainly, part of the energy shortage problem involves a general public misunderstanding about the total energy situation. This has led to shortsighted "popular" political decisions adversely affecting energy supplies; for U.S. energy production has not kept pace with domestic energy demand.

Both farm and non-farm communities benefit from our energy-intensive form of agricultural production. While farm production uses only 3 percent of the energy consumed in the United States, this 3 percent pays for approximately two-thirds of our total energy imports, amounting to $34 billion in 1976.

With these views in mind, emphasizing that all the energy needs of the agricultural community must be met in both the long and short run to feed world populations and promote a favorable balance of world trade, we base our own national energy policy recommendations on the following principles:

1. The United States should attain a reasonable self-sufficiency in energy within the next decade. We should provide sufficient domestic production of energy to make it impractical for another nation to disrupt our economy or the lives of our citizens by withholding supplies or escalating prices.

2. The search for and development of domestic energy should be carried on by private enterprise. It is recognized that energy development is a costly process and adequate compensation without price-gouging should be permitted. Any excess profits should contain a plow-back provision for energy development. In the long run, we believe the price of energy should be determined in the marketplace and not by government price controls.

3. Research and development of domestic oil sites by private enterprise are urgently needed to offset the increase in the importation of oil from foreign sources. Special emphasis should be placed on areas located on the Outer Continental Shelf. Congress and the Administration should be urged to expedite the leasing of these offshore areas and to review present and/or proposed legislative restrictions so that this development can occur with minimal delay.

4. The Nation should continue a vigorous research program into future energy sources. Development of synthetic fuels and fuel additives, solar, nuclear and other forms of energy should go forward as rapidly as possible. The Federal role should be to sponsor a massive research effort, with the results to be made publicly available to all who wish to utilize the findings.

5. All citizens should be encouraged to reduce their use of energy. However, conservation and recycling techniques, though extremely important, cannot take the place of development of additional energy resources.

6. Federal energy allocation, rationing and price ceiling measures should only be considered in extreme emergencies, because they do not provide for private exploration incentives, and in the long run can only result in a growing energy scarcity with higher costs to all consumers.

7. We do not subscribe to the philosophy that the Federal government should require consumers to pay heavy taxes on domestic or foreign crude oil unless their higher payments are channeled into efforts to increase the supply of energy.

8. We recognize the need for pollution control measures in the field of energy production; however, we strongly oppose constantly changing antipollution regulations and intolerable time lags in developing our energy resources.

9. We reaffirm our policy of 1976, which states in part, "Resolved, the National Grange favors de-regulation of wellhead prices of natural gas."

ENERGY

Whereas, America's farmers require a dependable and continuing supply of energy if they are to meet the demands of the consuming public, and

Whereas, oil and natural gas provide nearly three-quarters of the nation's energy needs, and there is a great need to increase development of all available domestic energy sources in order to reduce reliance on foreign oil, and

Whereas, domestic energy development can be accelerated if increased access to exploration and production is permitted in the Outer Continental Shelf and on vast onshore lands owned by the Federal government, and development effort requires participation of all potential contributors, such as oil companies; therefore, be it

Resolved, that the National Grange call upon the President and the Congress to:

1. Encourage development of natural resources through price or tax incentives.

2. Encourage increased development of all potential sources of domestic energy, with no one restricted or excluded from contributing to this vital national effort.

3. Provide increased access to the Outer Continental Shelf and federal onshore lands for energy development.

4. Encourage research and development of solar energy.

5. Encourage more efficient use of water power.

BUILDING TEMPERATURE CONTROLS—AN EXCELLENT EXAMPLE OF PAPERWORK AND REGULATORY NIGHTMARE

Mr. DOMENICI. Mr. President, the Department of Energy's Emergency Temperature Restrictions, requiring nonresidential buildings to set thermostats no lower than 78° F for cooling, no higher than 65° F for heating, and no higher than 105° F for domestic hot water, serves as an excellent example to citizens of the United States of the bureaucratic nightmare of converting a plausible energy conservation plan into a paperwork and regulatory nightmare. Congress approved the Department of Energy's temperature control plan on May 10, 1979, and President Carter made the temperature control plan effective July 16, 1979.

Administration of this energy conservation program, projected to reduce oil use by as much as 400,000 barrels daily, has been conducted by not more than a handful of Department of Energy officials. The unfortunate incomplete and ineffective implementation of this temperature control plan has added to the severe lack of public confidence in ability of the Department of Energy to do anything. Perhaps Secretary of Energy Duncan may wish to use this program for his first reorganization project to improve the Department of Energy's administration.

The original plan as submitted to Congress would require each owner to keep records and submit reports as the Secretary of Energy may require. Little did the people or the Congress realize that this delegation of power was going to require mountains of paperwork for the mere adjustment of thermostat settings, particularly for small businesses. Already, the Department of Energy has issued 16 pages of regulations in the Federal Register on temperature restrictions. An additional 15-page manual, "How To Comply With the Emergency Building Temperature Restriction," must be reviewed by building owners before proper compliance can be assured for completing three Department of Energy forms.

For each building an owner must complete and post a Department of Energy

"Certificate of Building Compliance," keep on file an "Exemption Information Form," and mail back to the Department of Energy the "Building Compliance Information Form." If a businessman owns five or more buildings, three Department of Energy forms must be filled out for each building. This requirement entails the filing of a total of 15 million forms for the entire country.

In addition, each owner or small businessman must have the skills of a lawyer and building engineer to interpret the regulations and to claim any of the 17 exemptions that may apply. For example, a small retail grocer must study the regulations to know that an exemption may be claimed for the proper storage of food because refrigeration equipment suffers severe frost buildup; or the use of waste heat from refrigeration equipment or solar units as the only source of heating and cooling energy; or State or local health regulations requiring hot water temperature levels above 105° F. Fourteen other exemptions could also apply.

Distribution of the Department of Energy's "How To Comply With the Emergency Building Temperature Restrictions" is another example of disarray. The Department of Energy originally promised the forms and instructions would be "made available at post offices throughout the country." On August 20, 1979, the Department of Energy announced limited distribution to the main post offices in the 65 largest cities. This is a great advantage for those businesses located in the 21 cities in California, Texas, and New York having post offices that will receive the forms. Unfortunately, for my constituents in New Mexico and the people in 20 other States, no distribution to post offices is planned. New Mexicans are understandably irate when informed that forms can be obtained from post offices in Arizona, California, Colorado, and Texas, but not New Mexico.

After promising delivery of the forms by the end of July, some distribution was begun in mid-August. Distribution through trade associations may have alleviated the problem. Trade associations providing labels and membership lists received some of the Department of Energy books. The more than 100 national associations and other business representatives ordering bulk supplies for redistribution to members have just begun to receive the forms they have ordered.

Despite these efforts of the private sector, thousands of businesses have not received the forms necessary for compliance. Even though the Department of Energy had delayed the compliance date for posting forms until September 1, 1979, the totally inadequate distribution has made implementation of the program unworkable.

Further, this energy conservation plan is costing the American taxpayers approximately $8 million for administration. Businesses are expending untold dollars for compliance. Many constituents express disbelief at the paperwork required in the name of energy conservation when individual efforts to achieve cost and energy savings are being undertaken.

The best solution is for Department of Energy to abandon the unnecessary paperwork. For the 1978 fiscal year the Department of Energy had reduced the overall burden of repetitive reporting by an estimated 5.1 million hours or 58.3 percent. But between October 1 and December 31, 1978, the burden of repetitive reports increased 1.6 million hours or 42 percent. The Office of Management and Budget's recently issued report "Paperwork and Red Tape: New Perspectives—New Directions" anticipates increases in reporting hour burdens under many new energy statutes to be implemented.

For example, the Power Plant and Industrial Fuel Use Act became effective May 8, 1979. The Department of Energy estimates the total burden of seeking exemptions under this statute to be under 200,000 hours; companies estimate the burden of the proposed forms and regulations to be more than 15 times the DOE estimate. Programs to implement the National Energy Conservation Policy Act may involve annual reporting burdens of over 3,000,000 hours.

And after all this, after a patriotic businessman goes through the effort of obtaining the necessary forms, the expense of filling them out and complying with the requirements, what have we achieved? Because of the lack of enforcement capabilities, the indifferent businessman or the one who refuses to participate in this paper flurry will remain out of compliance. The Nation will not save the energy projected and we will have simply expanded the bureaucracy.

The American public has the will to conserve energy. Escalating energy prices have enforced that need on the American people. Future energy conservation plans must allow alternative or comparable methods for conserving energy by businesses and encouraging voluntary compliance. Not all businesses use the same types of energy. Such businesses and industries should be given the opportunity to implement their own energy conservation measures instead of having counterproductive Federal mandatory paperwork and regulations imposed. The people's confidence in the Federal Government will not increase until the people are permitted to control their destiny free of unnecessary and cumbersome regulatory burdens and the result we all desire, conservation of energy, is actually achieved.

INTERIOR DEPARTMENT MISINFORMATION

Mr. MORGAN. Mr. President, in my years of dealing with Federal departments, I have never experienced the degree of misinformation which has been submitted to the Congress as that which has emanated from the Interior Department on S. 14, the Reclamation Reform Act of 1979, in the past few weeks. I can understand a Department supporting its position, but I resent deeply when that is attempted through the use of letters containing information that will not stand up to the slightest degree of scrutiny.

Officials of the Department of the Interior have continually provided individual Members of the Senate with information of S. 14 that is simply not factual or is highly sensational. The latest example is a letter to my colleague, Senator GAYLORD NELSON, which is inappropriately labeled as an analysis of the amendment which I proposed to S. 14, printed amendment No. 389, last August 2. This amendment is printed on pages 22425 and 22426 of the CONGRESSIONAL RECORD, No. 2, of that date. From reading the letter to Senator NELSON, which the Department provided me earlier today, I can draw one of two conclusions. Either no one at the Department of the Interior has read my amendment or, second, the so-called analysis of my amendment is a blatant and inexcusable attempt to mislead the Senate.

The letter from the Interior Department states that my amendment would allow Southern Pacific and other large public corporations to pay an increased cost for water and retain land that otherwise would have to be disposed of under S. 14. That assertion is not only lacking in fact, but is an attempt to cast me on the side of large corporate agriculture.

The fact is that my amendment would not allow Southern Pacific or any other public corporation with over 25 stockholders to pay the surcharge and own more land. Had the Interior Department taken the time to read my amendment they would have known that my amendment only applies to qualified recipients as defined in S. 14. As I understand it, Southern Pacific would have to dispose of all but 160 acres that it owns in reclamation lands. And, from what I understand, over two-thirds of Southern Pacific's holdings are in reclamation areas.

Furthermore, the so-called analysis says my amendment would only benefit 88 farmers. That statement is not borne out by what I know to be the facts. For example, I have been told that there are at least 99 farmers farming more than 1,280 acres in the westland water district alone. But this misstatement does not really bother me. I do not care if only one farmer is being deprived of his property rights by the Interior Department and others—I am prepared to offer my amendment to protect this principle if only one, just one, is involved.

Mr. President, I can understand how mistakes can be made in a bureaucracy as large and unwieldy as the Interior Department. But I simply do not understand how they can be made as consistently as has been done on an issue as important as S. 14.

Mr. President, I would appreciate it, indeed the Senate would be well served, if someone in a position of responsibility at the Interior Department would read my amendment, conduct an objective analysis of my amendment, and provide interested Members of the Senate with a statement of fact rather than a three-page letter of misinformation which slurs my intent. Better yet, the Members of the Senate who are interested in this issue and my amendment may be interested in an analysis by the Congressional Research Service, which I ask unanimous consent to have printed in the RECORD.

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

ANALYSIS OF AMENDMENT 389 TO RECLAMATION REFORM ACT OF 1979—S. 14

I. STATEMENT

This is an analysis of Amendment 389, introduced by Senator Robert Morgan on August 2, 1979, amending S. 14, the Reclamation Reform Act of 1979. The analysis will include, insofar as presently available data permits, answers to the following questions propounded by Senator Gaylord Nelson in his request of July 30, 1979.

1. What percentage of actual principal and principal plus interest costs would typically be repaid under the amendment by a landowner paying twice the cost of water to landowners with non-excess acreage?

2. Would such repayment obligation likely be sufficiently high to discourage landowners from owning over 1,280 acres?

3. Is the assertion that reclamation law limits land ownership a correct legal assessment of the program, or does it only limit the right to receive water?

II. AMENDMENT 389

The Morgan Amendment removes the authorization set out in Sec. 7(b) of S. 14 allowing a lessee to receive water for lands in excess of 1,280 acres under a short-term lease not exceeding one year with no right of renewal. The amendment also authorizes delivery of water to a "qualified recipient" upon payment of the capital recovery component of the cost of water to non-excess lands upon a progressive rate as follows:

(a) 10% for the first additional 320 acres;

(b) 40% for the next additional 320 acres;

(c) 80% for the next additional 640 acres; and

(d) 100% for all additional lands.

The effect of the two provisions is to remove the provision in S. 14 that excludes from excess lands categorization all land leased for one year or less with no right of renewal. Instead, the Morgan Amendment would give to the landowner the option to legitimize delivery of water to excess lands, owned or leased, by agreeing to pay a surcharge based upon the capital recovery component of the cost of water service to non-excess lands of a qualified recipient.

III. REPAYMENT OF PRINCIPAL WITH INTEREST

A. Conceptual Analysis.

1. Principal.

Analysis requires definition of the words "actual principal plus interest" used in the first question.

Within the content of the Morgan Amendment, the word "principal" would mean that part of the costs of construction of the irrigation facilities which the District is presently required to pay.

On the other hand, the words "actual principal" as used in the first question are understood to mean the total capital costs of the irrigation facilities before employment of the variety of ways to reduce that amount to a sum which the irrigation district is required by contract to pay. The reduction techniques include repayment by power revenues, repayment by diversion of other government moneys, allocation of costs to other purposes so as to favor irrigation, and arbitrary reduction by administrative or legislative decision so as to bring the amount to be repaid within the ability of the water users to repay.

Similarly, the words "actual principal plus interest" are understood to mean the total capital cost of the irrigation facilities including interest. Repayment is typically scheduled over a fifty year period with payments beginning at the end of an introductory ten year period. Interest is now not charged at all.

The reductions, including interest forgiveness, constitute a subsidy. The subsidy is usually justified by the family farm purpose. That justification would seem to be accepted by both Senator Morgan and Senator Nelson. Senator Morgan would seem to accept it in his coupling the release from the excess lands limitation with the requirement of repayment of the capital recovery component of the cost of water service stepped up beyond the reduced amount required of the non-excess landowner. Instead of requiring a recalculation of the repayment component to write out the reductions justified by the family farm purpose, he has proposed an ad hoc write-in of a compensating surcharge. Senator Nelson asks how closely the stepped-up surcharges relate to the actual construction costs plus interest.

Both Senator Morgan's Amendment and Senator Nelson's question would seem to be consistent with the comment by Secretary Andrus, Interior Department, in his letter of July 23, 1979 to Senator Henry Jackson, regarding S. 14 that, under present arrangements, "the subsidy (to the water-users) never is paid off."

2. "Principal" defined as reimbursable by water users under existing contracts.

The Morgan Amendment does not modify S. 14's acceptance of existing allocations of construction costs to irrigation use as expressed in district contracts, or interest remission, or the irrigation on hydroelectric power and other government programs of a burden in repayment of the cost share allocated to irrigation. Nor does it affect existing decisions relieving farmers from payment for some portion of the irrigation share, as in the instance of Bureau decisions setting ceilings on water-user payments because of inability to pay more.

Of the westwide total irrigable acres of 9,833,894 acres, within the reclamation projects, there are now 1,283,769 excess-lands acres. Under S. 14 the excess-lands acreage will be reduced to 355,855. Of that total, 347,944 acres are in the Mid-Pacific Region. Of these, 343,208 are in the Central Valley Project.[1]

The irrigation reimbursable cost of the Central Valley Project totals $2,128,794,000 plus an undefined share of additional repayable obligations described as operating charges, interests and penalties totaling $42,872,681 and costs of associated projects of $269,776,000. In payment thereof, the ultimate farmer repayment contracts will produce $452,508,397. Power revenues and Service Contracts will pay the balance.[2] The farmers will have paid 20–25 percent of the irrigation repayment.

The Central Valley experience squares with that of other reclamation projects throughout the West. It is summarized as follows:

TABLE 1.—*Summary of repayment of reclamation projects construction costs Sept. 30, 1977*

Actual cost, Sept. 30, 1977	$8,579,538,359
Final cost-estimated or actual:	
Total	18,546,778,817
Nonreimbursable	2,786,851,585
Reimbursable	15,759,927,232
Repaid to Sept. 30, 1977:	
Total	1,722,470,521
Matured repayment contracts	355,929,307
Power revenues	1,003,145,444
Special sources	396,833,168

NOTE: Schedule I, Statistical Appendix II, *ibid.*, p. 43.

Water user payments to date have constituted only 20 percent of the total repayments, exceeded by payment by special sources of 23 percent and by power revenues of 57 percent. This analysis squares with the statement made by Secretary Andrus in his letter of July 23, 1979, to Senator Henry Jackson regarding S. 14 that "In fact, on a great many reclamation projects, the repayment of capital costs allocated to irrigation is in the range of a mere 5 cents to 35 cents on the dollar."

The use of power and other revenues to repay costs allocated to irrigation has created two accounting problems relevant to this analysis. It effectively eliminates any time limit in repayment of costs and it may make indeterminate the repayment responsibilities of districts within the project. In the Central Valley Project, a "rolling fifty-year repayment" extends the repayment period for the entire project every time Congress authorizes a new addition to any part of the project. Repayment by water users receiving water in the late 1940's is now rescheduled for 2038. Similarly, the Upper Colorado River Basin Project is scheduled for complete repayment in 2050 and the Pick-Sloan Missouri River Basin Project in 2152.

Of all the repayment reduction techniques, the interest forgiveness is by far the most important. It is particularly important because it is associated with long-term repayment—an initial ten years of no repayment plus a minimum of forty years thereafter for repayment.

Interest forgiveness using an interest rate of 6 percent will cost nearly $1.577 billion in the Auburn-Folsom South Unit of the Central Valley Project, $1.646 billion in the Central Arizona Project, and $4.358 billion in the Columbia Basin Project.[3]

The extraordinary extent of the subsidy is revealed by treating the farmer's annual repayment charge as a payment of interest on the capital obligation. The payment represents a microscopically low interest rate. Table 1 sets out such a comparison for projects in the Missouri River Basin as of 1970.

[1] Attachment, entitled "Impact of S. 14 . . .," to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

[2] Schedule of Statistical Appendix II of Report by the Bureau of Reclamation entitled *Water and Land Resource Accomplishments*, 1977. p. 49.

[3] Attachment Table 1 to Fact Sheet "Reclamation's Subsidy" submitted with letter dated July 23, 1979 to Senator Henry Jackson from Secretary Cecil D. Andrus, Interior.

TABLE 2.—IRRIGATION COST AND ANNUAL REPAYMENT CHARGE PER ACRE, MISSOURI RIVER BASIN PROJECT

Project units	Project construction cost allocated to irrigation per acre [1]	Irrigation repayment obligation per acre [2]	Annual irrigator construction repayment charge per acre	Rate of return (percent)
Ainsworth	$753	$286	$5.77	0.77
Almena	1,213	183	4.20	.35
Angostura	1,174	132	1.84	.16
Bostwick	748	221	4.62	.62
Cedar Bluff	1,267	189	4.09	.32
Crow Creek Pump	362	62	0	0
Dickinson	656	15	0	0
East Bench	401	96	0	0
Farwell	693	237	4.38	.63
Fort Clark	603	52	1.48	.25
Frenchman-Cambridge	921	162	3.71	.40
Garrison Diversion	$959	$77	$1.20	.13
Glen Elder	258	0	0	0
Glendo	109	79	1.80	1.65
Hanover Bluff	885	153	1.10	.12
Heart Butte	162	91	1.45	.90
Kirwin	1,052	179	5.12	.49
Oahe	1,083	176	3.20	.30
Rapid Valley	192	0	0	0
Sargent	561	205	4.73	.84
Savage	451	101	3.00	.67
Webster	1,209	228	4.78	.40

[1] These figures are the construction costs per acre allocated to the irrigation component of the project. Interest is not payable on these costs allocated to irrigation, even though other sources of revenue than irrigators' payments are used to discharge much of the obligation (e.g., power revenues).

[2] These figures are the repayment obligation per acre that the contracting irrigation district assumes in the water delivery contract. The difference between costs allocated to irrigation and the district's repayment obligation is made up from other revenues (e.g., power revenues).

Source: U.S. Bureau of Reclamation (1971), "Summary Report of the Commissioner," Bureau of Reclamation 1970; "Statistical and Financial Appendix, Part IV," U.S. Government Printing Office, Washington, D.C., pp. 159–227.

With one exception the annual repayment charge per acre would be the equivalent of less than one percent interest (with no payment of principal). The one exception is the Glendo Unit which would pay an interest equivalent rate of 1.65 percent for a supplemental water supply.

3. History of Congressional Treatment of Repayment.

A summary history of Congressional treatment of the problem may provide perspective. The long-term objective seems to have been to reduce the price of reclamation water to amounts that the reclamation farmers could pay, i.e., to maintain the principle of reimbursement of costs but to accept reimbursement by other than the farmer and to exclude interest so as to reduce the price of the water.

The Reclamation Act of 1902 (32 Stat. 388), provided that proceeds from the sale of public lands in the affected Western states would be applied to the construction and maintenance of the irrigation facilities. The Act also provided that the farmers receiving project water would repay the cost of the water within ten years, interest free. As early as 1905 Congress began to bolster the Reclamation fund with revenues from the other sources.[4] By Act of June 25, 1910 (36 Stat. 835), Congress authorized direct advances to the fund from the Treasury. By the Act of August 13, 1914 (36 Stat. 686), the repayment period was extended to twenty years. The Omnibus Extension of 1926 (44 Stat. 636), substantial construction charges were written off and the Secretary was given discretion to extend repayment contracts to forty years. An additional ten year development period of no payments at all was authorized by the Reclamation Project Act of 1939 (53 Stat. 1191). The same act also authorized a variable repayment plan wherever fixed annual payments imposed a hardship. The variability is now discretionary with the Secretary (72 Stat. 452). Congress later enlarged the 40-year term to 50 years in regard to specific projects.

In the 1939 Act Congress also limited the repayment obligation of the reclamation farmer to that which he could afford to pay. Repayment ability is determined administratively by the Bureau of Reclamation. It is a determination with great flexibilities including a contingency adjustment to give the farmer a margin of safety.

Thus, for almost 80 years, the legislative and administrative treatment of the cost repayment problem has been extremely sympathetic to the special problems of the reclamation farmer. It should be noted that both the capital costs of construction allocated to irrigation and also the period for repayment vary with each irrigation district, not only in regard to the circumstances of physical facilities but also in regard to the special legislative and administrative treatment for that district.

4. Interest.

Currently of course, interest rates are high. The United States Water Resources Council has the responsibility for setting the interest rate to be used by Federal agencies in the formulation and evaluation of plans for water and related land resources. On October 31, 1978, the WRC announced that the interest rate was to be 6⅞ percent for the period October 1, 1978 through September 30, 1979 (Federal Register, Vol. 43, No. 209—Oct. 27, 1978). The WRC rate is based on the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which have terms of 15 or more years remaining to maturity. However, the WRC rate is permitted to rise by no more than a quarter percent in any year. The limitation has produced an increasingly wide divergence between the WRC rate and the market rate. In June 1979, the interest rate for 10 year Treasury bonds was 9.04 percent and for 20 year and 30 year bonds was 9.06 percent (Federal Reserve Bulletin July 1979).

The current inflation (on August 24th the Federal Reserve Board increased the federal funds rate to 11¼ percent signaling increases in other rates) dramatizes the importance of the interest remission component in the Reclamation payout. For perspective on the cost of Federal money over the period 1942–1977 see Table 3.

TABLE 3.—AVERAGE YIELDS OF LONG-TERM TREASURY BONDS [1]

[Yield in nearest ⅛ percent]

Year	Bond yield	Year	Bond yield
1942 [2]	2.50	1951	2.50
1943	2.50	1952	2.625
1944	2.50	1953	3.00
1945	2.375	1954	2.50
1946	2.25	1955	2.875
1947	2.25	1956	3.125
1948	2.50	1957	3.50
1949	2.25	1958	3.375
1950	2.50	1959	4.125
1960	4.00	1969	6.125
1961	3.875	1970	6.50
1962	4.00	1971	5.75
1963	4.00	1972	5.625
1964	4.125	1973	6.25
1965	4.25	1974	7.00
1966	4.625	1975	7.00
1967	4.75	1976	6.75
1968	4.25	1977 [3]	7.00

[1] Series includes bonds on which the interest income is subject to normal tax and surtax and which are neither due nor callable before a given number of years as follows: April 1953 to date, 10 yr; April 1952 to March 1953, 12 yr; October 1941 to March 1952, 15 yr.

[2] Prior to 1942, long-term treasury bonds were partially tax exempt. Prior to 1942, therefore, assume an average bond yield of 2.50 percent.

[3] 3-mo. average.

Source: U.S. Treasury Bulletin.

In a classic analysis of repayment problems presented on December 27, 1968 in a deposition in the Imperial Irrigation District litigation, Edmund Barbour accepted 3 percent as the interest rate on Federal long-term borrowing, but suggested 5 percent as closer to the interest rate available to the District landowners. That observation squares with the experience of the Public Utility Districts in the Northwest in obtaining non-federal funds for constructing major dams on the Columbia River. See Table 4.

TABLE 4.—MUNICIPAL BOND ISSUES, PACIFIC NORTHWEST

Construction and borrower	Amount (million)	Year	Interest rate
Priest Rapids Dam, Columbia River, Wash: Grant County Public Utility District	$242.0	1956	5
Wanapum Dam, Columbia River, Wash: Grant County Public Utility District	174.0	1959	4⅛
Centralia Project, Wash.: City of Seattle	37.0	1970	6½–8
Centralia Project, Wash.: Snohomish County Public Utility District	24.0	1970	5½–7⅛
Trojan Project, Oreg.: City of Eugene	16.4	1971	5½–6¼

Source: Bernard Goldhammer, economist, Bonneville Power Administration, Portland, Oreg., June 21, 1972.

In recent years, the municipal bond yield averages have risen slightly and are now 5.75 for Aaa bonds and 6.40 for Baa (Federal Reserve Bulletin, July 1979).

B. Application of Analysis.

Eliminating consideration of the currently high interest rates, annual repayments required to repay $1,000 over 50 years at various interest rates are as follows:

[4] Act of March 3, 1905, 33 Stat. 1032 (sales of materials and condemned property). For partial list of Federal revenues diverted into the Reclamation Fund, see Joseph L. Sax, *Federal Reclamation Law*, reprint from Vol. 2, *Waters and Water Rights* (Indianapolis, Allen Smith Co., 1967), sec. 111.1, for. 83 p. 130.

TABLE 5.—REPAYMENT OF $1,000 AT VARIOUS INTEREST RATES: 50 YR

Percent interest rate	Annual repayment	Total repayment
0	$20.00	$1,000.00
3	38.87	1,943.50
4	46.55	2,327.50
5	54.78	2,739.00
6	63.44	3,172.00

Note: At 3 percent the total repayment with interest is slightly less than double the principal amount; at 6 percent it is slightly more than triple.

The Central Valley Project has an irrigation cost allocation of $2,362,919,000 of which the irrigator's repayment share is $1,284,911,000. The irrigation investment per acre is $924.94 of which $502.97 will be repaid by irrigators and $421.97 from power revenues.[5] Equal annual payments of $12.97 over a 40-year period would pay off the irrigators obligation of $502.97. Increasing that annual payment as required by the Morgan amendment would produce an annual payment in the order of $25 per acre. In contrast, repayment of the full irrigation investment of $924.94 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $2,800, or an annual payment of $56 over a 50-year period or $70 over 40 years. Repayment of the $502.97 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $1,500 or an annual payment of $30 over a 50-year period or $37.50 over 40 years.

Westlands Water District, because of the large scale ownerships and farm operations within its boundaries, is the district within which the Morgan amendment would have the greatest impact. See Table 6 for list of the 10 largest ownerships.

TABLE 6.—WESTLAND WATER DISTRICT EXCESS LANDS, 10 LARGEST LANDOWNERS, JAN. 2-5, 1978

	Owned	Acres under recordable contract	Nonexcess
So. Pac. Land Co	106,430	79,918	
So. Pac. Transportation Co	2,750	1,416	
Total	109,180		
Sold	−2,500		
Total	106,680	81,334	
Boston Ranch	23,980	23,711	
Std. Oil Co	11,593		
Westhaven Farming	10,924	10,764	
Gerald Hoyt, et al	8,516	3,379	5,062
So. Lake Farms	8,417	8,007	
Airways Farms	5,113		
West Lake Farms	4,713		
Britz Ferldyer Co	4,139	4,123	

Note: Exhibit attached to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

Preliminary analyses by the Bureau of Reclamation would indicate that the class one equivalency provisions of S. 14 would raise the average eligible acreage within Westlands for a public corporation from 160 acres to 220 and for other landowners from 1,280 acres to 1,780. There are 76 farm operations over 1,780 acres totaling 259,200 acres and 141 farms operations under 1,780 acres totaling 228,820 acres.

The repayment responsibility of the Westlands farmers would be set by a 1965 contract (not yet validated) at $157,048,000.[6] Westlands irrigable acreage is approximately 575,000. The proposed contract repayment obligation is $273 per acre, for a flat rate payment at no interest of $6.83 annually for 40 years. The water surcharges imposed by the Morgan amendment would almost double those figures. There is no immediately available information regarding the full irrigation investment in Westlands. Using the contract repayment obligation figure of $273 per acre, the total repayment obligation at 6 percent interest for 50 years becomes approximately $719, or about $14 annually for 50 years or $18 annually for 40 years.

In the absence of a repayment contract, the Wetlands water users are now paying $7.50 per acre foot of water. Average farm use is 2.1 acre feet per acre, producing an annual charge of $16.42 per acre. It is the understanding of the Bureau of Reclamation that that amount is an operations and maintenance charge and does not include a capital recovery component of the cost of water service.

IV. EFFECT OF MORGAN AMENDMENT ON FARM MARKET

The question is whether the water service surcharge (a maximum of 200 percent over the charge to a non-excess landowner) is sufficiently high to discourage landowners from owning over 1,280 acres.

In any given instance, the answer is theoretically dependent upon the productive capability of the land. If the increased water charge can be absorbed without producing a negative balance sheet, then the landowner would presumably decide for operation and against selling.

The average crop value per irrigated acreage in the Central Valley Project was $700.55 in 1977.[7] That gross income would appear to be sufficient to cover the increase in water service charge from $16.42 to $53.92 ($16.42 to $37.50 required by repayment with interest at 6 percent of the presently allocated capital cost to irrigation for repayment) or to $86.42 ($16.42+$70 required by repayment with interest at 6 percent of all irrigation costs). It should be noted that the Morgan Amendment might be interpreted to require long-term commitment by the excess-landowner. Actual repayment of the proportionate share of the repayment capital investment would require either assumption of the long-term obligation or payout.

V. LAND OWNERSHIP LIMITATION

The acreage limitation is a limitation on eligibility of acreage to receive project water. It is not a limitation on land ownership. It does, of course, negatively affect property rights that would otherwise exist in the use of owned land.

[5] *Project Data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[6] *Project, data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[7] *Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 52.

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 2:27 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. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes;

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; and

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes——

At 4:21 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to 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; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. CHARLES WILSON of Texas, Mr. NATCHER, Mr. STOKES, Mr. MCKAY, Mr. CHAPPELL, Mr. WHITTEN, Mr. PURSELL, Mr. RUDD, and Mr. CONTE were appointed managers of the conference on the part of the House.

The message also announced that, pursuant to the provisions of section 170(a)(3)(B), Public Law 95-599, the Speaker has appointed Mr. ROTH as a member of the National Alcohol Fuels Commission, vice Mr. MICHEL, resigned.

HOUSE BILLS REFERRED

The following bills read by their titles and referred as indicated:

H.R. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes; to the Committee on Governmental Affairs.

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Finance.

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2111. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the department's responses to Section 6 which amends section 14(d) of the National School Lunch Act and relates to the purchase of foods for the commodity distribution program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2112. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—El

Dorado Irrigation District—Sly Park Unit—American River Division—Central Valley Project, California; to the Committee on Appropriations.

EC–2113. A communication from the Secretary of the Treasury, reporting, pursuant to law, the withdrawal of a reported violation of section 3679 of the Revised Statutes by the Bureau of Alcohol, Tobacco and Firearms, and the circumstances supporting that decision; to the Committee on Appropriations.

EC–2114. A communication from the Acting Secretary of the Treasury, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes (31 U.S.C. 665), as amended, involving an account which is administered by the Bureau of Engraving and Printing; to the Committee on Appropriations.

EC–2115. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2116. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2117. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Kuwait for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2118. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2119. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2120. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Spain for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–2121. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during July 1979 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC–2122. A communication from the Acting Deputy Secretary of Transportation, transmitting, pursuant to law, the third Urban Mass Transportation Administration quarterly report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–2123. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 37135, Increased Rates on Coal, BN, Montana to Superior, Wisconsin, and six other related proceedings, within the specified seven-month period which is to expire at the earliest on September 25, 1979; to the Committee on Commerce, Science, and Transportation.

EC–2124. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, the Board's 1981 budget submission; to the Committee on Commerce, Science, and Transportation.

EC–2125. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's FY 1981 budget estimates; to the Committee on Commerce, Science, and Transportation.

EC–2126. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled the "National Heritage Policy Act of 1979"; to the Committee on Energy and Natural Resources.

EC–2127. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–2128. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, on the relevance of the Second Law of Thermodynamics to energy conservation programs; to the Committee on Energy and Natural Resources.

EC–2129. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed draft of a temporary water service contract between the United States and the Westlands Water District for municipal and industrial (M&I) and agricultural water service in 1980 from the San Luis and Coalinga Canals and the Mendota Pool; to the Committee on Energy and Natural Resources.

EC–2130. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2131. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–100, "People's Counsel Authorization Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2132. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–99, "Newborn Health Insurance Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2133. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–101, "Condominium Conversion Amendment Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC–2134. A communication from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a proposed new system of records entitled "Document Control System, NRC–29"; to the Committee on Governmental Affairs.

EC–2135. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a report and notice of the proposed modifications to four and elimination of one system of records of the Department of the Treasury; to the Committee on Governmental Affairs.

EC–2136. A communication from the Chairman, President's Commission on White House Fellowships, reporting, for the information of the Senate, on limited changes which have been suggested in a bill to amend section 209 of title 18, U.S. Code; to the Committee on the Judiciary.

EC–2137. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, a one month delay in submitting the second report on the status of health professions personnel in the United States; to the Committee on Labor and Human Resources.

EC–2138. A communication from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting, pursuant to law, the Commission's final report, entitled "Counting the Labor Force"; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's 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. BENTSEN:

S. 1728. A bill to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Texas as the "John H. Wood, Jr., Federal Courthouse"; to the Committee on Environment and Public Works.

By Mr. LUGAR (for himself and Mr. MORGAN):

S. 1729. A bill to provide for automatic transfers of funds, drafts, and remote service units; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 1730. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Select Committee on Indian Affairs.

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of

the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 104. Joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

● Mr. CHAFEE. Mr. President, on Friday, September 7, 1979, I introduced a windfall profits tax proposal. To conform with the Constitution, which requires revenue bills to originate in the House of Representatives, my proposal was introduced as an amendment to H.R. 3919, the windfall profits tax bill that has already passed the House and is now pending before the Finance Committee.

Today I am reintroducing my proposal as a bill. This will enable my proposal to receive a bill number and aid those who wish to learn more about it by allowing it to be printed and easily located. My remarks explaining the bill can be found on page 23560 of the CONGRESSIONAL RECORD for September 7, 1979.●

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, one of the greatest scientific achievements of this century has been to increase the life expectancy of Americans. In 1900 only 4 percent of the population was 65 or older, compared to 10.8 percent today. By the year 2000 the Census Bureau predicts that 12.2 percent will be 65 or older, and by 2025 that figure will rise to 17.2 percent.

Along with this blessing of a longer life come problems: failing health and its attendant suffering, loneliness, empty days accumulating into years that, rather than being golden, are grim. We in Congress are grappling with a variety of issues that will shape the future health policies of this country, and that will help solve some of the problems faced by our elderly citizens. Last year over $100 billion—24 percent of the Federal budget—was devoted to old-age, survivors and disability insurance, medicare, supplemental security income, and black lung disease. I am hopeful that the Congress, working with researchers, practicing doctors, administrators, and the elderly, can lead this country to a fulfillment of the promise of old age. Thomas Moore expressed it in a single line of poetry:

Days though shortening still can shine.

But well-being and happiness cannot be dispensed simply through HEW appropriations and programs. Elderly citizens should be able to live with peace of mind and dignity; a 65th birthday or retirement from the work bench should be a cause for celebration, not for worry over the likelihood of a sudden change for the worse in the quality of life. Certain provisions of our tax laws make it harder for senior citizens to meet everyday expenses on a fixed income and provide no safeguards against inflation for savings and retirement income. Today I introduce three bills amending the Tax Code to lighten these burdens.

One bill provides that the first $5,000 of income, including pension income, received by persons over the age of 65 shall be exempt from Federal taxation. If two retired persons are married, they each would be entitled to the $5,000 exclusion. Our present elderly tax credit, subject to limitations and marital discriminations, does not provide the elderly with the assurance they deserve, after a lifetime of paying full taxes, of a minimum income unencumbered by taxation.

The two other bills I introduce today would amend the sickpay exclusion provision that was modified by the Tax Reform Act of 1976. The 1976 act changed the old law, so that today everyone must pay taxes on sickpay. I do not believe we should turn our backs on taxpayers, whether under or over 65, whose illness forces them to stop working temporarily and probably foot sizeable doctor's bills. My bill does incorporate a gross income test, which phases out the exclusion for persons with yearly incomes over $15,000. In this manner we ensure that this exclusion is limited to individuals who need it most and does not drain our Treasury coffers.

My second sickpay exclusion bill is precautionary: It extends the effective date of the sickpay exclusion modification enacted by the 1976 law to allow Congress time to study the provision more carefully.

I will soon introduce a bill that would help our senior citizens and others who sell a house or stock that they have owned for a long time.

Although inflation eats away at everyone's savings, it is especially hard on the elderly. They have usually scrimped, saved, and invested over a long period of time. Since they are no longer wage earners, they can't replace that portion of their savings that is eaten up every day by inflation. And because they have saved and invested over a longer period than younger Americans, they get hit the hardest on capital gains taxes. Therefore, I consider my bill to tie the tax on capital gains to the inflation rate an important part of an effort to guard against unfair tax burdens on the elderly. Here is an example of how my bill would work: If Harry Smith bought $15,000 worth of stock in 1967 and sold it for $25,000 in 1979, his profit on paper is $10,000. Under today's tax law his capital gains tax is calculated on this figure.

But since the value of the dollar has been cut in half since 1967, his original $15,000 investment is worth $30,000 in today's economy. Thus, in terms of real dollars, Harry Smith actually lost $5,000 on the 1979 sale. Under my bill, the fictional Harry Smith would not have to pay a capital gains tax on his capital loss, a needed aid for the Harry Smiths who planned ahead for their fixed-income retirement years. This bill would also help an elderly couple that sold their home in order to move into an apartment after their children grow up. They should only be taxed on the real profit they make, if any, not on the inflation-caused paper gain.

Earlier in this session, I reintroduced my marriage tax bill, S. 336, to eliminate the unfair penalty that two-earner couples must pay simply because they are married. The inequity of the marriage tax affects senior citizens just as much as young people. A letter from a constituent in Baltimore, a church pastor, shows the moral problem faced by one accustomed to unhesitatingly upholding the institution of marriage. He writes:

DEAR SENATOR MATHIAS: It is interesting that the very things you said in your address to Congress, especially concerning the advice of tax advisors to older couples, contemplating marriage, is the same advice I have had to give most reluctantly and certainly with moral twinges of conscience. Yet, I knew they could make ends meet easier as single persons than as a married couple. There was no way that I, as a pastor, could advise them to become man and wife under the present tax structure. What a boon [S. 336] will be to sincere pastors and others in similar positions as ours, who have elderly persons in particular, expressing confusion and dismay about this present status, yet knowing there is nothing they can do to relieve the situations in which they find themselves.

This bill, together with the bills I introduce today, are steps toward the realization of my hopes for elderly Americans. Let us work for the "shining" days posited by the poet Thomas Moore. Our senior citizens, after a lifetime of hard work and contribution, should not have to continue to carry their burden of taxation beyond their salaried years. They deserve a break. These bills I introduce today will help lighten their load.

Mr. President, I ask unanimous consent that the text of my bills be printed in the RECORD.

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

S. 1732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 105 of the Internal Revenue Code of 1954 (relating to certain disability payments) is amended—

(1) by inserting "Sick Pay and" after "Certain" in the caption,

(2) by striking out so much of paragraph (1) as precedes "income" and inserting in lieu thereof the following:

"(1) IN GENERAL.—Gross",

(3) by striking out "permanent and total disability" in paragraph (1) and inserting in lieu thereof "personal injuries or sickness",

(4) by striking out so much of the text of paragraph (6) as precedes "for purposes of

section 72" and inserting in lieu thereof the following:

"(6) COORDINATION WITH SECTION 72.—In the case of a taxpayer who—

"(A) has not attained age 65 before the close of the taxable year, and

"(B) retired on disability and, when he retired, was permanently and totally disabled,", and

(6) by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULES FOR INITIAL PERIOD.—

"(A) PAYMENTS IN EXCESS OF 75 PERCENT.—Paragraph (1) shall not apply with respect to amounts attributable to the first 30 calendar days of any such period, if such amounts are paid at a rate which exceeds 75 percent of the regular weekly rate of wages of the employee (as determined under regulations prescribed by the Secretary).

"(B) PAYMENTS NOT IN EXCESS OF 75 PERCENT.—If amounts attributable to the first 30 calendar days of any such period are paid at a rate which does not exceed 75 percent of the regular weekly rate of wages of the employee, then—

"(i) paragraph (2) shall be applied by substituting '$75' for '$100' for that period, and

"(ii) paragraph (1) shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of personal injuries or sickness for at least one day during such period.".

SEC. 2. (a) Any election made under section 105(d)(6) of the Internal Revenue Code of 1954, or under section 505(d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978 may be revoked (in such manner as may be prescribed by the Secretary of the Treasury) at any time before the expiration of the period for assessing a deficiency with respect to such taxable year.

(b) In the case of any revocation made under subsection (a), the period for assessing a deficiency with respect to any taxable year affected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any rule or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time during such one-year period.

SEC. 3. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1977, but shall not apply—

(1) with respect to any taxpayer who makes or has made an election under section 105 (d) (6) of the Internal Revenue Code of 1954, or under section 505 (d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978, if such election is not revoked under section 2 (a) of this Act, nor

(2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the beginning of a taxable year beginning in 1978 by reason of the amendments made by section 505 of the Tax Reform Act of 1976, unless such person elects (in such manner as the Secretary of the Treasury may prescribe) to have such amendments apply.

S. 1733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 (f) of the Tax Reform Act of 1976 (relating to effective date for changes and exclusions for sick pay), as added by section 301 of the Tax Reduction and Simplification Act of 1977, is amended by striking out "1976" and inserting in lieu thereof "1977".

(b) (1) Paragraph (1) of section 301 (b) of the Tax Reduction and Simplification Act of 1977 is amended by striking out "'1977'" and inserting in lieu thereof "'1978'".

(2) Paragraph (2) of such section 301 (b) is amended by striking out "'or January 1, 1977,'" and inserting in lieu thereof "', January 1, 1977, or January 1, 1978,'".

(3) Paragraph (3) of such section 301 (b) is amended by striking out "'1976'" and inserting in lieu thereof "'1977'".

(4) Paragraph (4) of such section 301(b) is amended by striking out "'or December 31, 1976,'" and inserting in lieu thereof "', December 31, 1976, or December 31, 1977,'".

(c) (1) Subsection (c) of section 301 of the Tax Reduction and Simplification Act of 1977 is amended by inserting "or 1977" after "1976".

(2) Paragraph (1) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the second place it appears.

(3) Paragraph (2) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the first place it appears.

(d) The amendments made by this section shall take effect as if included in the amendments made by section 301 of the Tax Reduction and Simplification Act of 1977.

S. 1734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. $5,000 EXCLUSION FOR ELDERLY.

"In the case of an individual who has attained the age of 65 before the close of the taxable year, gross income does not include the first $5,000 of income, including any amount received as a pension or annuity, received during the taxable year which, but for this section, would be included in such individual's gross income.".

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 129. CROSS REFERENCES TO OTHER ACTS.".

(c) The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1978.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

CONGRESSIONAL PAY CAP ACT OF 1979

Mr. HATCH. Mr. President, I am today introducing a bill which will indicate publicly for our constituents our seriousness about cost-cutting and will demonstrate our sensitivity to their concerns about congressional salaries and perquisities. I urge you to join me in sponsoring the Congressional Pay Cap Act of 1979.

As we all know, law permits us to accept an almost 13-percent increase in our salaries without lifting a finger. Our inaction will guarantee us a nice raise. This is a quirk in the law which I personally feel needs correction, but in the meantime, pending our review of the larger problem of accountability, we ought to consider the taxpayers of this country if we sit back and accept this increase.

I venture that not one of us has not advocated the need to bring greater fiscal responsibility to the Federal Government. We agree that this belt-tightening is necessary. I believe that by sacrificing our own pay raises we can emphasize the importance of every single tax dollar. After all, is it not the American taxpayer whose productivity has kept our economy on its feet? Is it not the American taxpayer, regardless of his socio-economic category, who is frustrated with Government, particularly the Congress, being totally out of touch with the realities of inflation and taxes? I believe the answer to these questions is "yes" and I think we in Congress owe these taxpayers the forfeiture of our pay raises this year.

I would only point out that my bill applies only to Members of the House and Senate and not to staffs, officers of the House and Senate, the judiciary, or executive branch employees whose salaries have been frozen for the past 2½ years. The approach is straightforward and I think constructive.

At this point, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

It is time the Congress, beginning here, in our own yard, took steps to restore the confidence of our constituents. Foregoing our increase can only have a positive effect on the public's attitude toward their legislators and will in the longer run favorably effect our rapport with the public and our ability to get things done. After all, what are we if not representatives of our constituents? Or, if we are trustees, then we must more earnestly guard that trust along with the public treasury.

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

S. 1735

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 "Congressional Pay Cap Act of 1979".

SEC. 2. Section 356(a) of Title II, United States Code, is hereby repealed.

SEC. 3. Section 356, Title II, United States Code, is amended by adding the following new subsection:

SEC. 356 (a) Salary rate limitations.

Salaries of the Vice President of the United States, Senators, Members of the House of Representatives, the Resident Commissioner of Puerto Rico, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Majority and Minority Leaders of the Senate and House of Representatives, shall not exceed the rate of pay in effect on September 30, 1978.

(b) Nothing in this Act shall be construed to restrict the increase of salaries for public officials named in Section 356(B) (C) (D) (E) of Title II, U.S.C.

(c) The Secretary of the Senate and the Clerk of the House of Representatives are instructed to compute payroll deductions based on the rate of pay in effect on September 30, 1978, for those officials named in Section 356(a).

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the terms of Office of the President and Vice President may serve; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, today, I am introducing a joint resolution proposing an amendment to the Con-

stitution limiting the tenure of a President to a single 6-year term. This is a measure that has long been needed to insure the office of the President will be one of emphasis on national issues and problems and not one of concern for reelection.

Although the problem is one that affects both Democratic and Republican administrations, the activities in the present administration illustrate clearly the need for this amendment. Almost everything the President does or says is interpreted as being designed to enhance his chances of reelection. Polls are administered by private and public groups, it seems almost every week, to monitor the President's popularity. The polls, as indications of his reelection opportunities have a tendency to be the ruling factor of an administration. This unduly burdens the President into becoming a poll watcher, trying to please everybody and discourages him from using the independent discretion for which the American people chose him to lead the Nation.

The Presidency is one of three cornerstones in our federal system and I am introducing this resolution because I believe we need to rescue it. The tempo, pressures, and problems of these times, which we in the Senate know well, have accumulated to a point at which we cannot be certain that it is possible for a President of the United States to meet the responsibilities which come with his office while he is involved with all the aspects of mounting a national campaign for reelection.

The pressures of the job combined with the pressures of campaigning bend an incumbent President physically just as they bend his policies. And if it were not enough to preside over the departments and agencies of the executive branch, to be Commander in Chief of the Armed Forces and ceremonial head of state, we ask our Presidents to go to the country as candidates, defend their policies in a heavy schedule of State primaries, and exercise their powers of incumbency in a long struggle for renomination and reelection.

The single term reform was not conceived in the stress of modern politics. The issue of Presidential reeligibility was heavily debated during the Constitutional Convention. Thomas Jefferson was initially inclined to favor a single term of 7 years but he gradually became persuaded that George Washington's precedent of retirement after two terms was preferable.

The experiences of the early Presidents renewed the advocacy of the single term and the case was put strongly in 1828 by Virginia Representative Alexander Smyth:

> The honor, the welfare, the tranquility of the nation, the fairness of elections require that the President should not be a candidate.

President Andrew Jackson was persistent in urging the reform in each of his annual messages to Congress. He stressed his special concern that Presidents are tempted to abuse their powers in pursuing reelection.

Many leading public figures, including Henry Clay, Benjamin Harrison, Benjamin F. Wade, and Charles Sumner, endorsed the reform in the 19th century. Rutherford B. Hayes proposed it in his inaugural address and Grover Cleveland, accepting the Presidential nomination in 1886, described a President's eligibility for reelection as a "most serious danger to that calm, deliberate, and intelligent action which must characterize a Government by the people." By 1896 the proposal to limit the President to one 6-year term had been introduced in Congress more than 50 times.

In 1912, the Democratic platform advocated a single term President. After the general election, the Senate by a vote of 47 to 23 proposed such an amendment on February 1, 1913. However, the House did not adopt the resolution.

In acting to avert a repetition of Franklin D. Roosevelt's four terms, Congress voted in 1947 to adopt the George Washington precedent, amending the Constitution to set a mandatory limit of two 4-year terms. Some Members argued for the single term alternative but it stirred no wide enthusiasm.

The lame duck issue is the major argument that is raised against the single, 6-year term. The contention is that a President's power will be seriously diminished if he is obliged to enter the Oval Office as a lame duck. Many insist that a President gains strength from his exertions to be reelected. But in enacting the 22d amendment, Congress committed any President who wins a second term to a lame duck status.

Dwight Eisenhower, the only President who has served a full second term under the limitations of the 22d amendment, did not feel that his inability to run again imposed any handicaps or loss of influence. Eisenhower became, in fact, a strong proponent of the single term Presidency. Every President since Mr. Eisenhower—with the exception of Richard Nixon whose position is not known—has formally or informally advocated the reform.

President Carter is a recent convert. The reason, he explained, is—

> No matter what I do as President now, where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by, "Is this a campaign ploy or is it genuinely done by the incumbent President in the best interest of our country without any sort of personal advantage involved?" I think that if I had a six-year term, without any prospect of re-election, it would be an improvement.

The Nation will gain more, it seems to me, from the services of a President who is liberated from reelection pressures than it will lose in sacrificing its right to pass upon a President's performance after 4 years. Modern Presidents are winning by narrow margins and their judgments on issues of substance are inevitably colored by their necessity to build political bases for reelection. They are harder and harder pressed to find time and attention to deal with the issues which confront them but they are obliged to allocate increasing amounts of time and attention to their political prospects. This leads them to rely on aides whose preoccupation is politics more than on those directly concerned with the substance of Government. As they behave more and more like candidates, they are viewed as candidates by the media and the public. As they gain political momentum, their capacity to exert moral leadership is diminished.

The 4-year cycle is being shortened by the pace of events. A newly-installed President has only a short time to gear up his administration and get his program before the Nation's attention turns to the congressional elections. There once was a hiatus between the congressional elections and the start of Presidential campaigning but Presidential candidates now believe in starting early so the incumbent faces challengers when he is barely into his third year. The quadrennial cycle is allocating more and more time to politics, less and less to the serious business of Government.

Mr. President, as I have indicated, this debate on Presidential terms has been continuous since 1787. To fully inform my colleagues of the history of this debate, I ask unanimous consent that a background study prepared by the Foundation for the Study of Presidential and Congressional Terms be printed in the RECORD at the conclusion of my remarks. This study provides the details of this debate from May 27, 1787, when Edmund Randolph introduced the first single term resolution to the present with President Carter's endorsement of this resolution.

Mr. President, the grassroots of this country are becoming more aware of the need for this amendment. Polls indicate that support for this amendment is rising at a rapid pace. In Dillon County, S.C., the local newspaper, the Dillon Herald, amply discusses the merits of this amendment in a recent editorial. I agree totally with the editor's statement that,

> The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election.

I ask unanimous consent that this editorial and other newspaper articles which express the same sentiment, be printed in the RECORD so that my Senate colleagues may have the benefit of of their wisdom.

In closing, Mr. President, let me point out that I believe we are at a point in this country where we will serve ourselves well by giving our Presidents more time to govern and less time at poll watching. This amendment will provide that opportunity.

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

CONSTITUTIONAL BACKGROUND AND LEGISLATIVE HISTORY OF PROPOSALS TO LIMIT PRESIDENTIAL SERVICE

1787

During the Constitutional Convention, more than 60 ballots were cast on the question of Presidential tenure. Highlights of the proceedings follow.

May 29, 1787: Edmund Randolph (Virginia) introduced the Virginia Plan, con-

sisting of fifteen resolutions. The seventh resolution provided that the Executive "be chosen by the National legislature for a term of —— years . . . to be ineligible a second time."

Charles Pinckney (S. Carolina) also presented a plan for government, providing that the Executive be erected for a term of —— years and be eligible for reelection.

June 1, 1787: The Convention approved a 7-year presidential term. (In favor: New York, New Jersey, Delaware, Pennsylvania, Virginia. Opposed: Connecticut, N. Carolina, S. Carolina, Georgia. Divided: Massachusetts).

June 2, 1787: By a vote of 7–2, the Convention approved a proposal stating that the 7-year term President be ineligible for a second term.

June 15, 1787: William Paterson (New Jersey) offered the New Jersey Plan, Article 4 of which advocated that the Executive be ineligible for a second term; the length of the Executive's term was left blank.

Alexander Hamilton (New York) proposed a plan, Article 4 of which called for Executive authority to be placed in a "Governour" who would serve during "good behavior".

June 19, 1787: The Committee of the Whole reported the Virginia Plan, including a provision for the Executive to be elected by the National legislature for a 7-year term, and not to be eligible for a second term.

July 17, 1787: William Houston (New Jersey) moved to strike the "ineligibility" clause. His amendment was adopted by the Convention on a 6–4 vote.

July 19, 1787: Luther Martin (Maryland) moved to reinstate the "ineligibility" clause. His motion failed.

The Convention approved a proposal calling for a 6-year term President, elected by the electors. (In favor: Massachusetts, Connecticut, New Jersey, Pennsylvania, Maryland, Virginia, N. Carolina, S. Carolina, Georgia.)

July 24, 1787: The Convention adopted a motion offered by William Houston that the Executive be elected by the National legislature.

July 25, 1787: A motion was offered to have the Executive chosen by the National legislature, and to make him ineligible for reelection after more than six years in office during any twelve-year period. The motion failed on a 6-5 vote.

July 26, 1787: The Convention returned to the provisions of the original Randolph proposal, voting 7–3 for a 7-year term President who would be ineligible for reelection.

Sept. 15, 1787: The Convention adopted the "Committee of Eleven" plan (submitted on Sept. 4), which called for the electors to elect the President for a 4-year term with no restrictions as to eligibility for reelection; if no person received a majority vote, the Senate would choose the President.

Roger Sherman (Connecticut) then proposed that the House choose the President in the absence of a majority vote, each State having one vote in the election process. His plan was subsequently adopted, with only the State of Delaware dissenting.

Sept. 17, 1787: The final draft of the Constitution was approved.

Sept. 28, 1787: The Continental Congress resolved unanimously that the Constitutional Convention's report be transmitted to the State legislatures.

1788

July 2, 1788: The Constitution was ratified by three-fourths of the States, and the Continental Congress ordered the ratifications referred to an examining committee.

Since the adoption of the Constitution, over 180 amendments have been introduced in Congress to change the Presidential term from four to six years. The majority of these amendments have stipulated that a President not be eligible for reelection.

1789–1889

During this time, more than 125 amendments to the Constitution were introduced in Congress to alter Presidential tenure. Approximately 52 of these amendments called for a 6-year term: 38 called for a single, 6-year term; while 14 called for a 6-year term with no limitation on eligibility for reelection.

1808: Senator Hillhouse (Connecticut) proposed a 1-year term for the President.

1824: The Senate passed a two-term limit on Presidential tenure by a vote of 36–3.

1826: The Senate passed a two-term limit on Presidential tenure by a vote of 32–7.

Rep. Hemphill (Pennsylvania) introduced a resolution calling for a 6-year term President.

1831: Rep. Tucker proposed a 5-year term President.

1829–1836: In all eight of his annual messages to Congress, President Andrew Jackson advocated a single term of either 4 or 6 years for the President.

1841: In his inaugural address, President William H. Harrison called for a single term President.

1844: The Whig Party platform called for a single term President.

1845: President James K. Polk advocated a single term President.

1856: During his campaign for the Presidency, James Buchanan supported the principle of a single, 6-year Presidential term.

1861–1865: The Southern Confederacy adopted a single, 6-year term for its President.

1865–1869: At least twice during his tenure, President Andrew Johnson expressed support for a single, 6-year term President.

1875: The House Judiciary Committee reported to the House H.J. Res. 147 (introduced by Rep. Potter of New York) which called for a 6-year term President, with the incumbent ineligible for two successive terms in office. The measure failed of passage on a vote of 134 (for) to 104 (against), a two-thirds majority having not been attained.

1876: While campaigning for the Presidency on the Democratic ticket, Samuel Jones Tilden supported a single, 6-year Presidential term.

1877: President Rutherford B. Hayes, in his inaugural address, advocated a single, 6-year term for the President.

The House Judiciary Committee reported H.J. Res. 41 to the House. The majority report called for a 4-year term President, while the minority report called for a 6-year term President; both reports favored ineligibility for reelection to the Presidency. On the floor of the House, the majority proposal was defeated 145–108, and the minority proposal was rejected 72–184.

1884: In accepting the Democratic nomination, Grover Cleveland supported a single term President.

1888: Rep. Hudd proposed an 8-year term President. The People's Party platform advocated a single term President.

1890–1926

During this time, approximately 107 proposals were introduced in Congress to limit a President to one term, to prohibit a longer tenure than two terms, and to lengthen but restrict to one term a President's tenure in office.

10 amendments called for a single, 4-year term.

63 amendments called for a 6-year term. (One of these proposals, S.J. Res. 78, passed the Senate on Feb. 1, 1913, by a vote of 47–23.)

22 amendments called for a single, 6-year term.

4 amendments provided that a President could not succeed himself in office.

6 amendments limited a President to two consecutive terms in office.

2 amendments called for a single, 7-year term.

1892: Again, the People's Party platform called for a single term President.

1912: The Democratic Party platform advocated a single term President. The Prohibition Party favored a single, 6-year Presidential term.

1913: S.J. Res. 78, calling for a 6-year Presidential term, passed the Senate on a vote of 47–23 February 1.

1915: President William Howard Taft expressed support for a single 6 or 7-year term President while delivering a lecture at Columbia University.

1916: Again, the Prohibition Party called for a single, 6-year Presidential term.

1927–1963

During this time, 81 amendments were introduced in Congress to alter Presidential service.

43 amendments called for a 6-year term.

3 amendments called for a single, 4-year term.

34 amendments advocated limiting a President to two consecutive terms.

1 amendment advocated an 8-year Presidential term.

1939, 1945: Hearings on proposals for a 6-year term President were conducted by the Senate Judiciary Committee.

1940: During the Presidential campaign, Wendell Willkie advocated a single term of 8 years or less for a President.

(1939, 1943, 1945: Gallup polls showed that by almost 3–1, the public opposed changing the President's term to a single one of 6 years.)

1947: During debate on the proposed 22nd Amendment, Senator W. Lee O'Daniel (Texas) offered an amendment to limit all elected officials to a single term of 6 years in office. The amendment was defeated 82–1. Also, an amendment was offered by Rep. Celler (New York), ranking Democrat on the House Judiciary Committee, to limit a President to one, 6-year term; the amendment was defeated by voice vote.

February 5: The House Judiciary Committee reported favorably an amendment to limit a President to two, 4-year terms.

March 21: Congress approved a Constitutional Amendment limiting a President to two, 4-year terms. (The Amendment was ratified by the States on March 3, 1951.)

1964–1971

Three amendments were proposed calling for a 3-year Presidential term.

The House Judiciary Committee held hearings on one of the amendments.

One amendment was offered to limit to eight the number of consecutive years a President could remain in office.

1972–1974

Nine amendments were offered calling for a single, 6-year Presidential term.

1975–1976

Nine amendments were introduced calling for a single, 6-year Presidential term.

1977–1978

Thirteen amendments were introduced to limit a President to a single term of six years.

1979, AS OF THE END OF FEBRUARY

Seven amendments have been proposed calling for a single, six-year Presidential term.

Jan. 25: Attorney General Griffin Bell endorses the single, six-year Presidential term.

April 27: President Carter endorses the single, six-year Presidential term.

[From the Dillon (S.C.) Herald, July 26, 1979]

A SIX-YEAR TERM

One of the numerous Republican candidates for president, John Connally of Texas if our memory serves us correctly, is advo-

cating a single six-year term for the president of the United States.

This is an idea which deserves consideration.

In the latest issue of the U.S. News & World Report, a conservatively-oriented publication, appeared the following paragraph:

"In his post as chief of staff, Jordan is expected to crack the whip throughout the executive branch. His goal: To get the entire Carter Administration cannonballing—rather than creeping uncertainly—toward a Carter re-election victory in 1980."

Now, this editorial is not a personal indictment of Jimmy Carter. His own re-election is paramount in the mind of any first-term president and his actions during the last two years of his term are influenced by the approaching election

This consideration governs to a great degree the policies of any president, no matter his party.

Jimmy Carter is not the first president to be influenced by voter reaction as an election approaches, nor will he be the last.

Proponents of the single six-year term assert that political considerations would have but a minor effect on the decisions of a one-term president who would be free to act in the best interests of the country without regard to his own political future.

Allowing a president to try for a second four-year term is the reason that so many of Jimmy Carter's moves are being viewed by the cynical as ploys to insure his reelection. Feeding the mistrust is the fact that no members of the opposition party were summoned to Mount Sinai (Camp David) when the President charted his future course. And, Mrs. Carter traveling through the country, campaigning for her husband's re-election is not an ideal way to gain bi-partisan support for the Administration's energy program.

A constitutional amendment calling for a single six-year term would put a stop to this nonsense which clearly is not in the nation's best interests.

If the president were limited to a single six-year term, his political fortunes in 1980 would have no bearing on his plans and programs. He would be free to espouse necessary, however unpopular, measures if in his judgment they were what the country needed.

He could ignore the polls, realizing that history would be the judge of his administration rather than the voters in an election less than two years away.

The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election. Were he limited to a single term, his options would be more varied, his chances of securing bipartisan support more likely, and he could act, according to his own judgment, in a manner which would serve the country rather than his own political fortune.

[From the Pigeon, (Mich.) Progress Advance, Feb. 1, 1979]

SIX-YEAR TERM MAKES GOOD SENSE

An idea first proposed about 10 years ago surfaced again during the past week, and we frankly can't see much wrong with it.

Attorney General Griffin Bell has warmed up to the idea that this country needs a one-term presidency of six years, instead of the present possibility of up to two four-year terms. He proposed a constitutional amendment as a way of controlling "government by bureaucracy."

Several problems with this proposal come to mind, but the benefits certainly outweigh the possible shortcomings, we believe.

Some observers say a one-term president would serve too long a time. We'd be forced to be governed by a domineering person for six long years, when legislation could be halted for too long if the president opposed it. Or, they say, a poorly-qualified president would blunder about too long.

But let's look at a few of the positive sides of the plan. As soon as any president is elected now, he must set a plan of work to stretch over roughly two and one-half years. This would list programs and goals which can be accomplished before he must turn around to again seek his party's candidacy as well as the country's favor in another election four years after winning his first.

A one-time presidential term would eliminate this and more. A one-term president—financially supported by the governmental funding check-off system employed each year on federal income tax forms—would be answerable to fewer special interests than in the present set-up. Once elected, a one-term president would have his (or her) work cut out for him—do the nation's business the best way possible.

President Carter, elected in 1976, took office in January, 1977 and has already quietly begun fulfilling political commitments by making political tours, to stay in the favor of Democratic Party supporters. This has already started, two full years before the 1980 presidential balloting.

Whether or not you favor the present incumbent, he could be doing our nation's business non-stop right now if he did not have to seek re-election soon. He could do his best job until the year of 1982, if a six-year term had been his reward in 1976.

As it is now, however, many weeks of the next two years will be dominated by political business, as President Carter attempts to defeat election challenges from within and without his own party.

A one-term president could and would look instead toward the accomplishments which are attainable during his total term. We'd all benefit from it, since our United States would have a full-time president governing for his entire term.

This idea was last advanced in the 1960s to replace the present more costly four-year system. Bell's idea to do away with lots of influence by bureaucrats and lobbyists makes a great deal of sense, but it has fallen on somewhat deaf ears in the past.

Our forefathers didn't realize the type of influence which could surround any president in the 20th Century. They wisely wrote into our Constitution the means to change and amend it, as has been done 26 times in our nation's 202 years of existence.

A one-term presidency of six years is an innovative idea, and one which definitely is a needed improvement.

[From the Omaha World-Herald, Jan. 30, 1979]

ONE-TERM PRESIDENCY A GOOD IDEA

An old idea surfaced in two different places last week. It's one worth thinking about.

The idea is that the Constitution should be amended to provide that the president of the United States serve a single six-year term.

John Connally of Texas espoused the idea in his announcement of presidential candidacy. And Atty. Gen. Griffin Bell came out for it in a speech at the University of Kansas.

It is Bell's contention that the four-year presidential term has much to do with fueling inflation. He figures it this way: Government funding cycles mean it is the third year of a president's term before any changes in fiscal and taxation policy can be achieved. That means that much of the time, the bureaucracy is effectively in control of the country's money affairs. And bureaucracy is not as responsive to popular demands for cost-cutting as are elected officials.

This is an interesting argument, but we don't think it is the most compelling one for the six-year term.

The best argument, we think, is that a one-term president would not constantly have one eye on the electorate and one eye on his job.

The country would not be subjected quite as much to the kind of political flim-flammery that even the best presidents resort to as elections approach. (True, the occupant of the White House would still be cranking up the Main Chance for his party, but his personal stake would be reduced greatly.)

It is noteworthy that the Watergate disaster grew almost entirely out of White House concerns relating to the 1972 election. If Nixon had been looking toward honorable retirement at the end of 1972, all that probably would not have been thought necessary.

The single six-year term has attracted support among some solid politicians, including Senate Majority Leader Mike Mansfield, who tried sponsoring legislation to get an amendment enacted.

We hope that Bell's and Connally's endorsement will help give this proposition the attention and support which it deserves. It is an idea whose time surely has come.

[From the Washington Star, May 2, 1979]

THAT 6-YEAR TERM

(By Charles Bartlett)

In asserting that the press would ascribe purer motives to his policies if he did not have the option of seeking reelection, Jimmy Carter will draw few contradictions from the media.

In further contending that he would be able to lead more strongly and effectively under a single-term restriction, Carter lines up with most of his immediate predecessors particularly Dwight Eisenhower and Lyndon Johnson. Both became enthusiastic about the reform while they lived in the White House.

Gerald Ford has taken no formal stand on the one-term presidency, but he does not oppose it. Richard Nixon postpones responding to queries on the subject. John Kennedy died before he could fully assess the idea, but he once groaned to this reporter, "Six years of this job is enough for any man."

Carter is, however, the first president to endorse the plan for a single six-year term in the midst of what seems to be the prelude to his own campaign for a second term. Like Mount Everest, the second term is there and it challenges the spirit of any incumbent. Carter was perhaps expressing the frustration he feels at getting locked into another campaign before he has managed to give any strong demonstration of skill as a leader.

But Carter cannot justly condemn the press for ascribing political motives to his policies under the present circumstances. His White House staff is wholly dominated by Hamilton Jordan, a personality whose credentials are totally political. He joins in the fury when any matter of substance is slipped by the political bureau charged with making the policies fit the political needs. The efforts to maximize the election potential of the incumbency are in full swing.

Astute commentators like Edwin Yoder and David Broder have argued that a one-term president, deprived of the momentum he gains from his reelection effort, would languish without influence. But in days when the thrust of his policies is badly diverted by political preoccupations and most congressional Democrats are planning to campaign without reliance on his sagging popularity, Carter plainly does not feel that his influence is being swollen by the prospect of an election.

Almost in chorus, the political scientists decry the one-term reform as an infringement upon the people's constitutional right to vote for anyone they want as many times as they want. As if to manifest their detachment from the non-intellectual dynamics of politics, this fraternity overwhelmingly favors repeal of the 22nd Amendment, which now limits presidents to two terms.

These dynamics are on display these days in Moscow where Leonid Brezhnev, ailing and old at 70, has recently exasperated the intelligentsia and probably most of his cohorts on the Central Committee by shrugging off a splendid opportunity to retire. Many thought he would seize upon the convening of a new Supreme Soviet, an occasion that coincided with his 40th anniversary in the party leadership, as an appropriate moment to step off the stage.

But Brezhnev has signaled his intention to keep building "our happy communist future." Responsible sources say he did make the decision to retire and had even begun making the preparations. But he allowed himself to be persuaded by his personal staff—which has taken over most of his functions—that despite his incapacities he is indispensable.

The penalty in Russia for writing that Brezhnev is no longer up to his job would be five years of hard labor in Siberia. This is why the Soviets feel able to boast they have a more stable political system. When an American president shows any interest in a second term, the press in this country begins to dwell on reasons why he doesn't deserve it. This is why presidents are inclined to believe they could be more effective if they only ran once.

[From the San Francisco Examiner, Jan. 21, 1978]

A SIX-YEAR PRESIDENCY

It wouldn't be un-American to limit presidents to a single, six-year term. Or to limit U.S. senators to two six-year terms and congressmen to three four-year terms.

In fact, Dr. Milton Eisenhower, president emeritus of Johns Hopkins University and a brother to one U.S. president and an adviser and confidant to many others, says such restricted terms for elective officials in high offices would be in the best interest of the American people.

Eisenhower called for a six-year presidential term and restricted terms for congressional leaders in his 1973 book, "The President is Calling." That same year, two Senate visionaries, Mike Mansfield and George Aiken, proposed legislation to that effect. But the concept died and its two Senate sponsors retired.

Today, however, Eisenhower, 78, is encouraged by renewed interest in the idea. Sen. Jessie Helms, R-N.C., and about a dozen House members are sponsoring a constitutional amendment which would make the job of president a six-year engagement, rather than a possible eight-year position.

In Washington, the Foundation for Study of Presidential and Congressional Terms, is devoting full time toward this end. The organization includes many high-powered political and business leaders, including former Treasury Secretary William Simon and Jack Valenti, president of the Motion Picture Association of America.

In a Sunday column last year, William Randolph Hearst Jr., editor-in-chief of the Hearst newspapers, endorsed the concept of single, six-year terms for presidents.

Our Founding Fathers saw potential evil in more than one term for a president. In a preliminary draft of the Constitution, they called for a single seven-year term. Out of respect and love for George Washington, who served two terms, the draft committee changed that provision. Only after Franklin Delano Roosevelt dared to challenge the tradition set by Washington, political leaders battled for limiting presidents to two four-year terms, and won.

Now it's time for a change.

Some argue that a one-term president would be a lame duck president. Eisenhower replies: "The power of the presidency does not come from a president's ability to be re-elected or political patronage. It comes from the faith of the people in that office and person."

He concedes that government could lose some good leadership by restricting lengths of terms. But a fresh leader is better than a tired one.

[From the Durham Sun, Jan. 29, 1979]

TWO STRONG ARGUMENTS

Attorney General Griffin Bell has advocated a constitutional amendment to limit U.S. presidents to one six-year term.

Bell said this would enable a president to devote 100 percent of his time to the office. "Under the present system, the president serves three years and then must spend a substantial part of the fourth year in running for re-election."

This is an understatement at best. The majority of elected officials, including the president, never stop running from one election to the next—a fact which colors their decisions, often to the detriment of the country's long-term best interests.

Bell added that the current four-year term is too short to achieve any of the major changes and improvements that a president should accomplish. "It is well into a president's third year before his own program changes take effect. This leaves the bureaucracy in control." Limiting a president to a six-year term would be one way to control "government by bureaucracy," said Bell.

This idea has surfaced numerous times through the years and has been advocated by several presidents. Bell makes two powerful points in support of the issue.

[From the Ludington (Mich.) Daily News, Feb. 13, 1979]

ATTY. GEN. GRIFFIN BELL

Attorney General Griffin Bell is to be commended for pointing out the force and power of the federal bureaucracy. By means of the many regulations, orders and printed forms the bureaucracy scrutinizes our lives and controls our destiny.

Griffin Bell is an experienced public servant who heads the 55,000 employees of the U.S. Justice Department. He advocates cutting the rulemaking authority of the bureaus, if not the bureaus themselves. He also favors a constitutional amendment to limit the President to one six-year term of office. He insists that laws be strictly enforced. President Carter made a good choice in appointing Griffin Bell as Attorney General of the United States.—H.P.F.

[From the St. Louis Post-Dispatch, Apr. 29, 1979]

CARTER NOW FAVORS A SINGLE SIX-YEAR TERM

WASHINGTON.—President Jimmy Carter says he has come to believe that it would be an improvement if the presidency were limited to one six-year term with no chance for re-election.

He also says, however, that he would not want to place a similar limit on members of Congress.

The president expressed his views in an interview with the Newspaper Advisory Board of United Press International. The White House issued a transcript Saturday.

"I have begun to realize that if I could just by the stroke of the pen change the Constitution, I think one six-year term would be preferable," he said.

Carter, who has given supporters the go-ahead for setting up a re-election committee but has not yet declared himself a candidate for 1980, complained that the public seems to suspect that there is a political motivation lurking behind everything he does.

"No matter what I do as president now," he said, "where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by (the question), 'Is this a campaign ploy or is it genuinely done . . . in the best interest of our country without any sort of personal advantage involved?"

He added:

"I think that if I had a six-year term, without any prospect of re-election, it would be an improvement. I have come to that conclusion reluctantly."

The idea of a one-term presidency has been proposed several times in Congress, but has drawn little support.

Carter's comments on the subject are similar to the opinions of Attorney General Griffin B. Bell, a close colleague and adviser, who endorsed the idea of a six-year term in a recent speech in Kansas City.

And, in announcing his own candidacy for the Republican presidential nomination in January, former Texas Gov. John B. Connally, Jr. said that, if elected, he would propose changing the Constitution to limit presidents to a single term.

Asked whether the one-term limitation should extend to members of the House and Senate, Carter replied, "No, I think not."

"Congress ought to be constantly under the political pressure of maintaining contact with the people back home," he added. "It is onerous for incumbents, but I think it is good."

His views differ sharply from comments he made in October 1977 when talking by telephone with members of the National Newspaper Association in Houston.

"I believe that the present arrangement is the best one," he had said of the constitutional allowance for two four-year presidential terms.

"My summary is to leave it like it is."

[From the Norfolk (Nebr.) News, Feb. 16, 1979]

SIX IS ENOUGH

Count Attorney General Griffin Bell among the small band of advocates of a six-year term for presidents. That proposal does not have the endorsement of the Carter administration, nor has it been given such support by previous administrations. It has been, instead, a proposal left for debate by political theorists without much influence.

Perhaps Mr. Bell can give this worthy suggestion the prestige it needs to gain a place on the agenda for public debate.

In speaking on the subject recently at the University of Kansas, Mr. Bell noted that the current four-year presidential term does not allow the nation's leader enough time to implement meaningful changes unless he is re-elected to a second term. Further, because of government funding cycles, it is not until the third year of a president's term that he can achieve any major changes.

The effect of this is to leave the bureaucracy in control, said Mr. Bell. And that strength, now growing, is not simply a painful nuisance, but a "prescription for societal suicide."

The matter of influence by the civil servants hired to do the bidding of the president and the taxpayers at large is of concern if for no other reason than numbers alone. Today the federal establishment represents a voting bloc which can, if properly united, make the president and Congress more responsive to them than them to it, as would seem more appropriate for a free democratic society.

To earn the re-election necessary to carry out his initial objectives, an American president must recognize the bureaucracy's votes, too. So it is that changes desirable for the economy and the tax-paying public but unpalatable to those running the day-to-day business of the federal establishment can be defeated.

Aside from that aspect of the management, even a president with a disposition to take strong anti-inflationary measures is dissuaded by the political effects. He may know that the economic well-being of the country hinges on drastic budget-cutting, but he also knows this might be detrimental to a second-term bid. So effective action can be postponed in order that the incumbent will have another term to do what, if it had not been deemed politically unacceptable, should have been done the first term.

Sound economics, in reality the best politics, argues for a single term, and six years is a reasonable length of time.

[From the Boston Herald American, July 25, 1978]

SIX-YEAR TERM?

What do you do when a president who is supposed to be a leader of all the people is liked by only a few of the people?

It's a good question, and neither whimsical nor irrelevant now that President Carter's all-time low in the opinion polls makes him less and less a representative of those who elected him. The answer isn't easy.

In England and many other European countries a parliamentary vote of no confidence can snip the tenure of a chief executive who is out of step. The United States has no similar removal machinery. We give a man a four-year lease, for better or for worse, and a second shot at it if he so desires.

The European plan saves the people from a ruler they want to get rid of, but may not give him optimum opportunity to prove himself. The American plan gives the president plenty of room to peform, but provides no quick relief if the performance is poor.

Shouldn't there be a middle ground?

Political scientists have wrestled with that one for two centuries, coming up with a variety of suggestions. One of the most frequently discussed is the establishment of a six-year term, with no chance to run again.

Under the system the country would be stuck with a mediocrity for an extra couple of years, but that is one of the many uncertainties of representative government. Benefits could far outweigh the risks. For one thing, a president could concentrate on presidential tasks without diluting his energy by polishing his image and campaigning for re-election. By thus conserving time and money, a competent president actually could accomplish more in six years than in eight. If he is less than competent, at least he wouldn't be around for those two extra years.

The $50,000 Mr. Carter shells out to Gerald Rafshoon to paint a prettier picture of the chief may at first glance look minuscule. Multiply it a few thousand times, however, and you get a hint of resources devoted to campaigning that should be spent on governing the country.

Press agentry is an accepted part of of the American political scene, but presidential images should be made of sterner stuff.

A single, six-year term could clear the way.

[From Newsweek, Feb. 4, 1974]

A SIX-YEAR PRESIDENCY?

If the Watergate mess tells us anything, it is that the re-election of a President is the most nagging concern in the White House and that, given the limits of human nature, it is altogether possible that the first item on the agenda of an incoming Administration is its re-election. There is really nothing sinister in this objective—it's the most normal thing in our politics.

But, at the risk of stepping on the droppings of shrewder and wiser philosophers, I think the time has come for changing the rules by which Presidential politics are played. My proposal is a single six-year term for the President with no re-election eligibility.

Two of the most respected of all United States senators, Majority Leader Mike Mansfield of Montana and senior Republican George Aiken of Vermont, have both sponsored such an idea. They believe that while we ought not to tinker too much with the constitutional machinery, we can rearrange a bit of the constitutional furniture.

THE JUDGMENT OF HISTORY

Consider for a moment the election of a new President under a six-year term. He takes office knowing that he cannot seek re-election, that he will make his place in history, for better or worse, on the deeds and achievements of the next 72 months of his stewardship. He has only to do what he thinks is right, with the sure understanding that he must heed the people, for they are co-authors of the record he will leave to the historians. It is this judgment that most Presidents are keen to certify; they value it far above the Great Gallup Poll in the Sky that measures their popularity rather than their legacy.

Should taxes be raised? Should rationing be instituted? Should troops be withdrawn? Should wrongs be righted even though some voters are offended? If the election is a year or two away, you can mark it down as a Major Truth that a first-term President will carefully weigh the effects of whatever he does on his second-term prospects. Kenneth O'Donnell, JFK's closest political aide, wrote some years ago of a conversation President Kennedy had with Senator Mansfield in 1963 during which the senator urged JFK to get the hell out of Vietnam. To which, according to O'Donnell, the President wryly confessed he wanted to do just that, but he had to wait until after the election, lest he be swamped at the polling booths.

Watergate would never have occurred if Presidential aides were not obsessed with re-election. If they had been comfortable in their tenure, knowing that in six years they would lose their lease—and in that short time they must write their record as bravely and wisely as possible—is it not possible that their arrogance might have softened and their reach for power might have shortened?

The counter-arguments to the six-year term are (1) the President must not be freed from considering the political implications of his acts or he becomes isolated from the people, and (2) he is a lame duck the day of his election.

Let's consider those two arguments.

POWER AND POLITICS

Don't we make the President a lame duck now the day he is elected to his second term? Does that hamper him? Of course not. The President has such power that he can wield it sufficiently and with precision to the last weeks of his tenure. President Johnson signed into law two of the most controversial pieces of legislation of his Administration in the last seven months of his office, the equal-housing and tax reform acts. The powers of appointment, of veto, of budget making, of initiation of programs, of moral suasion—these are all intact, fully armed and borne by him until his successor is sworn in. Lame-duckism is a myth in the Presidency.

A six-year-term President is not isolated and divorced from the daily political marketplace. Any President who wants to pass a bill, build a budget, construct a program, implement a plan, make a treaty, negotiate at a conference must be sensitive to the people and the Congress. He must act within the framework of the separation of powers; he is powerful, but he is not all-powerful. Common sense dictates his actions, and his own sensitivity to his place in history freights his every move. Therefore it follows, quite reasonably, that the President who would write a durable and measurably valuable record must persuade the Congress and the people.

The Congress and the Supreme Court (the one answerable often to the voters, and the other secure behind lifetime tenure) have only to exercise their power under the Constitution and the insensitive President, opaque to the nation's needs, can be pressured to straighten up and fly right.

We must always remember that a President's noblest stirring is toward his place in history as a Good, perhaps Great, President. If we abort his other objective, his re-election, we reduce the potential for mischief and leave the better angels undisturbed.

We should also factor into our decision the time consumed in the re-election campaign. Some two and a half years after a President is inaugurated, the elephantine apparatus of the Federal establishment moves to provision the re-election caravan. Energy, money and time are thrown into the job of precinct winning.

Why waste this effort and treasure? We no longer have the luxury of slow communications, of ships taking a month to cross the ocean, and the slow seepage of political impact. Today we deal in eight minutes to catastrophe, or the time it takes a MIRVed missile to hurl itself across borders. The stakes in the game have become too high to indulge ourselves in what seemed all right a century, or even three decades, ago.

The Founding Fathers understood the possibility of change: they built the amendment mechanism into the Constitution. We have used this mechanism 26 times, mostly to our great benefit—and we should use it again to bring about the six-year Presidency.

A HOSTAGE TO EMERGENCY

Churchill once observed: "The amount of energy wasted by men and women of first-class quality in arriving at their true degree before they begin to play on the world stage can never be measured. One may say that 60, perhaps 70 per cent of all they have to give is expended on fights which have no other object but to get to their battlefield."

That dusty, wasteful system is no longer acceptable in a world living on the nerve edge of a disaster. The Presidency today is hostage to emergency. Every moment devoted to getting re-elected squanders the most precious resources of the Presidency—and the nation.

By Mr. DOLE:

S.J. Res. 104. A joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care week"; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing a resolution declaring the week of September 16, 1979, as "Responsible Pet Care Week."

To millions of Americans, pets serve an important place in their lives and their families. To many other Americans, pets provide sport and yet for others they provide security and protection.

Although we may not realize it, pets are an important economic fact in our lives. Millions of dollars of State income are derived from parimutual betting on dog races. Dogs are employed in both urban and rural areas for protective purposes. Without them, a lot of people, especially the elderly, the infirmed, and the blind would feel more threatened, more alone, and more isolated. Simply, pets can provide that necessary companionship for the enjoyment of life.

Most of us know the practical importance of the Canine Corps. These specially trained dogs contribute to a high percentage of arrests, and are today a valuable tool in the continuing war on illegal drugs. Building on this strong record in police work, the Defense Department has its own Canine Corps consisting of several thousand dogs. Officials in Maryland Law Enforcement Department have estimated that one man and a dog can equal the services of three police officers. The financial benefits are obvious and could possibly run into millions of dollars each year. Also in the enforcement effort is the use of horse patrol of many parks and public areas in cities all across this Nation.

In the Washington, D.C., area over 45 horses are used for law enforcement. It has been estimated by the National Park Service that during the 1976 Fourth of July celebration in Washington, the mounted policeman did the job of 20 police officers.

Although the animals I have mentioned may not appear to be treated as a plaything like many others in family surroundings, these animals do serve as companionship not only in their work, but also after that work is completed during the day.

The blind depends on the seeing eye dog for a vision that most of us take for granted and the security for the elderly that may fear attempts of crime and at the same time dissapate loneliness.

Whether it be for sport, such as hunting dogs, or companionship, the pet today deserves responsible care. Across this Nation, hundreds of humane shelters exist, funded solely by contributions, to provide these animals shelter and a possible home. Pet care and training sessions are held in schools and clubs so that greater responsibility for correct care of pets can be learned.

All pets deserve responsible care. For this reason, I believe this week of September should be designated and the American people should work in conjunction with their community humane shelters, pet centers, pet breeders, and such associations as the National pet food institute in helping to educate all Americans in the care of their pets.●

ADDITIONAL COSPONSORS

S. 336

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 930

At the request of Mr. PERCY, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 930, the Federal Employee Parking Act of 1979.

S. 1287

At the request of Mr. GOLDWATER, the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1488

At the request of Mr. NELSON, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 1488, the Individual Savings Act of 1979.

S. 1703

At the request of Mr. MATHIAS, his name was added as a cosponsor of S. 1703, to provide an exclusion for income earned abroad by employees of certain charitable organizations.

SENATE JOINT RESOLUTION 39

At the request of Mr. RANDOLPH, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of Senate Joint Resolution 39, a resolution to estabish the "National Employ the Older Worker Week."

SENATE JOINT RESOLUTION 100

At the request of Mr. SASSER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Joint Resolution 100, to authorize the President to proclaim May 1, 1980, as "National Bicycling Day."

AMENDMENT NO. 212

At the request of Mr. SCHMITT, the Senator from Iowa (Mr. JEPSEN) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission Authorization bill.

AMENDMENTS SUBMITTED FOR PRINTING

SECOND CONGRESSIONAL BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 407

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

Mr. MCGOVERN submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

SCHOOL LUNCH

● Mr. MCGOVERN. Mr. President, I am submitting today an amendment to the second concurrent 1980 budget resolution deleting the instructions of the Committee on Agriculture, Nutrition, and Forestry. These instructions are based on the Budget Committee's desire to have us reduce the Federal support in the school lunch program.

I am a supporter of the budget process and recognize the need to have one committee that looks at the big picture—the sum total of the work of the authorizing committees.

It is an important and constructive process that has forced all of us to look at our actions in perspective and keep in mind the effect our individual actions have on the total budget. It has also provided the opportunity for ongoing oversight of the operation of the various programs in our jurisdiction, as well as to make the Congress more successful in responding to the President's budget proposals.

I do not believe, however, that when the Congress enacted the Budget Act it intended to set up a committee that could force an authorizing committee to disregard its best judgment on programs that are important to millions of Americans.

The President's budget for 1980 called for reductions of over half a billion dollars in the child nutrition budget. It was the largest cut ever sought by a President in the area of child nutrition. As a result the nutrition subcommittee held oversight hearings on the budget, before submitting its March 15 report, to determine the merits of the proposed reductions.

Subsequently, the committee in its report to the Budget Committee said it would support the President with regard to the summer food program, the special milk program, and the already agreed to reduction in the WIC program. Of the $528 million in reductions sought by the President in the area of child nutrition, the Agriculture Committee agreed to $207 million—showing a sincere commitment to the budget process and the economic concerns of the Nation.

In addition, the Agriculture Committee did not stop there. After listening to the General Accounting Office testify that the "Department has little convincing evidence to support their proposed modifications in the school lunch program," the committee reported and the Senate agreed to Senate Resolution 90. Under the resolution the Secretary of Agriculture is requested to conduct a comprehensive study of the school lunch program and the breakfast program to try to answer some of the questions raised by the General Accounting Office and others.

The study would include such aspects of the school lunch and breakfast programs as, first, program costs; second, the income of families participating in the programs; third, the use of the programs for nutrition education purposes; fourth, the contribution of the programs to the agriculture economy; fifth, income verification procedures; and sixth, the need for legislative changes.

In short, I think that the Committee on Agriculture, Nutrition, and Forestry has made a good faith effort to comply with the Budget Act. But I do not believe that we should take action to curtail a program before we feel assured that such action will not have a detrimental effect on millions of schoolchildren.

I ask unanimous consent that the amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 407

On page 12, strike out lines 10 through 22.

On page 12, line 23, strike out "SEC. 5." and insert in lieu thereof "SEC. 4.".

On page 13, line 11, strike out "SEC. 6." and insert in lieu thereof "SEC. 5.".

On page 14, line 1, strike out "SEC. 7." and insert in lieu thereof "SEC. 6.".

On page 14, line 15, strike out "SEC. 8." and insert in lieu thereof "SEC. 7.".

On page 15, line 4, strike out "SEC. 9." and insert in lieu thereof "SEC. 8.".

On page 15, line 17, strike out "SEC. 10." and insert in lieu thereof "SEC. 9.".

On page 15, line 19, strike out "9" and insert in lieu thereof "8".●

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 408 THROUGH 410

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

Mr. NELSON submitted two amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. NELSON. Mr. President, the following amendments are to S. 14 and, in one case, to an amendment to S. 14. Information on these amendments has been circulated to each office. I ask unanimous consent that the text of the amendments be printed in the RECORD.

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

AMENDMENT No. 408

On page 10, line 16, strike the period after the word "season" and insert in lieu thereof the following: *"Provided,* That this section shall not apply to any project, unit or division of a project, or repayment contracting entity, if the average frost free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres, and the project is below 3,000 feet altitude."

AMENDMENT No. 409

On page 9, line 12, insert the following: strike subsection (F) and insert in lieu thereof the following:

"(F) Not more than one landholding may be managed by another person or legal entity on behalf of qualified recipients or other landholders, except in hardship cases as determined by the Secretary."

AMENDMENT NO. 410

Mr. NELSON submitted an amendment intended to be proposed by him to amendment No. 410 intended to be proposed to S. 14, supra.

AMENDMENT No. 410

Following the last line of the amendment, add the following: "On page 10, line 20, delete the period after the word 'contract' and replace in lieu thereof a comma and add the words *'and further Provided,* That such an exemption shall only occur after the Secretary has made a determination that a pattern of family farming has been estabished in the project.'" ●

NUCLEAR WASTE REGULATION ACT OF 1979—S. 1521

AMENDMENT NO. 411

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to S. 1521, a bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management planning.

EXECUTIVE RESERVATION SUBMITTED FOR PRINTING

SALT II—EX. Y, 96–1

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

Mr. DECONCINI submitted a reservation intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979 (Ex. Y, 96–1).

Mr. DECONCINI. Mr. President, the disclosure that Soviet combat forces are deployed within the area encompassed by the Monroe Doctrine has caused grave concern among the American people. It is disquieting to learn after this SALT treaty was approved by the administration and on the very eve of the Senate debate that the Soviet Union is pressing its worldwide objectives in our own backyard.

Much of the rhetoric surrounding this treaty involves the assumption that Soviet military and political aims are limited. We have been led to believe that this treaty, like its predecessor, is part of an ongoing process, intimately related to the notion of détente. The result of this process is, supposedly, a general amelioration of the status of the Soviet-American relationship. Thus far, that relationship has been characterized by competition and antagonism based upon fundamentally conflicting values and views of the world and its direction.

The administration has consistently demanded that we in the Senate consider SALT II in isolation from other disturbing events in foreign policy. It is unrealistic and counterproductive, we have been told, to make our decision on SALT II reflective of the concerns we all share about Soviet incursions in Africa and the Near East. In my judgment, these arguments have never been persuasive. Surely, if SALT II is part of an ongoing process intended to yield positive results, it is fair to assess the nature of those potential results now. Yet, as we look around us, it would be extremely difficult to make the case that SALT I and by extrapolation, SALT II, has significantly altered Soviet foreign policy. Indeed, it would be difficult to argue that the SALT process has even slowed down the tempo of Soviet activities—activities that are antithetical to American interest.

However, in the presence of Soviet combat forces in Cuba we find a very clear indication of the nature of Soviet intentions; indeed, we find insight into the manner in which they conceive of their relationship to the United States. I do not find in that presence great consolation that the fundamental antagonisms between our two countries have abated. What I find in the presence of those troops is yet another challenge to American policy in the world, and in an area that has traditionally been the very heart of our sphere of interest. The act of placing those troops in Cuba is provocative in the extreme.

It is also of little consolation to me that those troops may have been stationed in Cuba for a number of years. The time involved does not change the nature of the challenge. In fact, the total inability of American intelligence to detect the presence of these troops exacerbates the whole nature of the SALT II problem. My own confidence—and I am sure that of most Americans—in our intelligence community's overall capabilities has declined measurably. Regardless of the particular excuses for this most dramatic failure, it cannot help but raise further doubts about our ability to monitor SALT II.

It is unclear at this juncture precisely what policy the administration intends to pursue. The President and the Senate leadership have asked that I and others refrain for the time being from raising a resolution I introduced on September 6 declaring it to be the sense of the Senate that the SALT II debate be delayed until such time as the President can certify to the Senate that those Soviet troops have been removed from Cuba. It is certainly not my intention to impede the President or his administration in any way from pursuing every necessary avenue to persuade the Russians that the removal of these troops must be undertaken.

However, it is also not my intention to allow this matter to slip between the cracks. Today's headlines will merely be faded memories in a few short weeks. Therefore, I intend to introduce a reservation to the treaty itself that will forbid the exchange of instruments of ratification until the President notifies the Senate that Soviet combat troops have been removed from Cuba. Naturally, this reservation will not be voted on until the Senate proceeds to formal consideration of the treaty. This will, I believe, allow the administration ample time to persuade. It also puts the administration and the Soviets on notice that when the SALT II treaty is debated, the issue of Soviet troops will be raised and that unless a majority of the Senators have become convinced that it is no longer a serious matter, removal will become a condition precedent to the implementation of SALT II.

Mr. President, I ask unanimous consent that the text of my reservation be printed in the RECORD at this point.

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

AMENDMENT No. 418

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation, which is to be made a part of the instrument of ratification, that before the date of exchange of the instruments of ratification,

the President shall have notified the Senate that the Government of the Union of Soviet Socialist Republics has removed all its combat troops and their support units from Cuba".

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on S. 1564, the Lobby Disclosure Act of 1979, on September 25 and 26, 1979, at 10 a.m., in room 3302 of the Dirksen Senate Office Building.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, on behalf of the Committee on Labor and Human Resources, I would like to announce that the hearings which have been scheduled for September 18 and 19, 1979, on S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act will have to be canceled and will be rescheduled at an appropriate date.●

SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled hearings on the Education for All Handicapped Children Act of 1975 (Public Law 94–142). The hearings will be held on Monday, October 1, Wednesday, October 3, and Wednesday, October 10, 1979, in room 4232, Dirksen Senate Office Building starting at 9:30 a.m.

Persons wishing additional information should contact Mrs. Patria Forsythe, Staff Director, 10–B Russell Senate Office Building (202) 224–9075.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, the Subcommittee on Agricultural Credit and Rural Electrification of the Agriculture Committee has scheduled a series of hearings on S. 1465, a bill to amend the Farm Credit Act. The hearings will be held on October 4, 5, and 9, beginning each morning at 9 a.m. in room 324. Anyone wishing to testify should contact either Reider Bennett-White or Denise Alexander at 224–2035.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on September 17, 1979, on miscellaneous tax bills.

The hearing will begin at 9:30 a.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 224, sponsored by Senators HATCH, DOLE, DOMENICI, GOLDWATER, HAYAKAWA, HELMS, SCHMITT, STEVENS, THURMOND, TOWER, and YOUNG, would prohibit permanently the issuance of IRS regulations on the taxation of fringe benefits. The measure involves no revenue loss since it would continue current law. However, revenue estimates showing revenue gains derived from implementation of the proposed Internal Revenue Service regulations dealing with fringe benefits will be furnished on the day of the hearing. The bill would benefit taxpayers affected by the proposed fringe benefit regulations of the Internal Revenue Service.

S. 616, sponsored by Senators DOLE and THURMOND, would amend the Internal Revenue Code to permit an income tax, an estate tax, and a gift tax deduction for contributions to the construction or maintenance of buildings housing fraternal organizations. Revenue estimates on this measure will be furnished on the day of the hearings. The measure will benefit fraternal organizations with building programs and taxpayers who make contributions to these organizations for building or maintaining facilities housing the organization.

S. 687, sponsored by Senators CHAFEE and PELL, which amends the Rhode Island Indian Claims Settlement Act to provide an exemption from taxes with respect to the settlement lands and amounts received by a State-controlled corporation in connection with litigation dealing with Indian land claims and to provide a deferral of capital gains with respect to the sale of settlement lands. Revenue estimates on this measure will be furnished at the time of the hearing. The measure will benefit parties to land settlements negotiated in connection with litigation dealing with Indian land claims.

S. 1514, sponsored by Senators HARRY F. BYRD, JR., and WARNER, which would amend the Internal Revenue Code with respect to the tax-exempt status of interest on certain governmental obligations the proceeds of which are to be used to provide solid waste disposal facilities. The bill would involve a revenue loss in fiscal year 1980 of $2 million, 1981 of $13 million, 1982 of $39 million, and 1983 of $81 million. The bill would benefit the Southeastern Public Services Authority of Virginia and other governmental units involved in the collection of solid waste materials and the conversion of such materials into energy.

It is estimated that as many as 40 projects of this nature may exist throughout the country.

S. 736, sponsored by Senators DOLE, DECONCINI, and MATSUNAGA, which would amend the Internal Revenue Code to clarify the standards used in determining whether individuals are not employees for purposes of employment taxes. Revenue estimates on the measure will be furnished at the time of the hearings. The measure is designed to clarify the tax status of individuals as independent contractors and has broad application to all taxpayers considered to be independent contractors.

S. 401, sponsored by Senator MOYNIHAN, for the relief of the Manhattan Bowery Corp., of New York, N.Y., relieving the corporation of liability for repayment of social security taxes erroneously refunded to its employees. Revenue estimates on the measure will be furnished at the time of the hearings. The bill will benefit the Manhattan Bowery Corp.

S. 945, sponsored by Senators MATHIAS, CHAFEE, and BOREN, which would provide that annuity contracts bought by the faculty and staff of the Uniform Services University of Health Sciences, Bethesda, Md., be treated as if the university were a State-funded school or charitable organization and, therefore, entitled to the benefits of section 403(b) of the Internal Revenue Code. Revenue estimates on this measure will be furnished at the time of the hearings. The measure will benefit the Uniform Services University of Health Sciences.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on September 13, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies by October 12, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

SALT AND OUR HEALTH

● Mr. MCGOVERN. Mr. President, much of the Senate's energy continues to center on the SALT debate, and the enhancement of the defense posture of the United States. This morning I would like to turn our attention from national defense to personal defense. I am referring specifically to the various actions each of us can take to defend ourselves from illness, and to promote good health. Recently, Dr. Jean Mayer, the eminent nutritionist and president of Tufts University, remarked that :

> All recent advances in medical science have been largely undone by our diet and our way of life.

Current statistics regarding America's health lend support to Dr. Mayer's commentary:

Diseases of the heart and blood vessels are the leading cause of death in the United States, killing 1 million Americans each year.

The average American male has a 20-percent chance of suffering a heart attack before the age of 60.

Two million Americans will suffer a stroke this year; 200,000 of the stricken will die, and an additional 250,000 below the age of 65 will be disabled.

From 23 million to as many as 60 million Americans suffer from high blood pressure, although only one-half to one-third know it; because high blood pressure has no symptoms.

In recent years, however, the growing concern for disease prevention through health promotion has provided a ray of hope in what at times seems to be a gloomy picture of America's health.

The need to expand our emphasis on

health maintenance was the focus of a major report recently published by the Surgeon General. In virtually his last official act as Secretary of the Department of Health, Education, and Welfare, Joe Califano released the first Surgeon General's report on prevention, entitled: "Healthy People: Health Promotion and Disease Prevention." The report's purpose is to "encourage a second public health revolution in the history of the United States"; to stem the death toll of degenerative diseases the way polio, tuberculosis, and other infectious diseases were tamed in the past. According to Secretary Califano:

> The Nation's health strategy must be dramatically recast to emphasize disease prevention.

The major premise of the healthy people report is that an alarming range of diseases and disorders are, to a large degree, avoidable, and thus by simply altering certain habits, one can greatly decrease the risks of an early death associated with such degenerative disorders as stroke, heart disease, and other killer diseases. Since 6 of the 10 leading causes of death are related to diet, how one eats can play a significant role in preventing or delaying illness.

High blood pressure—a major risk factor for stroke, coronary artery disease, kidney disease, and late onset diabetes—well exemplifies a risk factor which can be partially controlled by making simple changes in one's eating habits. Evidence from epidemiological, animal, and clinical studies indicate that a high sodium intake is a factor in hypertension. The Select Committee on Generally Regarded as Safe Substances (GRAS) of the Federation of the American Society for Experimental Biology notes that the "prevalent judgment of the scientific community" is that "the consumption of sodium chloride in the aggregate should be lowered in the United States," and "* * * a reduction of sodium chloride consumption by the population will reduce the frequency of hypertension."

Dr. Jeremiah Stamler, a cardiologist from the Northwestern University Medical School, elaborated on the need to decrease salt consumption:

> Habitual high salt intake acts as a "condition" setting the stage for elevated blood pressure . . . it therefore makes good sense to encourage the American people to eat less salt and encourage the food industry to help by reducing the salt that is so ever present in commercial products.

The first edition of the report by the Select Committee on Nutrition and Human Needs, Dietary Goals for the United States, recommended decreasing table salt (sodium chloride) consumption to about 3 grams per day, which is a little more than half of a teaspoon. Since table salt is about 40 percent sodium, 3 grams of salt contains 1.2 grams of sodium.

After further investigations, the select committee concluded that a recommendation of 3 grams per day of salt was too restrictive a goal for a healthy person. Furthermore, even though the goal referred to salt, the recommendation of 3 grams of salt was often interpreted to mean that a person should strive to eat only a total of 1,200 mg. of sodium a day, which is a consumption level that is prescribed for people who already have hypertension. As a result, in the second edition of the Dietary Goals report, the select committee changed its recommendation to, "limit the intake of sodium by reducing the intake of salt to about 5 grams a day." The select committee believed that this would clarify the goal. However, it has come to my attention that there is still some misunderstanding about the salt recommendation as presented in the second edition. Thus, I would like to make two further clarifications of the salt goal.

First, it is vitally important to understand that the recommendation is not an optimal intake level, but rather an uppermost limit. The various goals as set forth by the select committee were just that, goals. They were meant to indicate a direction in which to move in order to optimize one's chances of improved health. At the same time, because the accepted minimal average daily consumption of sodium is 200 mg., the select committee understood that additional reductions below 3 grams of salt (1,200 mgs. of sodium) could be even more beneficial because of the decreased risk of developing hypertension.

However, there are a few instances when more sodium may be needed. Excessive sweat loss from exercise, heat or fever can lead to significant sodium losses, which result in an added sodium requirement. The following guidelines are taken from the 1974 edition of the "Recommended Dietary Allowances":

> Whenever more than a 4-liter intake of water is required to replace sweat loss, extra sodium chloride (salt) should be provided. The need will vary with sweating in the proportion of 2 g sodium chloride (salt) per liter of extra water loss, and on the order of an extra 7/g day for persons doing heavy work under hot conditons (Lee, 1964). In unadapted individuals, the need for additional water and salt may be somewhat higher than in fully acclaimed persons.

Therefore, in trying to mesh the need for a realistic goal for healthy people with the scientific knowledge that the human body requires very little sodium, the select committee settled on the 5-gram level for salt consumption. But, unlike the other goals, it also viewed such a goal as being an uppermost limit.

A second point of clarification concerns the sources of sodium which are covered by the Dietary Goals recommendation. It is important to recognize that the goal does not include nondiscretionary sodium, that is, sodium which occurs naturally in a food. For example, two cups of milk alone supplies 240 milligrams of sodium. Americans eat daily the equivalent of up to 3 grams of salt from nondiscretionary or natural sources of sodium. Thus, combining both naturally occurring sodium, and sodium added usually as salt in processing or at home, the total recommended uppermost level of sodium intake daily is about 3 grams, or the equivalent of 8 grams of table salt. (It is estimated that the average daily sodium consumption by Americans is the equivalent of 12 grams of salt.)

The select committee focused on salt, instead of sodium, as a means to control total sodium intake because it first, was most easily understood by the consumer, and second, accounted for at least three-fourths of all the sodium in the average American diet. Because the dietary goals recommendation only applies to discretionary or added salt, the consumer should seek to control salt intake by reducing consumption of heavily salted commercial and prepared foods, reducing salt used in cooking, or decreasing salt consumption at the table.

Although many health-conscious people are aware of the potential dangers associated with a high salt intake, few realize how quietly but thoroughly salt has permeated the modern American diet, especially in processed foods. Thomas Dawber, professor of medicine at the Boston University Medical Center, estimates that from 40 to 60 percent of the salt consumed in the United States comes from additions during commercial food processing. In an article from the July 11, 1979, edition of the New York Times, Jane Brody relates how many Americans unknowingly obtain the bulk of their sodium intake through the consumption of processed foods:

> Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

Knowing the amount of sodium present in processed and commercially prepared foods is a prerequisite to controlling sodium consumption in one's diet. However, because labeling of sodium content is not currently widely available it is almost impossible to decrease substantially sodium intake.

Along with other representative organizations of the health and medical community, the American Medical Association's policymaking body recently called for mandatory declaration of sodium on food labels. At the group's annual convention, the AMA House of Delegates passed the following resolution:

> To sponsor federal legislation requiring food manufacturers to print on the food label the amount of sodium, in milligrams per average serving, so the American public may be informed as to the amount of sodium in their diets.

The critical need for mandatory sodium content labeling is also recognized in the following statement from Processed Prepared Foods, a major magazine of the food industry:

> The Salt Institute accepts the public's right to know what ingredients, including sodium, are in their foods.
>
> Sodium labeling would be the most efficient and simplest way to provide information on sodium content in order for physicians to better prescribe the foods that would be acceptable for their patients or for the patients themselves to more easily select foods to keep their diets low in sodium.

Such labeling also will provide sodium content of foods for normal, healthy individuals who may desire that information. The cost the food industry would bear for such changes in labeling would be well worth the service to the public.

The lack of sodium content labeling is one reason why I have introduced S. 1651, Department of Agriculture Nutrition Labeling and Information Act of 1979, and S. 1652, Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act. This legislation would give customers the capacity to ascertain sodium content in foods, and thus means to effectively control their sodium intake.

Decreasing sodium consumption in the American diet is a critical and primary step in disease prevention and health promotion. For example, stroke and heart disease have decreased 23 percent in the past 9 years, partially due to the successes of the National High Blood Pressure Education program—a public health promotion program which is directed toward making individuals who have high blood pressure aware of their problem so they can seek appropriate treatment. A similar public health promotion program informing the public of the potential risks of high salt consumption should also be considered. Such a program, however, would be useless without accurate, informative sodium labeling.

I believe the following conclusion from the Report of the Hypertension Task Force, published by the National Heart, Lung, and Blood Institute of the National Institutes of Health, underscores the importance of this matter:

Stroke, heart attack, and chronic kidney failure create major social, personal, and financial problems. In 1972, hypertension and its complications were estimated to cost the American people over 25 billion dollars in direct medical expenditures and in income lost through illness, disability, premature loss of productivity, and death—besides an enormous, though incalculable, toll of social disruption and personal and family agony.

Mr. President, I submit for the RECORD the full text of the Brody article, another article by Craig Claiborne from the same July 11, 1979, edition of the New York Times, and an editorial from the August 1979, edition of Processed Prepared Food.

The articles follow:

THE PERVASIVE THREAT TO HEALTH

(By Jane E. Brody)

For at least 5,000 years, salt—sodium chloride—has been an important, indeed revered, constituent of the human food supply. Salting and drying is believed to be the first method used to preserve otherwise highly perishable meat and fish, making unspoiled food available during otherwise lean times.

In ancient days, there was such a clamoring for salt that it was used for barter and pay, and battles were fought to capture or protect salt deposits. To the ancient Greeks, a prized slave was "worth his weight in salt." The word "salary" was derived from the Latin word sal, for salt. It is also the root of the word sausage, which depends in part on salt for defense against microbial decay.

In health circles in recent years, salt has become persona non grata.

Some doctors refer to it as a killer, since the sodium it contains appears to be a major precipitating cause of potentially fatal high blood pressure, or hypertension. This insidious disorder, which afflicts some 25 million Americans and often produces no symptoms until it has done irreparable damage, can lead to kidney failure, stroke and heart disease.

Many point out that we have overextended our dependence on salt, consuming far more than our bodies were designed to handle. For millions of years, human beings and their primate ancestors consumed no salt or sodium except what was naturally present in foods. Those primitive peoples whose diets were primarily fruits and vegetables were on what amounted to a severely restricted low-sodium diet. Even the meat-eaters among our forebears consumed at most a quarter of the amount of sodium that the average American eats today.

Throughout the world, current populations that live on low-salt diets never develop hypertension. In fact, their blood pressure does not rise with age as it does in the typical American: If anything, it drops. On the other hand, a few pre-industrial peoples, such as the Gashgai nomads of southern Iran, who consume a lot of salt, also have a lot of hypertension, despite the lack of stress in their society.

Other hazards of a high-salt diet include edema, or swelling of body tissues, and extreme symptoms of premenstrual tension. Some women experience bloating, headache, irritability, weepiness and even uncontrollable rages just before their menstrual periods. These symptoms are largely due to retention of salt and water, and they are best treated by following a low-salt diet for 10 days before menstruation is expected. One headache specialist has found that salt restriction reduces the frequency and severity of migraines.

For athletes and others who indulge in vigorous exercise, a large dose of salt to replace salt lost through sweating can be harmful and even fatal, causing a loss of potassium (needed for muscle contraction, including the heart muscle) and thickening of the blood. Salt tablets are unnecessary and dangerous. In fact, athletes have been shown to perform better in hot weather if they reduce their salt intake; over a period of weeks the body learns to conserve salt and less is lost through sweating.

The elaborate mechanism that regulates the body's internal supply of water and its essential balance of sodium and potassium evolved for a world in which sodium was relatively scarce and in which potassium, a common mineral in fruits and vegetables, was plentiful. Thus the kidneys and the chemicals that govern their activities are set up to conserve sodium and get rid of excess potassium.

But the diet we currently consume is quite the reverse of what the human species evolved on. Today, we eat sodium to considerable excess beyond the body's needs, and potassium, while usually adequately consumed, is in relatively short supply. The net result is that excess sodium can accumulate in the body fluids, drawing water to maintain a proper balance. This in turn increases the volume of blood, the blood pressure and the heart rate.

How the body reacts to this sodium excess is determined largely by heredity. Approximately 15 to 20 percent of Americans have inherited a genetic susceptibility to the effects of excess sodium. Eventually, on the high-salt diet that most of us eat, they develop high blood pressure. There's no way to know in advance who is and who is not susceptible to the damaging effects of sodium.

Actually, our taste for salt is an acquired one. No salt needs to be added to the diet to meet the body's need for sodium, which amounts to only 220 milligrams a day. The Senate Select Committee on Nutrition and Human Needs recommended that instead of the 10 to 24 grams of salt consumed per person each day, Americans should eat at most 5 grams (which supplies 2,000 milligrams of sodium, more than enough for practically everyone under all circumstances). Others recommend even less salt—below two grams a day—to protect the genetically susceptible from developing high blood pressure.

Once high blood pressure develops, salt restriction should be the first line of treatment. It is cheaper and less hazardous than taking blood pressure-lowering drugs for the rest of your life and, a Melbourne, Australia, research team has shown, salt restriction can be as effective as drug therapy.

Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although, with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

The average American consumes four or five teaspoons of salt a day, a total of 15 pounds a year. On top of that are sodium-containing food additives, including baking soda and baking powder, widely used in our most popular processed foods.

Most people are aware of the saltiness of certain foods, such as anchovies, green olives, dill pickles, sardines, salted snack foods, smoked herring, soy sauce, ketchup and Worcestershire sauce. But much of the salt sodium we eat is hidden in foods that none of us would think of as salty—for example, cereals, bread, dairy products, meats, fish, puddings and pancakes. In fact, some of these foods contain more sodium than obviously salty edibles. (See chart.)

Other common high-sodium foods include canned soups, tomato juice, canned tuna and salmon, processed cheese, cured meats and sausages, bouillion cubes, sauerkraut and nearly all canned vegetables. Although some vegetables, such as beet greens and chard, are fairly high in sodium to start with, most become very high when commercially canned.

Thus fresh peas contain only two milligrams of sodium in a three-and-a-half-ounce serving, whereas the same portion of canned peas has 236 milligrams. And six spears of fresh asparagus has four milligrams of sodium, but canned asparagus has 410. At the same time that processing increases sodium, it decreases the amount of potassium. Potassium has some protective effect in warding off high blood pressure.

Processing also increases the sodium content of cereals. Three-fourths of a cup of Regular Cream of Wheat has 0.6 milligrams of sodium, Quick Cream of Wheat has 71 and wheat flakes has 369. A half-cup of Kellogg's All-Bran has 370 and a cup of Rice Krispies has 280.

Salt is added to processed foods for several reasons: to impart a salty favor, to enhance other flavors—a low level of salt enhances the sweetness of sugar—to mask off-flavors, to make up for the flavor lost through processing and to repress the growth of food spoilage micro-organisms.

Manfacturers insist that eliminating or greatly reducing salt in most products would be commercial suicide, since the average consumer is adapted to the taste of salt and regards foods lacking salt as bland. After strong public and professional protests, most of the baby food companies greatly reduced or eliminated salt from their products.

But reduction of salt in processed foods

for adults requires a public education program and a reconditioning of taste buds. Campbell's Soups recently test-marketed a no-salt-added line, but it didn't sell well and was withdrawn. Some bread manufacturers say they are gradually lowering the sodium content of certain products.

MANY WAYS TO CUT DOWN ON SODIUM

To lower your own salt intake, start by not adding salt at the table and certainly never before you taste your food. At the same time, gradually reduce the amount you use in cooking.

There's a world of new taste sensations waiting for you to explore. In place of salt, try seasoning your foods with spices, herbs, garlic, onion (but not garlic salt, onion salt, celery salt or seasoning salt), lemon juice and fruits. Don't substitute soy sauce, Worcestershire, MSG, hydrolyzed vegetable protein or bouillon cubes, since these are all high in sodium.

If you feel uncertain about adapting your present recipes, there are several good low-salt cookbooks to help you. Among them are "The Secrets of Salt-Free Cooking," a $5.95 paperback by Jeanne Jones (101 Productions, San Francisco, distributed by Charles Scribner's Sons), and "Living With High Blood Pressure—The Hypertension Diet Cookbook," by Joyce Daly Margie and Dr. James C. Hunt for $12.95 (HLS Press, Bloomfield, N.J.).

Another, "The Good Age Cookbook," by Jan Harlow, Irene Liggett and Evelyn Mandel, is recommended highly by James Beard, the gourmet cook who himself had to go on a low-fat, low-salt diet. It will be published in October by Houghton-Mifflin for $10.95.

Cut down on salty foods and others high in sodium, including canned goods, prepared dinners, processed cheeses and cold cuts. Fresh meats and fresh or plain frozen vegetables are best. If you use canned vegetables, drain off the liquid and heat them in tap water. Use unsalted butter and margarine. Leave out the salt in cake and pastry recipes.

Salt substitutes—salts in which part or all of the sodium has been replaced by potassium—should not be used without a doctor's advice since they can result in a potassium overload in some people. Many find the taste of potassium chloride less palatable than giving up salt altogether.

There are a number of low-salt and low-sodium products on the market, including low-sodium cheese, bread, cereals and canned vegetables. Unfortunately, because they are low-volume items prepared for people with special dietary needs, they cost more than their salt-laden opposite numbers.

In addition to foods, a number of common drugs contain a lot of sodium, including antacids, some cough preparations, analgesics, laxatives and vitamin C (as sodium ascorbate). If you have high blood pressure, check with your doctor before taking such medications.

Drinking water is also a source of considerable sodium intake in many communities; the local water district can tell you how much comes out of your tap. In some Southern communities, it's as much as 400 milligrams of sodium per cup. Water softeners exchange the hard water minerals for sodium, which you then consume.

If you have high blood pressure and are taking drugs to control it, remember that the drugs are most effective when your salt intake is below 5,000 milligrams a day (the amount in two level teaspoons). The less sodium you consume, the less drugs you're likely to need. You may even be able to bring your blood pressure down to normal without any medication.

SODIUM CONTENT OF SOME POPULAR PRODUCTS

Item	Amount	Sodium content (in milligrams)
Ritz Crackers	9	288
Kellogg's Corn Flakes	1 oz	260
Lay's Potato Chips	14 chips	191
Pepperidge Farm White Bread	1 slice	117
Campbell's Tomato Soup	10-oz. serving	950
Herb-Ox Instant Broth	1 packet	818
Campbell's Tomato Juice	6 oz	292
McDonald's Big Mac	1	1,510
Chef Boy-ar-dee Beefaroni	7.5 oz	1,186
Swanson's Fried Chicken Dinner	1 dinner	1,152
Campbell's Beans and Franks	8 oz	958
McDonald's Egg McMuffin	1	914
Oscar Mayer Bologna	3 slices	672
Del Monte Tuna	3 oz	430
Celeste Frozen Pizza	2 oz	328
Oscar Mayer Bacon	3 slices	302
Breakstone's Cottage Cheese	½ cup	435
Kraft Processed American Cheese	1 oz	238
Kraft Cheddar Cheese	1 oz	190
Jif Peanut Butter	2 lbs	178
Skippy Creamy Peanut Butter	2 lbs	167
Planter's Cocktail Peanuts	1 oz	132
Del Monte Green Beans	1 cup	925
Heinz Dill Pickles	1 large	1,137
Wishbone Italian Dressing	1 tbs	315
Heinz Mustard	1 tbs	212
Heinz Ketchup	1 tbs	154
McDonald's Apple Pie	1	414
Jell-O Instant Chocolate	½ cup	404
McDonald's Chocolate Shake	1	328
Hostess Twinkies	1	240
Pillsbury Sugar Cookies	3	210
Sal Hapatica	1 dose	1,000
Bromo-Seltzer	1 dose	717
Brioschi	1 dose	710
Miles Nervine	1 dose	544
Alka-Seltzer	1 dose	521
Fleet's Enema	1 dose	300
Metamucil Instant Mix	1 dose	250
Rolaids	1 dose	53

Note: The sodium content of the various brand name food products listed was determined last year by Consumers Union and published in the March 1979 issue of Consumer Reports and by the Center for Science in the Public Interest and published in the March 1978 issue of Nutrition Action. The drug data, given as sodium content per single dose, were prepared by the American Medical Association's Department of Drugs last year.

ABSTINENCE WITHOUT REMORSE

(By Craig Claiborne)

Even as a child I had almost an addiction to salt. It was customary in my home to make fresh ice cream every Sunday in a hand-cranked freezer. To prepare it, the dasher would go into the freezer barrel, the custard would be added and the barrel set to turn, surrounded by a heavy packing of ice and rock salt.

When the ice cream was ready and the lid lifted from the canister, a rock salt crystal would occasionally drop into the ice cream. I would hastily scoop up a spoon of the ice cream with the salt chunk and taste it, letting the salt melt slowly in my mouth after the ice cream was gone.

For as long as I can remember, I could sit down to a plate full of anchovies with only olive oil, lemon juice or vinegar to dress it, and have a feast. A single salty sour pickle has never been enough for me. I prefer margaritas to other cocktails because of the rim of salt on the glass. Years ago in Japan I learned the pleasure of foods dipped in soy sauce (almost 100 percent salt) and lime juice. I have at times drunk that potion straight. A platter of salty, sour sauerkraut can almost be my undoing, and I have a craving for straight sauerkraut juice over ice.

A few weeks ago, I felt some disorientation while strolling down 57th Street. My balance was off and the sun suddenly seemed unbearably bright. An acquaintance familiar with my bizarre appetite for salt suggested I might be suffering from hypertension.

He sent me to a well-known diet specialist, Dr. Joseph Rechtschaffen, an internist, who is on the staff of Doctors Hospital and Beekman-Downtown. He is former director of gastroenterology and nutrition at Beekman-Downtown.

He confirmed the hypertension. When I described my salt-consuming habits, he frowned and handed me a diet sheet which I followed for the next few weeks.

Dr. Rechschaffen does not look on salt as the sole villain. He looks with almost equal disfavor on sugar, fats (principally animal fats), and on beef in any and all forms. So when he proscribed salt in my diet for a term, he also advised me to eschew the other items. He offered me the same latitude he allows himself: a small amount of alcohol and "If someday you feel like a whole bottle of wine, go ahead and enjoy it; but don't touch a drop for the next couple of days. If you dine with friends and they add a normal amount of salt to foods, join them, but go back to a salt-free diet on the days following." Tolerable, indeed.

I did indulge in occasional lapses. And it helped to know that if I fell from grace (overwhelmed with a desire to help myself to a half-dozen oysters on the half shell) I did not have to feel doomed.

Truth to tell, I did not find strict adherence to a salt-free diet (with those rare departures) all that painful. Oddly enough, it was interesting, a kind of perverse test of character. I dined on more yogurt than I'd ever expected to take in my whole life. My consumption of tomatoes (another of my passions) exceeded its already large amounts. A cooked, unsalted tomato sauce became a daily accompaniment for fish, chicken, pasta, or whatever. My doctor, incidentally, believes in consuming sensible amounts of pasta, rice and potatoes (baked) cooked without salt, along with other foods.

It is his contention, and I am inclined to agree, that fine restaurants will willingly cook foods without salt by request. He finds the Shun Lee Palace particularly good at this for Chinese cooking. I discovered that one of the great saltless-on-request Chinese dishes is shredded chicken with bean sprouts and I have indulged myself in this dish at Pearl's and the Fortune Garden as well as the Shun Lee Palace. Several times I dined in Italian restaurants on veal cooked without salt and on pasta with a simple dressing of olive oil, chopped garlic, and (cheating a trifle) a light sprinkling of Parmesan cheese, which I applied myself. Certain French chefs will serve fish broiled, grilled or steamed without salt. I have often dined on perfectly cooked steamed bass without salt at Raphael Restaurant, 33 West 54th Street, and on fresh scallops in lime juice and fresh salmon with lime, both without salt.

There are numerous foods and drinks mistakenly believed to be without salt. Almost all cheeses contain salt, as do most club sodas and beer. So do oysters and clams. If you want a salt-free sparkling water, a number of name-brand seltzers are excellent. There are also a few brands of club soda that are labeled salt-free. Always read the fine print on a box or can. Most frozen foods, including vegetables and fruit, contain salt.

While pursuing my diet, I was often asked what I could do to give my food sparkle without restorting to the use of salt in any form.

Principal aids were members of the onion family, notably garlic, scallions, onions and chives. Garlic became essential in salad dressings and tomato sauces. Scallions can be sprinkled on most soups and on fish and salads. Equally important were citrus fruits, principally lemon and lime juice squeezed

on fish, chicken or veal, or added to salads, soups and fruit desserts. A fresh grapefruit was a daily delight at breakfast and sometimes to curb the appetite between meals. An apple became almost vital to assuage end-of-the-meal or between-meals hunger. And Granny Smiths are ideal for this, tart and crisp.

A tremendous item to boost food flavors was homemade hot mustard paste, made simply with dry mustard and a little water. It does wonders for grilled foods such as chicken or fish. Equally helpful was freshly grated horseradish. A whole fresh horseradish root can be found in New York's fresh food stalls, but it may take a bit of searching. The horseradish stirred into fresh yogurt is delectably gratifying as a compensation for salt and goes well with a beet and onion salad or with grilled or poached fish.

An assertive herb like rosemary can do magical things with broiled chicken. Simply chop the herb and sprinkle it on the chicken before broiling. And a fine salad dressing can be made with oil, vinegar, a generous dab of that mustard paste, plus such conceits as you might choose: scallions, garlic, tomatoes, cucumbers, chives or hot chilies.

Dr. Rechtschaffen had recommended miller's wheat, a natural bran, undoctored and dull. He finally told me about, and approved, a low-sodium shredded wheat. I ate this with skimmed milk and no sugar. Only a sliced banana and/or sliced fresh strawberries.

When first following that diet, I felt a different, but healthy, giddiness or lightheadedness. It was of short duration, a day or so. After four weeks, I have lost 15 pounds and my blood pressure is normal.

It would be the grossest deception to pretend that salt-free cooking can equal the world's great cuisines. On the other hand, the food can be palatable and enjoyable. In my own case, my sense of taste seemed markedly sharper and, as time progressed, the various foods in the diet became more appealing.

One of the genuine joys of that diet was another Rechtschaffen recommendation, a no-salt-added buttermilk. Taken over rice with a generous grinding of black pepper, it was a pleasure, sometimes between meals and sometimes with meals. The brand that I used was Friendship, purchased from the dairy section of my local Gristede's. On the other hand, a salt-free tomato juice I found was so bland and uninteresting that I never want to try it again.

Bottled green peppercorns, another delicacy, provided a welcome and mildly pungent note for several otherwise bland foods. The soft peppercorns, preferably bottled in water, but more generally available in vinegar, and without salt, are delectable when crushed and smeared onto fish fillets or chicken halves, which are then grilled or broiled.

Fresh arugula, that elegant and assertive salad green most prized by Italians, makes a first-rate salad dressing when blended (preferably in a food processor) with or without a few water-cress leaves and chopped garlic. You may add scallions, diced radish, diced cucumber, or whatever, to be spooned over sliced tomatoes or tossed with other salad greens.

Other foods that can give spark to no-salt menus: hot green chillies, seeded and chopped or sliced, and freshly ground black pepper. These can be used on almost any nonsweet foods.

A well made guacamole, with a considerable amount of vinegar and oil added, is one of the best and most interesting of salt-free dishes.

LABELING SODIUM CONTENT BETTER THAN BANNING

Many prestigious groups, including the American Medical Association and the Salt Institute, recently have urged the processed prepared food industry to consider sodium labeling as part of the nutrition statement on food packages. We concur, provided the labeling is either in milligrams per serving and/or milligrams per 100 grams.

With up to 20 percent of the American population bordering on hypertension, or high blood pressure, sodium informing could prove invaluable. So labeling sodium content would be beneficial.

However, we see no reason for the government to step in and place unnecessary restrictions on sodium content in processed foods. Because of sodium's essential role in foods, whether it is being used to preserve or improve flavor and quality, we oppose the development of any form of sodium restriction in processed foods.

We think that restricting sodium would not only seriously maim food producers, many of whom have no other substitute, but also restrict the average consumer, who still does not need to curtail sodium consumption, in his (her) food choices. Besides a normal, healthy human body is equipped to eliminate all excess sodium consumption.

But we do support sodium labeling, because like sugar—10-to-12 million diabetics in this country need to control sugar intake—a significant portion of the American population needs to control intake.

We would also like to see more epidemiological studies of sodium's role in hypertension. New studies indicate, for example, that when there is a proper sodium and potassium intake, hypertension is reduced. Other studies suggest that obesity may be a more significant contributor to hypertension than is sodium intake.

Since there are little if any proven casual connection data between sodium intake and hypertension development, changing sodium's status or limiting its use in foods may confuse and alarm the public unnecessarily.

We do not support sodium restriction in foods. Nor are we behind removing sodium from the Food and Drug Administration's Generally Recognized As Safe status. And we seriously argue against crepe or warning labels for sodium on foods, no matter how high sodium content might be.

These actions could cause consumers to be needlessly frightened, when most of them do not in fact need to seriously curtail their sodium consumption.

Without sodium, certain foods, including a number of meat products, could be subject to much more spoilage and waste than they are today. For instance, sodium in sausage products solubilizes proteins, necessary for forming stable sausage emulsions. In fact, sodium is the most important constituent in meats' curing mixture.

However, making sodium a portion of nutritional labeling could answer the needs of Americans who must restrict their consumption. And it would allow physicians the information necessary for prescribing acceptable foods for their patients. We think the cost the food industry would bear for such labeling changes would be well worth the service to the public.

IRS STUDY ESTIMATES OF INCOME UNREPORTED ON INDIVIDUAL INCOME TAX RETURNS

● Mr. BELLMON. Mr. President, on July 24, 1979, I introduced a bill S. 1565, to amend the Internal Revenue Code to provide for withholding of tax on dividends and interest income. I proposed this change in our present tax system in order to eliminate the substantial amount of interest and dividend income that is not reported to the Treasury for tax purposes each year.

Last week the IRS released an extensive study which estimates the magnitude of the problem. This study estimates that $75 to $100 billion of income from legal sources was not reported to the Treasury in 1976. Of this amount, $7 to $14 billion was due to nonreporting of interest and dividend income.

This is a substantial amount and is more than 16 percent of the total interest and dividend income that taxpayers reported in their 1978 tax returns. To illustrate the extent of the noncompliance problem, I submit the following three tables from the IRS report for the RECORD.

Mr. President, not only does the IRS report identify the problem we face, but it also suggests a solution. I quote from page 6 of the report:

> Reporting of income is seen to be strongly influenced by whether or not the specific type of income is first, subject to withholding, and second, subject to information reporting.

This clearly suggests that withholding is the most efficient method for eliminating the problem of noncompliance with tax laws. This is the solution I propose in S. 1565.

In his recent testimony before the Commerce, Consumer, and Monetary Affairs Subcommittee in the House, IRS Commissioner Jerome Kurtz reiterated this point. I quote:

> The report confirms that voluntary reporting is very high where incomes are subjected to withholding. Voluntary income reporting is lower where incomes are subject to information document reporting and even lower where incomes are subject to neither . . .

The Treasury Department, itself, has proposed a withholding system to deal with the substantial noncompliance among certain independent contractors. The IRS study indicated that the level of nonreporting for this group may be as high as 47 percent. However, the Treasury Department proposes only to extend information reporting to interest derived from certain money market and other debt instruments to reduce underreporting. In my view, withholding is the more effective and less costly approach to eliminating the problem and I urge my colleagues to support my proposal, which I propose to offer as a floor amendment at an appropriate time.

The tables follow:

TABLE 1.—ESTIMATES OF UNREPORTED INCOME FOR 1976, BY TYPE OF INCOME

[In billions]

Type of income	Lower estimates [1]				Higher estimates
	Underreporting based on: TCMP [2]	Other sources	Nonfiling	Total	
Legal Sector Incomes					
Self-employment	$19.8	$3.5	$9.7	$33.0	$39.5
Wages and salaries	3.5	5.0	12.8	21.3	26.8
Interest	1.4	1.8	2.2	5.4	9.4
Dividends	1.4	.....	.7	2.1	4.7
Rents and royalties	2.6	.....	.6	3.2	5.9
Pensions, annuities, estates, and trusts	2.1	.....	1.5	3.6	5.4
Capital gains	2.9	1.0	.....	3.9	5.1
Other [3]	1.7	.6	.....	2.3	2.9
Total	35.4	12.0	27.5	74.9	99.7

[1] Sum of components may not add to totals due to rounding.
[2] Tax compliance measurement program.
[3] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are excluded from NIPA since they represent transfer payments.

TABLE 2.—ESTIMATED AMOUNT OF UNREPORTED INCOME FOR 1976 AS PERCENT OF REPORTABLE AMOUNT, BY TYPE OF INCOME

[Amounts in billions]

Type of income	Amount of income [1]		
	Reportable on tax returns	Reported on tax returns: Total [2]	Reported on tax returns: As a percent of amount reportable [1]
Legal Source Incomes			
Self-employment	$93–99	$60	60–64
Wages and salaries	902–908	881	97–98
Interest	54–58	49	84–90
Dividends [3]	27–30	25	84–92
Rents and royalties	9–12	6	50–65
Pensions, annuities, estates, and trusts	31–33	27	84–88
Capital gains	22–24	19	78–83
Other [4]	9–10	7	70–75
Total	1,148–1,172	1,073	92–94

[1] Sum of components may not add to totals due to rounding. Percents of amounts reportable were computed from unrounded figures.
[2] A small amount of illegal source of incomes are included in the figures below. These inclusions will not significantly affect the percentages shown in the right-hand column.
[3] Dividends include an estimated portion of distributed net profits of qualified small business corporations.
[4] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are xcluded from NIPA since they represent transfer payments.

TABLE 3.—ESTIMATES OF UNREPORTED INCOME AND ASSOCIATED TAX LOSS FOR 1976

[In billions of dollars]

	Unreported income	Tax loss
Filers	47.4–64.1	10.6–14.3
TCMP-based [1]	(35.4–36.5)	(7.8– 8.0)
Other	(12.0–27.6)	(2.8– 6.3)
Nonfilers	27.5–35.6	2.2– 2.8
Total	74.9–99.7	12.8–17.1

[1] Tax compliance measurement program. ●

GEORGIA INDUSTRIAL REVOLUTION

● Mr. TALMADGE. Mr. President, the State of Georgia is rapidly becoming a dynamic industrial pacesetter in the Sunbelt. An excellent article written by Mr. Jasper Dorsey which appeared in the September issue of Sky magazine makes this point very effectively and I would like to share it with my colleagues.

Georgia's natural resources, including hard-working people, and economic opportunity have attracted both international and American enterprise at a record rate. Significant expansion in transportation, in tourism, in real estate, and in manufacturing has put Georgia in the forefront of national growth.

We are all very proud of the outstanding economic progress being made in Georgia, and I bring this article to the attention of my colleagues and ask that it be printed in the RECORD.

The article follows:

GEORGIA'S INDUSTRIAL REVOLUTION

(By Jasper Dorsey)

From the time young Georgians begin the study of history, it is difficult for them to understand why the northeastern portion of the United States was so heavily settled in colonial times, when the South had so much more to offer. Even our Indians were friendlier!

Upon maturing somewhat, the discovery is always made that perhaps those who went to New England did not know any better, since few had much opportunity to compare the southern advantages. Naturally they were forgiven.

At the start of World War II, the Army knew that our southern climate not only permitted, but encouraged outdoor living year-round; so, the young men of America were invited by the Army to go south for a military education in the basics.

With a modest confidence, we knew that a huge number would return south after the war's end. Especially since so many found it difficult to live away from our young ladies. Marriages to southern young ladies boomed during and after the war.

Georgians haven't said "damn Yankees" for a long time now, and do not look upon the Sunbelt vs. the Snowbelt as any kind of new War Between the States. They look upon northerners, or westerners, or foreigners as welcome visitors—and love for them to come to Georgia for either a good time or a lifetime. It is easy to find both.

Georgians have always been multilingual as far as the other parts of the U.S.A. are concerned, and could be understood in New York or Chicago or Los Angeles. Now they are being understood in Frankfurt, Brussels, Paris, Amsterdam and Tokyo.

Years ago when Georgians abroad were asked by their hosts where they were from, a map was often needed to inform the foreigners. Not anymore.

Atlantan Margaret Mitchell's epic novel Gone With the Wind, and the subsequent movie enlightened millions abroad, and the election of Georgia's former Governor, Jimmy Carter, to the Presidency of the United States helped with the education, too.

Both of these factors assisted the people of the world to find us, but the main reason Georgia has been discovered in America, is that we have so much of what the world is looking for—economic opportunity.

Any place Georgian's visit abroad they will find the natives knowledgeable about our state. Not only that, but thousands of them are coming over here to visit. Many are coming as tourists, but great numbers are coming to locate a manufacturing plant, a warehouse, a sales office, or a corporate headquarters.

Foreign governments are sending their officials to Georgia to establish consulates and trade offices. Ten governments have consulates in Atlanta now, and thirty-one have honorary consulates. Twelve more governments have trade offices here.

Foreign money is pouring into Georgia from Canada, the United Kingdom, Germany, Japan, France, Switzerland, the Netherlands and more. Atlanta has ten foreign banks in operation; two each from Switzerland, England, and Germany, plus one each from Brazil, Canada, Japan and the Netherlands.

Twenty thousand new jobs have been created for Georgians by an estimated $1.3 billion of new foreign capital investment from 28 countries. International companies have located 348 facilities here, 180 in metropolitan Atlanta. Of the 348, 100 are manufacturing plants.

International companies here consist of 71 facilities from Japan, 70 from the United Kingdom, 59 from Canada, 40 from Germany, 33 from France, 25 from the Netherlands, 14 Swiss, 12 Swedish, 10 Belgian, 8 Australian. Others are here, and more are coming, with welcome and needed capital, to create jobs and pay taxes.

Additional foreign investments are going also into real estate of all kinds, like office buildings, shopping centers, hotels, plus insurance companies, banks and more. This infusion of new capital permits Georgians to expand their investments in other new and growing enterprises.

American and foreign business leaders have discovered a rare and enlightened partnership in Georgia between government and business. Georgia Governor George Busbee is our best ambassador. Now in the first year of his second term, he has spent more time helping to create economic expansion in the state than any other Georgia governor. He is not alone. House Speaker Tom Murphy and Lieutenant Governor, (and Senate President) Zell Miller, together with the full support of the General Assembly, have created an effective climate for new business ventures and the expansion of present ones.

Lest anyone conclude that foreign enterprise has led the pace in discovering Georgia let's hasten to add that American enterprise from other states came first and the number is growing.

Why Georgia? Many reasons. Perhaps the most dramatic one is transportation. Georgia was founded by it when the port of Savannah was colonized in 1733. Atlanta was founded by it when the state's railroads were laid out by Wilson Lumpkin, later to become Governor and U.S. Senator. Atlanta grew from the intersection of those railroads that came from five directions. At first the intersection was called just Terminus, then named Marthasville for Governor Lumpkin's daughter, and later Atlanta.

The railroads are still prospering and so are motor freight carriers, but to get to Georgia's most unique asset it is—air service! That is the single, most precious economic resource!

Here's what sets Atlanta in a class apart: an executive can depart Atlanta in the morning of any day and arrive in any other major city in the U.S. by 10:30 A.M. He can even commute easily to and from any major city in the eastern half of the country.

To put it another way, Atlantans have the most air service per capita in the world!

Atlanta's Hartsfield International Airport is now the world's second busiest air terminal, and construction to be completed by September 1, 1980, will make it even busier. The $400 million expansion program will double passenger capacity!

Here again is the great partnership participation between the airlines, the business community, state government and the enthusiastic assistance of Atlanta's Mayor Maynard Jackson. Not a dollar of tax money is involved.

Twelve passenger air carriers serve Atlanta plus two commuter airlines. Last year the

total number of passengers served was more than 36.5 million. An average day in 1978 saw over 1700 flights in and out of Hartsfield International. Delta Air Lines operated more than 630 of these flights daily, making it another of Georgia's major economic resources.

The number of international flights is increasing considerably, with non-stop service to London and Frankfurt, and one-stop flights to Montreal and San Juan. Other connections can be made to such faraway places as Brussels, Nassau, Toronto, Mexico City and Montego Bay, and new destinations are being added to route maps all the time.

There are eleven air cargo airlines handling air freight exclusively. The world's largest air cargo building is being built for them.

The new passenger terminal, when completed next year, will be the largest air terminal complex in the world.

The nation's most modern Air Traffic Control facility has been designed to handle 750,000 aircraft arrivals and departures yearly by 1985.

Georgia's superb and well financed Department of Industry and Trade, with international offices in Bonn, Brussels, Tokyo and Sao Paulo, works closely with the State Chamber of Commerce and had a major part in helping the giant Georgia-Pacific Co. decide to relocate its corporate headquarters to Atlanta from Portland, Oregon. (They helped the Oregon firm discover that too many of its executives were spending so much of their time at the Atlanta Airport.)

Gov. Busbee showed Atlanta's advantages to Georgia-Pacific in such an effective way that the decision to move will bring 400 executives from Portland to Atlanta, creating a total of 1,500 new jobs. They bought choice land downtown to construct a $90 million office tower. Mayor Jackson was particularly helpful.

There are a host of other examples. In one of Atlanta's key office parks, Taylor and Mathis' Perimeter Center, there are 315 major tenants, 150 of which are in Fortune Magazine's 500. There are also 8 major corporate headquarters located in a campus-like environment. Headquarters of the huge Siemans-Allis Co., the Southern Co., Goldkist, Continental Telephone, Cotton States insurance, Royal Crown Cola and Munich-American insurance are there.

Within the last year the business and government partnership, with Gov. Busbee's leadership, lured to Carrollton, a small college town, CBS' records and tape manufacturing facility with 3,000 new jobs and $50 million in new investment. It will be the world's largest plant of its kind. Georgia's new Freeport Law with a tax break for goods warehoused in transit was a very important asset.

Also in 1978 to Albany, a bustling south Georgia small city, went a new 1.2-million-square-foot plant of the Miller Brewing Co. with 1,400 new jobs and $250 million in new investment. It is also Miller's largest facility. Transportation, pure water and again Gov. Busbee were factors.

In addition to those already mentioned, Georgia attracted 176 new plants in 1978 alone, providing 16,279 new jobs. When 323 new plant expansions are added, the job figure rises to 28,168 and the investment totals almost $1.1 billion.

Another advantage Georgia possesses that is unique, is a new Environmental Protection Law which again shows how important is the attitude of government cooperation with industry. Georgia is the only state where new industry can go to one office and receive all of the state and national environmental permits required to establish a new industry. You can also get an answer without delay.

State government has set up an employee training program for industry without charge to the new or expanding firm. Called "Quick Start," it is custom-designed for the plant under construction. Set up near the plant site, the state selects and pays the instructors, in most cases borrowing company personnel for the purpose.

Georgia has long been the economic industrial and financial capital of the Southeast, including the period before the War Between the States. Of the five largest banks in Atlanta, three are in the top 100 of the U.S. and the fourth, Fulton National, with assets over $1.1 billion, is rapidly climbing to that level. Headquarters of The Federal Reserve's Sixth District is in Atlanta, too.

Consider the Southeast as a market, and you quickly discover that it is as large as that of Canada.

Looking at a transportation map, you find Georgia is the hub of the southeast, with Atlanta in its center. Transportationwise, Georgia is in a class apart. Air service is the nation's best: rail and highway transport finds Georgia again in the commanding position; and if you use the sea, Georgia's two deep-water ports of Savannah and Brunswick are served by over 100 steamship lines, and possess the most modern container facilities and other equipment for expediting cargo. The Georgia Port Authority has offices in New York, Chicago, Tokyo, Bonn and Athens.

For education in the state, Georgia spends more than half its budget. There are 37 colleges and universities, 24 junior colleges, 29 vocational-technical schools and a 10-station Educational TV network. Adult education and night classes are within commuting distance anywhere in the state.

Among the nation's elite universities are the University of Georgia and Georgia Tech; Georgia State University, too, has a national reputation. Private schools include the distinguished Atlanta University complex, the world's largest educational institution for minority students; plus superb schools like Oglethorpe University, Emory University, Agnes Scott College, Mercer University, and the world-famous Berry Schools.

No place excels Georgia in another essential element called the Quality of Life. The state is the largest east of the Mississippi River with three distinct geographic areas. In the north it has the Blue Ridge Mountains which reach almost to a 5,000-foot elevation with a cool summer climate and ski resorts in winter. In the south it has the Golden Isles of Sea Island, St. Simons, Jekyll and Cumberland with near tropical weather. Between the mountains and the southern part of the state lies the Piedmont area of rolling foothills, lakes and clear streams.

Golf may be played year round in almost all the state. Water sports are enjoyed all over the state's many lakes and streams. Hunting is excellent. All major league sports are played in Atlanta: football, baseball, basketball, ice hockey, soccer. The world's most prestigious golf tourney is Augusta's Masters Tournament.

Visitors find fun, so tourism is a $2 billion industry. You might not know Atlanta is the second leading convention city in North America, too. The new $35 million Georgia World Congress Center alone brought in almost 900,000 visitors in 1978. Though it has 13 acres of exhibit space, plans are being made to double its size. Twenty-eight thousand hotel and motel rooms are often not enough to handle our friends. More hotels are planned.

Atlanta holds great appeal for very talented young people. Talent scouts from business, industry and the professions find it easy to attract top graduates of the nation's elite universities, as well as to keep our own top talent at home.

In summary, Georgia has what the world is looking for: economic opportunity. The state stands alone in transportation—especially in air service. No place else can match it. Add the whole spectrum of mild climate, an enlightened, enthusiastic workforce who respect business, and superb higher educational institutions. Then add in that enthusiastic cooperation and partnership between government and business. You can easily see why we have a fair advantage.

More than 20 years ago, the *Blue Book of Industrial Development* carried a prophetic article on the south. It ended like this, "the last half of the 20th century belongs to the South. In terms of natural and human resources, the South has what it takes to become a showcase for the entire nation." Georgia is the South's hub, and Atlanta is its economic heart.●

MISS CHERYL PREWITT SELECTED AS MISS AMERICA

● Mr. COCHRAN. Mr. President, on Saturday night in Atlantic City, Miss Cheryl Prewitt was selected Miss America. She is a most deserving and talented person, and I am confident that during the coming year she will reflect much credit on her native State of Mississippi and the United States.

Cheryl comes from Choctaw County where she lived with her family near Ackerman. At the present time she is a graduate student in music at Mississippi State University and has plans to pursue her studies further at Juilliard School of Music.

Cheryl has already established herself as a songwriter and performer. She holds copyrights to 20 gospel songs and performs with her family in a gospel music group, "The Prewitt Family."

One has to be greatly impressed with the faith and determination of this attractive and talented young lady. Several years ago she suffered very painful and serious injuries in an automobile accident. Rather than accepting the prediction that she would never walk again, she persevered and overcame her crippling injuries.

Cheryl Prewitt is the third Mississippian in the last 20 years to be named Miss America. My former classmates at the University of Mississippi, Mary Ann Mobley and Linda Mead, received this honor in 1959 and 1960. I am sure this new generation will be very capably represented by Cheryl Prewitt to whom I extend my most sincere congratulations and best wishes.●

SALT MUST DO MORE TO PROTECT OUR SECURITY

● Mr. McGOVERN. Mr. President, an open-ended arms race does nothing to improve the security of either the United States or the Soviet Union. An arms buildup may result in a theoretical equality on both sides, but the real effect is only to raise the level of mutual insecurity rather than reduce to levels of greater security. Unfortunately, it sometimes appears that the SALT ratification process distorts an already badly confused vision of the relationship of arms limitation agreements to our national defense. In yesterday's Outlook section of the Washington Post, Richard Barnet explores the tendency of SALT to ratify the huge weapons acquisition programs on both sides. He explains the national security myths which perpetuate the arms race without improving our security or diplomatic success in the

world. And he rightfully notes the connection between national security policies and our domestic economic priorities. During the SALT debate, Mr. Barnet's insights should be seriously considered, and for that reason I submit his article, "Do We Want to End the Arms Race," for the RECORD.

The text of the article follows:

DO WE WANT TO END THE ARMS RACE?

(By Richard J. Barnet)

The SALT II agreement may weather the current storm over Soviet troops in Cuba, but even if it is ratified, this will mark not the beginning of a process but the end of an experiment. The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons acquisition programs both are pushing.

The support of the hawks has been purchased by an "arms dividend," a commitment to increase military spending 5 percent a year above inflation. According to the Senate Budget Committee, the dividend alone will cost the taxpayer an extra $129 billion over five years, bringing the total military expenditures for that period to almost $1 trillion. The Soviets also welcome SALT as a ratification of their weapons program and will not hesitate to match or to try to surpass the new U.S. buildups. None of this will transgress anything in the 100 pages, but it will not, obviously, move the world to arms reduction nor reduce the mounting dangers of war by miscalculation.

The SALT debate has skewed the issues because it has focused on narrow alternatives and has failed to clarify the purposes of arms agreements or to raise the basic political and moral issues at stake. The political world is divided between those like the Committee on the Present Danger who believe that any agreement the Soviet Union would sign puts the United States in mortal danger and those who take the administration view that any agreement helps the political climate and promotes a "process."

In this debate, the reasons why the United States or the Soviet Union should want to limit the nuclear arms buildup have been lost. The argument has really been about which side struck the better deal. When the "arms dividend" is included, it is evident that SALT is something to stir the hearts of generals, defense contractors and senators from states brimming with military reservations and arms plants.

The treaty should be ratified, not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off. But merely to continue the SALT "process" would be almost as hopeless a response to the mounting danger we face. That danger is increasing because both sides are emphasizing hair-trigger "counterforce" technology—more accurate warheads, more "war-fighting options"—and the pressure is mounting on both sides to develop strategies to insure that weapons, as they become more vulnerable, are not caught on the ground. Thus the incentive to produce more weapons and to program them for firing sooner rather than later is increasing in both military establishments. In a world of "first strike" technology and "launch on warning" strategies, the minutes available for making decisions about war and peace are dangerously compressed and the chances of fatal human error multiply.

Arms agreements are desperately needed to break this spiral. But the only agreements that will have that effect are simple agreements that would force the two sides to choose between continuing the arms race or stopping. The world cannot afford to wait another seven years of accelerated arms buildup to produce another intricate prospectus for managing the arms race. The next agreement must cut through the ambiguities of the arms race or it too will prove to be a stimulant rather than a brake.

To create a positive political climate for reversing the arms race, agreements should meet three criteria. First, they should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions. Ultimate intentions are always mysterious, but the question can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive.

Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new weapons systems would make it clear that both sides indeed intend to stop the arms race. A mutually agreed upon moratorium on the procurement, testing and deployment of all bombers, missiles and warheads for three years is in the interests of both the United States and the Soviet Union.

A rough "balance" of nuclear forces now exists, which, according to the administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world. A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and to verify. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions.

During the moratorium the two sides could negotiate deep cuts in strategic nuclear weapons and delivery systems. It hardly makes sense to destroy old weapons systems while replacing them with more dangerous new systems.

Stopping the arms race would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification, for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the societies to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

Sen. Mark Hatfield has proposed a moratorium along these lines as an amendment to the SALT II treaty. The Soviet Union has made several proposals in the past few years for a ban on "all new weapons systems." The proposals have been general and have elicited no reaction from the United States. The standard view in Washington is that they are merely propaganda.

Yet the Soviets have never been put to the test. In the 35-year history of arms negotiations, U.S. analysts have consistently misinterpreted Soviet intentions and the cost has been enormous. The fictitious "bomber gap" and "missile gap" of the 1950s caused the U.S. taxpayer to spend billions for unnecessary weapons. The complacency of the 1960s, when U.S. military leaders assumed the Soviet Union was resigned to permanent inferiority, led to the present climate of alarm. It is time to stop guessing about Soviet intentions and put forward agreements which require them to choose between peace or further preparation for war.

The only road to national security is to reverse the arms race, but that cannot be done without first calling it to a halt. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions of dollars on the military without risking mortal danger to our economy, which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters.

The distortion of priorities has become so acute that as the administration counsels a 5 percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization," to which the arms buildup is presumably addressed, is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the continuing failure to invest adequately in alternative energy systems is to distort national security strategy and to misconstrue the meaning of "strength." The same is also true of the Soviet Union. For both of us, the return on investment in the military is declining. The heavy burden preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing both societies.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, equal to Herbert Hoover's dedication to eliminating human suffering, reflected in his famine relief efforts throughout Europe, was his love of and commitment to preserving the beauty of nature. The great outdoors was a constant source of inspiration to our 31st President. As a boy in Iowa and Oregon, school subjects were only "something to race through so I could get out of doors." This love of the outdoors continued throughout his lifetime.

Shortly after his inauguration in March 1929, Hoover tasked one of his secretaries with finding a location for an outdoors camp where the President could fish and relax. The President subsequently purchased a 164 acre tract near the source of the Rapidan River, in what is now Shenandoah National Park. His use of the Rapidan Camp, which came to be known as Camp Hoover, is summarized in an essay by Mr. Darwin Lambert, who has submitted it for publication in the series honoring the 50th anniversary of the inauguration of Hoover as our 31st President. Mr. Lambert, who lives near the Shenandoah Park at Luray, Va., has written a much more lengthy exposition on Camp Hoover, entitled "Herbert Hoover's Hideaway."

President Hoover was fanatic in preserving the natural setting of the Rapi-

dan Camp. The cottages in the camp were designed to fit available space, so that trees could be saved. Some of those trees grew undisturbed through the floor of the porches of the President's own cabin. Hoover did not permit live trees to be cut for firewood, insisting that only dead trees be used. Attractive plants were sought, but only those which would blend in well with the natural surroundings. Hoover did seek additional deep pools for trout fishing, but his friends and guests joined him in moving boulders to create the pools rather than calling in large, and potentially damaging, machines to accomplish the job.

Hoover also took a deep interest in the welfare of the families living in this mountainous area. After learning there was no school within the reach of the children of this region, the President had one built and staffed for a period of 4 years at his own expense. He pushed for the building of a road through the mountains so that all could enjoy the spectacular scenery, but insisted that it be built by employing the local farmers who were particularly impoverished in those depression days. Skyline Drive was the result.

Hoover entertained an occasional State visitor at the camp, much as President Carter uses Camp David. Particularly noteworthy was the visit of British Prime Minister Ramsay MacDonald in October 1929. The Prime Minister was unaware that a visit to Camp Hoover was planned, and was forced to borrow some of the President's clothes for the occasion. Mrs. Hoover furnished clothes for MacDonald's daughter. The chief subject under discussion was limiting the size of the world's navies, and the conference opened the way for the Naval Limitation Treaty, which was ratified by the Senate less than a year later.

As he had promised at the beginning of his Presidency, Hoover later deeded the entire parcel of land to become part of Shenandoah National Park, and stated a wish that future Presidents might gain equal enjoyment from the site. His successor in the White House, Franklin Roosevelt, visited the camp on one occasion, but found the terrain too rough for his use. He did, however, carry on the development of the Shenandoah park, and extended and completed Skyline Drive.

As much as the Shenandoah and its people gained from Hoover's attention and devotion, the President derived an equal amount in return. Mr. Lambert quotes Admiral Boone, Hoover's personal physician, on the impact of the camp on the President:

The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one . . .

I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

Mr. President, I submit for the RECORD Mr. Lambert's essay, and a brief biographic sketch of the author.

BIOGRAPHIC SKETCH OF DARWIN LAMBERT

Born: January 28, 1916, Kamas, Utah.

Education: George Washington University, 1934–36.

Career: Editor, Travel Lore Magazine, Luray, Virginia 1937–43; Requirements Officer, Lend Lease Administration, Chungking, China, 1943–45; Editor, Commonwealth Review, Luray, Virginia 1945–47; Manager, White Pine Chamber of Commerce and Mines, Ely, Nevada, 1949–56; Editor, Ely Daily Times, Ely, Nevada, 1956–61; Editor, Daily Alaska Empire, Juneau, 1961–64; Freelance writer, 1964; Assemblyman, Nevada Legislature, 1955–56; Chairman, Nevada Board of Economic Development, 1957–59.

Memberships: Trustee, National Parks Association, 1959; Founder-President of National Highway 50 Federation, 1953–56; North American Highway Association, 1954–57; Great Basins National Park Association, 1955–61.

Publications: Beautiful Shenandoah, privately printed, 1937 Guidebook to Shenandoah National Park, Lauck & Co., 1942, revised edition 1947; Gold Strike in Hell (Novel), Doubleday, 1964; Angels in the Snow, Coward, 1969; Herbert Hoover's Hideaway, Shenandoah Natural History Association, Luray, Va., 1971; The Earth-Man Story, Shenandoah Natural History Association; Exposition-Banner, Jericho, New York, 1972; Shenandoah National Park, Administrative History, 1924–1976, National Park Service, 1979.

THE RAPIDAN FACET OF HERBERT HOOVER

(By Darwin Lambert)

President Hoover's frequent resort to his "fishing camp" in the Virginia mountains suggests a relationship between his enjoyment of nature and his performance in public affairs. Much evidence of such a relationship, along with clues to its origins and effects, came to me while I was writing histories of the camp and of the national park in which its site is now included. The President's physician and other persons interviewed, along with records studied, indicate the camp revived Hoover's energy, restored his creativity and further developed his concern for the people and the resources of earth.

Hoover had been fond of nature since boyhood. He once said the subjects he was studying in school were "something to race through so I could get out of doors." While very young in both Iowa and Oregon he liked both outdoor play and outdoor work. Though he became an excellent scholar, an extraordinarily successful mining engineer, and a volunteer (then, a governmental) provider of food for millions of hungry Europeans, he kept seeking, as he put it, "inspiration" in "the works of nature."

While Secretary of Commerce in Coolidge's Cabinet, Hoover found personal time to serve, among other capacities, as president of the non-governmental National Parks Association (now National Parks and Conservation Association)—coincidentally helping this organization launch the long campaign, along with governmental and other volunteer groups, toward establishing Shenandoah National Park in an area then unknown to him, which campaign he would help again years later by locating his camp inside the proposed park. By then his interest in conservation had interwoven with his interest in production to meet human needs. His friend Will Irvin wrote of him as having graduated from engineering mines to "engineering our material civilization as a whole—without goose-stepping the human spirit or blueprinting the human soul." Evidence I have gathered suggests he was moving toward earthmanship, integrating concern for the earthly environment with the enjoyment of peaceful living, working for the long-range health of humanity and the planet together.

Hoover's wife and sons were nature-oriented too, their outdoor recreation having grown along with his—in California and during his mining career around the world. They camped with him in many of the planet's most scenic places. On several continents he led them picnicking in the countryside, doing much of the cooking himself on an open fire. Long an eager and skillful fisherman, he frequently caught the main course of a meal directly from nature. During the Commerce period, the family's residence had a "woodsy" back yard where many of the meals were served. Mrs. Hoover became president of the Girl Scouts of America, and during her years of service the organization's membership, outdoor oriented, multiplied tenfold to almost a million girls. Young Allan Hoover fed birds and put up gourd-nests for them; he also acquired two ducks and several turtles. Hoover encouraged these doings—though with one exception that I have learned about, when Allan wanted to keep alligators in the bathtub.

A few weeks after being elected President, Hoover gave Lawrence Rickey, one of his secretaries, the task of finding a wild camping place where he could fish and relax. Following his inauguration on March 4, 1929, he chose and bought a 164-acre site at the source of Rapidan River, promising to donate that land to Shenandoah park when the park was established. The Camp Hoover plan was unambitious at first—just a few tents on wooden bases. But more needs the camp might serve kept emerging, and construction expanded until there were ten sizeable cottages with thin roofs and walls but massive stone fireplaces. During the four years of his Presidency, Hoover spent scores of weekends at this "summer White House"—in solitude along the trout stream or entertaining guests for relaxation and, more and more often as pressure increased in Washington, for policy discussion.

One of the first things I noticed about Camp Hoover was that the cottages had been shoe-horned in—designed and built to fit available space so trees need not be cut. Porches of the Hoovers' personal cottage—sometimes called "The Brown House" but usually "The President"—had splendid trees growing undisturbed through the floors. Other clues joined to bring out the Hoover desire to increase simple enjoyment while reducing disturbance of nature.

The Madison County Eagle, weekly newspaper that carefully watched the Hoovers' doings in its territory, reported on May 24, 1929, that the landscaping at camp consisted of a slight rearrangement of natural materials. Rocks that "lay helter-skelter" were being placed along the borders of walkways. Extra rocks were "erected in conical piles from which native flowers send forth their fragrance." In Shenandoah park files I found a copy of Mrs. Hoover's seven-page instructions concerning the grounds. She said the President wanted a variety of attractive plants to be visible but that they should be the identical species which grew there naturally or "hardy species . . . very similar to the native ones" such as "not to seem out of place" in the "woodsy setting."

People working at or near the camp promptly reflected the Hoover attitude, and some were changed for life by it. Frank Kiblinger, who supervised a road crew in the area, told me one of his trucks tore some bark from a tree. Aware of the Hoover's potential displeasure, he insisted the driver find it, straighten it out, and bind it back in place so the wound would heal without showing. This was done. Kiblinger went on to become a conservationist, with the Hoovers as long-time friends.

Maj. Earl C. Long of the Marines, in charge

of protection and maintenance at camp, reflected the Hoover attitude in the guide manual for this assignment, decreeing that "no trees in the President's Camp or the guard camp areas (including first and second platoon areas, corral area, and motor transport area) will be cut, damaged, or limbs removed." Camp Hoover Marines, present primarily to guard the President, were also assigned to work with Virginia crews building a fir tower atop nearby Fork Mountain, to help protect all forest within sight. Long, who became a major general before retirement, was so influenced that during the rest of his career he often modified military constructions to reduce disturbance of natural conditions.

Hoover allowed only dead wood, largely chestnut killed by the blight, to be used for heating or cooking at camp. Living trees could not be made into firewood; neither coal nor oil were burned. Though Hoover almost never replied to criticism, he was so sensitive in relation to nature that when a national news service said he had "ordered unrestricted shooting of hoot owls and fish hawks" along the Rapidan, he personally replied that he was "at a loss to know why such . . . untruths . . . are circulated. . . . There are no hawks about the camp and the old owl and brood of little owls are a part of the treasured camp furniture."

Hoover wanted more deep pools for trout, and instead of calling for machines to make them he and his guests moved boulders to create dams. The *Eagle* eye saw Hoover serving as "architect and chief engineer," but there is evidence he also served as laborer. His physician, Admiral Joel T. Boone, told me the President agreed he needed physical exercise, and the making of pools was one of the "double-pronged schemes" into which he often drew guests—cabinet members, congressmen, diplomats, bankers, "men representing the whole spectrum of American life with whom communication was generally stimulated through informality." The work was fun, especially on hot days. Col. Charles Lindbergh and Dr. Boone himself sometimes worked alongside Hoover, improving the Rapidan for trout while also reducing erosion and flooding.

Boone had a part in the early stages of a quite different project—relating most directly to people but in the long run to conservation as well. One day, soon after camp was set up, Boone was riding horseback toward Big Meadows (now a public visitation center in Shenandoah park). He stopped to talk with a boy near a mountain home. He asked about school and learned there was none within reach. Knowing the Hoovers loved children, he told them about the boy and the lack of a school accessible to the mountain folk. The President pursued acquaintance by offering $5 to the boy for bringing him an opossum (probably for son Allan). After some delay the boy came with the animal and collected. At a meeting then arranged, the boy's father agreed to head a local committee and the President a national committee to obtain the needed school. Under this camouflage—when no public funds could be promptly obtained—Hoover built the Mountain School at his own personal expense.

Construction started in October 1929, and in February 1930 a well-qualified, Hoover-hired teacher welcomed two dozen students, ages five to sixteen. Soon adults also were seeking and getting education at the school. It became a community center for the Rapidan-Dark Hollow area. Hoover paid all expenses during four school years. Then Virginia's conservation commission, seeing the relationship of the school to its responsibility—for acquiring Shenandoah park land and arranging for the mountain folk to move elsewhere—began paying the costs. The school operated until 1938 when most of the mountain folk moved from the park. It immeasurably improved the ability of these people to cope with the world outside the Blue Ridge.

Newsmen and feature writers focused wide attention on the doings of the Hoovers in the mountains. But what put the Rapidan conclusively on the world map was the coming together there of Hoover and Prime Minister Ramsay MacDonald of Britain—"conspiring," critics said, "to sink the world's navies." MacDonald and his daughter Ishbel arrived in Washington on October 4, 1929. Hoover told them he was taking them to his isolated camp. The startled Briton said, "But, Mr. President—I can't go to the mountains in this cutaway and striped trousers." The two men were almost the same size, and Hoover lent MacDonald clothes. Mrs. Hoover furnished camp attire for Ishbel. One cottage at camp was assigned to MacDonald, another to his daughter, these cottages lastingly named "Prime Minister" and "Ishbel."

The conference—concerned with limiting (not "sinking") navies (so as to halt the armaments race that was straining the finances of Britain, the United States and several other countries while also threatening world peace)—took place informally. Dr. Boone, always at camp when Hoover was there, said:

"I don't recall Prime Minister MacDonald fishing, but I'm not sure he didn't give it a try. He and President Hoover went out along the stream together once, probably more than once. Ishbel went riding with Mrs. Hoover, and I recall clearly she pitched horseshoes with Richey . . . and me for a time. . . . The President and apparently the Prime Minister were more relaxed, more informal, than could have been expected in other surroundings. And the President, at least, could work better on such crucial, infinitely complicated matters under the relaxing conditions of camp."

Newsmen were not invited, but the world's papers were filled with stories of the Rapidan talks promoting peace in the presence of only "those green-robed senators of mighty woods." Drawings showed them sitting on logs beside the stream or a campfire, Hoover whittling a stick and MacDonald smoking his pipe. The conference opened the way for the Naval Limitation Treaty that was ratified by the Senate on July 22, 1930. Hoover said the treaty marked "a further long step toward lifting the burden of militarism from the backs of mankind."

The camp thus proved itself a significant catalyst for creativity and calm judgment. In a short speech given to ten thousand "neighbors" gathered at Madison, the county seat nearest the camp, the President discussed its effects:

"I have discovered that even the work of the government can be improved by leisurely discussions of its problems out under the trees where no bells or callers jar one's thoughts. . . .

"I am glad to lend my services as a good neighbor to you by acting as a sort of signpost to the country of the fine reality of your proposed new national park.

"I fear that the summer camp . . . has the reputation of being devoted solely to fishing. That is not the case, for the fishing season lasts but a short time. . . . It is the excuse for return to the woods and streams with their retouch of the simpler life of the frontier from which every American springs. . . .

"Fishing seems to be the sole avenue left to Presidents through which they may escape to their own thoughts and may live in their own imaginings and find relief from the pneumatic hammer of constant personal contacts, and refreshment of mind in the babble of rippling brooks.

"Moreover, it is a constant reminder of the democracy of life, of humility and of human frailty—for all men are equal before fishes. And it is desirable that the President of the United States should be periodically reminded of this fundamental fact—that the forces of nature discriminate for no man."

Horace M. Albright, Director of the National Park Service, had helped Hoover pick the exact site for the camp and was a guest there from time to time. In 1969 Albright remembered riding horseback with Hoover one Sunday in "late 1930":

"We rode up onto the summit . . . to the Big Meadows. . . . The President motioned me to come up alongside of him. . . . He told me these mountains were just made for a highway. . . . And he said, I think everybody ought to have a chance to get the views from here. He said, I think they're the greatest in the world, and I've been nearly everywhere in the world.

"I pointed out, well, if they build a road . . . that's the end of his camp, because they'd have so many tourists . . . and he said, well, I'm not going to be President all the time and my successor might not like this place, and besides, I feel, even if I was here, he said, that the people should have this sensation that I have, this exhilaration, this experience that I have riding along here. He said, I want you to consider undertaking a survey . . . get a crew in here and see what you can do.

"So that's where I got my instructions for this Skyline Drive. Right from the President's mouth, right up here where the road is now.

"It was a terribly dry year, and these people were impoverished. . . . He asked for a congressional appropriation not only to relieve these farmers but to help other situations throughout the country. . . . Get your specifications for the highway, and then build it by force account if necessary, otherwise by contract, but insist that they use hand tools, the fresnoes and plows and scrapers of the farmers, and the farmers themselves."

Though Hoover did not originate the dream of having a Skyline Drive in Shenandoah, his instruction to Albright was nevertheless extraordinary. The Park Service had no land and no funds for a Shenandoah park, had had no chance for detailed study of the area or for planning its development, was far from sure such a park would become a reality (because the State of Virginia, responsible for getting the land and giving it to the federal government free of cost and of population, was uncertain after years of struggle whether the task could be accomplished). Yet Albright acted fast and did his best to carry out the President's order.

After several tentative routes were flagged, Hoover rode again on the skyline with Albright and others. Albright remembered:

"We came up here after a preliminary line had been run. . . . We would ride the trail, ride that line, as best we could on horseback. . . . Hoover pointed out that there were places where you could ride the ridge and see both ways. You could look to the Piedmont and you could look to the Shenandoah Valley. Other places you could just look to one, and then you'd go around through a gap and you'd see the other side. He thought that was one of the greatest things about it; he noticed that in his own right, you see. . . ."

It was a welfare project, and it was by Herbert Hoover.

The Skyline Drive between Thornton and Swift Run Gaps was thus built with Hoover not only the initiator of action but, intermittently anyway in the early stages, also chief engineer. Shortly after he was defeated in his try for a second term as President, he "explored" the whole 34 miles and wrote his opinion of how his instruction had been carried out: "It is a good road—and a very beautiful one."

As promised at the beginning of his Presi-

dency, he deeded the 164-acre camp property (and the 1.58-acre Mountain School tract) to become part of Shenandoah National Park. His records showed he had spent approximately $200,000 of his own money on the camp land and its development. (I have never come across precise figures showing what he spent on building, furnishing and operating the Mountain School, but I have found indications that the total in personal funds could hardly have been less than $25,000 and could have been considerably more.) In donating the camp land and buildings to the park he expressed a wish that the place be available to future Presidents who might wish to use it. He further suggested that, if Presidents did not use it, the Park Service might let it be used by the Boy Scout or Girl Scout organizations.

President Franklin D. Roosevelt visited the camp shortly after his inauguration. He found the terrain too rough for his use, but his visit and his return toward Washington via the still-unsurfaced Skyline Drive (which he found impressive, valuable and appropriate) involved him personally in the future of this park to such an extent that he carried on Hoover's momentum and direction, completing and extending the scenic highway, seeing the park through to establishment and well-rounded development.

For fifteen years the camp itself was little used, while the buildings deteriorated because Congress appropriated no funds to maintain them. In 1948, with encouragement and behind-the-scenes help by Hoover who was very much alive in New York, the Boy Scouts of America received permission to recondition the buildings and use them. Camp Hoover thus became "one of the outstanding 'Explorer Camps' in the country," as the Scouting organization put it. In the summer of 1954, more than two decades after he donated it to the park, Hoover visited it once more (for the last time) and reminisced with Scouts and Scouters about its four years as a "summer White House." One leading Scouter reported the visit was most moving and inspirational and that Hoover was deeply pleased the Scouts were using the place. Regrettably, in 1958, the Scouting organization had to abandon the camp because maintenance had become increasingly troublesome and expensive beyond the organization's current means.

All but three of the cottages proved too far gone to save. The three—known as "The President," "The Prime Minister," and "Creel"—were reconditioned by the Park Service which, by then, had a special fund that could be drawn upon for this purpose. These buildings were refurnished as in the years of the Hoovers' occupancy and saved as repositories of history. They have been used by high officials of the Federal Government and at times opened for visitation by the general public, which customarily uses the camp's outdoor acreage for hiking and other park-type activities. Quite recently, for the first time in more than 40 years, a President—Jimmy Carter—has again used the camp—though not frequently—as Hoover used it and hoped it might continue to be used.

Responding to my request for a summary of Hoover's Rapidan facet and its meaning, Admiral Boone, whose primary responsibility was the President's health, made statements coming as close as his scientific scruples would allow to confirming the camp as a generator of earthmanship:

"The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one. . . .

"I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

"He was a self-disciplinarian with remarkable ability to keep many projects moving, to make maximum use of time. I never saw him play cards at camp, or work on jigsaw puzzles which were popular there, or pitch horseshoes. The time he actually spent fishing was small. . . . After brief fishing or sometimes a nap or a walk in the invigorating air he would plunge with new energy into urgent work. . . .

"He might recess a policy conference, go off fishing by himself for a short while, then get going again with the conference, usually having worked out some key problem. . . .

"The loveliness of the place captivated people, though they had their different ways of enjoying it. Sometimes the President would sit quietly for many minutes, smoking his pipe, listening to the stream or the fire. . . ."

All the persons I have interviewed, who were in camp with Hoover, reported indications of the President's renewal in strength and basic creativity by the stream, forest, mountains and far views. Most reported feeling in themselves too the effect of renewal and of focus on fundamentals to the exclusion of petty side issues. They observed similar signs in their associates. The camp had a spirit or atmosphere conducive to tender concern for both humanity and nature—in quite a few individuals, as in Hoover and his wife, for the people-earth combination in a sense now often called ecological. The spirit was sometimes so moving that Virginia historian Thomas Lomax Hunter "The President's Camp on the Rapidan," 1931, expressed it in these words:

"May we hope that the peace born and brooded in these noble hills will grow, like the Rapidan, into a mighty stream and flow down through history a splendid and triumphant tide."

I cannot say, of course, to what extent the earthmanship spirit was brought to camp by the President and Mrs. Hoover, or what portion of it rose directly from the magnificence and vitality of the Rapidan headwaters. But the spirit certainly lived there and exercised influence. In its glow the movement with Prime Minister MacDonald to foster world peace by reducing armaments seemed altogether fitting. Hoover's personal contribution to the mountain people through the Mountain School, and his insistence on hiring local workers in urgent need to build the Skyline Drive, seemed but natural—as did his wish to enhance human enjoyment through wise use of natural resources by establishing Shenandoah National Park.

Similarly, the effect of the camp spread through Hoover's Administration into other conservation matters, working its charm toward saving the scenic values of Niagara Falls (treaty with Canada approved by the Senate in 1930); toward tighter control of oil leases on public lands and more efficient use of water for power, irrigation and navigation; toward reduction of overgrazing on western ranges and reclamation of wasteland; toward planning the great St. Lawrence waterway (treaty with Canada signed in 1932); toward protecting U.S. forests (more than two million acres added to the national system); toward launching the Hoover Dam project on the Colorado River; and toward bringing a 40% increase in the national park system, including addition of Carlsbad Caverns, Canyon de Chelly, Death Valley, and the Great Smoky Mountains (linked with Shenandoah that was brought within reach though not officially established during Hoover's term).

The evidence is ample, I feel sure, to support the feeling I have long had—that the Rapidan facet of Herbert Hoover was significant in his personal life and in his Presidential decisions, policies and accomplishments; that focus on this often-ignored facet helps confirm Hoover's lasting contribution to humanity and earth; and that Camp Hoover was, is, and will remain a spiritual resource of meaning and value to America and the world.

(The above essay, "The Rapidan Facet of Herbert Hoover", is copyrighted, and may not be reprinted without permission of the author and copyright owner, Darwin Lambert.) ●

SALAMI TACTICS IN CUBA

● Mr. HELMS. Mr. President, in 1921 Lenin, reflecting on the events of the bloody Kronstadt mutiny, made some observations which give a rare insight of his perverse genius. Two of these are both timely and pertinent to the current situation in Cuba.

Lenin stated:

As a result of my direct observations during my exile, I must admit that the so-called cultured class of Western Europe and America is incapable of comprehending the present state of affairs and the actual balance of forces; the elements of this class must be regarded as deaf and dumb and treated accordingly. . . .

As if the above statement were not sufficient to give an idea of what lay ahead, Lenin proceeded to pen this gem of Marxist wisdom:

A revolution never develops along a direct line, by continuous expansion, but forms a chain of outbursts and withdrawals, attacks and lulls, during which the revolutionary forces gain strength for their final victory.

This strategy has been appropriately synthesized in the West in the dictum "two steps forward one backward in order to advance without causing excessive reaction." There is also a mordant, if graphically simple, phrase coined during the cold war which illustrates Lenin's strategy by calling it "salami tactics."

A closer analysis, if indeed an analysis is needed, of Lenin's reflections will poignantly bring into focus the fact that, although the Soviets have been practicing this strategy for the past 60 years, the "deaf-dumbs" of the West never cease to be surprised whenever they are confronted with a fait accompli as a result of a Soviet move.

What is unbelievable is that, seldom if ever, have the Soviets been able to make a lightning move in absolute secrecy. The United States and its allies invariably have had substantial warning of an impending move, due mainly, to their advanced technology in the field of intelligence. Those successes occurred when there had been an efficient human collection system complementing the electronic one and there was the will to make continuous and wise use of it.

It was "rumors" brought to the United States by Cuban exiles arriving in Miami that foretold of the missiles in Cuba. That it took nearly 3 more months to convince the administration of their presence confirms Lenin's observation. In the case of the Soviet brigade in Cuba things have gotten far worse in spite of tell-tale signs such as a continuous traffic of Soviet marshals, generals and even deputy defense ministers. The discovery of the Mig 23s was nothing more than a flash in the pan, quickly forgotten and relegated to the annals of gradual encroachment in the Caribbean basin.

Seldom if ever has the United States reacted in a forceful and peremptory way to correct the alteration in the balance of power caused by a Soviet move such as the one confronting us in Cuba today.

There were of course several instances of quick advance and partial retreat whenever the United States as the leader of the free world made a show of force, but, in the end, the Soviets came away with the material gains, while the West consoled itself with the moral and empty victory of the righteous.

To be sure, the dilemma of choosing between a "casus belli" in an era of nuclear weaponry seems to take the aspect of game with loaded dice when it comes to an aggressive move by the Soviets. In a negotiated settlement the Soviets hold the initiative, and therefore gain the bargaining advantage over the United States.

In Cuba Lenin's strategy has seen some interesting variations in the past two decades. The "salami tactic" has been reversed. The slices are being added surreptitiously while we stand by, 90 miles away, blinded by our lack of intelligence collection by human sources. While Miami may be abuzz with information about Russians in Cuba camping in the countryside, there is not a single intelligence man specifically designated to handle the incoming arrivals from Cuba. Not anymore.

In the early days of 1962 there was sufficient information on hand in Miami, and, presumably, in Washington, of surveys and construction by Soviets in areas which later were used as missile sites. Reports about the nuclear submarine support base at Cienfuegos began coming in Miami as early as 1962, while the Nixon administration protested to the Soviets only in 1970.

There has been a continuous if not stealthy build-up of Soviet presence in Cuba. In addition to the combat brigade there have been Soviet pilots flying missions in Cuba. Late in 1978, 18 Komar-type missile carrying boats have arrived in Cuba and early in 1979 6 of the newer type, equiped with quadruple launchers for "Styx" missiles have also been delivered. The Cubans do not have the crews to man these boats, which because of their size—81 feet in length—can actually enter Miami harbor at night virtually undetected because they appear on the radar screens as some of the hundreds of pleasure boats cruising the Gulf Stream.

Cuba is today the main Soviet naval base in the Western Hemisphere where naval squadrons call with monotonous regularity, often in violation of SALT I agreements, because of the missile carrying submarines (Golf type). The gigantic airlift exercise to Peru, using Cuba as intermediate base has all but been forgotten, yet the presence of the brigade today in Cuba may be due to this particular exercise as the Soviet need a mobile force on hand to guarantee the accessibility of landing sites for airlifted troops in case of an emergency. The United States seems to be oblivious to fact that today there is a crisis situation in the Caribbean basin and the maritime routes to and from Panama and South America are practically in Soviet hands.

The Soviet brigade may not pose a direct threat, per se, to the United States at the moment but both we and our Latin American allies would sleep more peacefully if the Russians got their suntans on the Black Sea resorts.

The President has said we should regard the situation calmly. And so we should. We should calmly tell the Soviets to get their troops out of Cuba before any negotiations begin. The President made a grave error when he announced negotiations without taking that forceful step. President Kennedy did not make such a mistake; he told the Soviets to get their troops out before the negotiations began. The United States cannot permit another superpower to maintain combat troops within its own defense perimeter. No U.S. installations lie within the Soviet defense perimeter. Were President Kennedy alive today, I am postive that the Soviet troops would already be out of Cuba. The danger now is that we will bargain away our rights in Guantanamo, or our right to an objective debate on the SALT II Treaty and its deficiencies.

Mr. President, it is not too late to profit from our mistakes in the handling of the Cuban developments. But it will take leadership, Mr. President, and leadership is a quality that is too often absent from our leaders today.●

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

● Mr. CHILES. Mr. President, I would like to call my colleagues attention to a consumer pamphlet on Medi-Gap insurance prepared jointly by the Department of Health, Education, and Welfare and the National Association of Insurance Commissioners.

The "Guide to Health Insurance for People with Medicare" was developed after the Senate Special Committee on Aging held hearings on widespread abuses in the sale of private health insurance policies to supplement Medicare. Our hearings revealed that many older Americans were paying large premiums for insurance policies which were worthless or of very little value in supplementing their Medicare insurance protection.

I introduced a bill in February, S. 395, to provide a number of protections against such abuses. There is an almost complete lack of information for Medicare beneficiaries on Medi-Gap insurance and how it can and cannot supplement Medicare. One of the provisions of my bill required the Department of Health, Education, and Welfare to provide information to all Medicare beneficiaries. This pamphlet has been developed in response to this concern and will be available through all local Social Security and area agency on aging offices this month.

I do not believe that consumer education alone can solve most of the problems we found in the sale of Medi-Gap insurance, but I think this pamphlet will be a valuable source of information for many older Americans who have questions about Medi-Gap insurance. I think it will also serve as a good resource for my colleagues, and I ask that the full text of the pamphlet be printed in the RECORD.

The material follows:

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

SOME BASIC THINGS YOU SHOULD KNOW

Medicare pays a large part of your health care expenses. It does not pay them all. There are limits on some covered services and you must pay certain amounts called deductibles and co-payments.

Medicare does not cover some services at all. Neither does most private insurance, for example:

What many people think of as nursing home care is not usually covered by Medicare or insurance policies on the market today. (See page 3.)

Medicare and most private health insurance policies pay only charges Medicare considers reasonable. You pay the rest. To avoid extra charges, ask your doctor to accept assignment of Medicare benefits. Assignment means that your doctor (or other supplier) agrees to accept Medicare's reasonable charge as the total charge for covered services and supplies. (See page 7.)

Insurance to supplement Medicare is not sold or serviced by the government. Do not believe advertising or agents who suggest that Medicare supplement insurance is a government-sponsored program.

Before you consider buying insurance to supplement Medicare, you should know what Medicare benefits are. Pages 4 through 7 explain your Medicare coverage. Please review them carefully.

DO YOU NEED PRIVATE HEALTH INSURANCE IN ADDITION TO MEDICARE?

Not everyone does . . .

Low-income people who are eligible for Medicaid do not need additional insurance. Medicaid pays almost all costs including long-term nursing care. Contact your local social service agency to find out if you qualify and what the benefits are in your state.

Whether you need health insurance in addition to Medicare is a decision which you should discuss with someone you know who understands insurance and your financial situation. The best time to do this is before you reach age 65.

HINTS ON SHOPPING FOR PRIVATE HEALTH INSURANCE

Shop Carefully Before You Buy . . . policies differ widely as to coverage and cost, and companies differ as to service. Contact different companies and compare the policies carefully before you buy. To help decide, complete the checklist on page 6. If an agent won't help you complete the checklist, don't buy from that agent.

Don't Buy More Policies Than You Need . . . duplicate coverage is costly and not necessary. A single comprehensive policy is better than several policies with overlapping or duplicate coverages. For comprehensive coverage, consider continuing the group coverage you have at work; joining an HMO; buying a catastrophic or major medical policy or buying a Medicare Supplement policy. (See page 3.)

Check For Preexisting Condition Exclu-

sions . . . which reduce or eliminate coverage for existing health conditions. Many policies exclude coverage for preexisting health conditions.

Don't be misled by the phrase "no medical examination required." If you have had a health problem, the insurer might not cover you for expenses connected with that problem.

Beware of Replacing Existing Coverage . . . be suspicious of a suggestion that you give up your policy and buy a replacement. Often the new policy will impose waiting periods or will have exclusions or waiting periods for preexisting conditions your current policy covers. On the other hand, don't keep inadequate policies simply because you have had them a long time. You don't get credit with a company just because you've paid many years for a policy.

Be Aware of Maximum Benefits . . . most policies have some type of limit on benefits which may be expressed in terms of dollars payable or the number of days for which payment will be made.

Check Your Right To Renew . . . beware of policies that let the company refuse to renew your policy on an individual basis. These policies provide the least premanent coverage.

Most policies cannot be canceled by the company unless all policies of that type are canceled in the state. Therefore, these policies cannot be canceled because of claims or disputes. Some policies are guaranteed renewable for life. Policies that can be renewed automatically offer added protection.

Policies to Supplement Medicare Are Neither Sold nor Serviced by State or Federal Government . . . State Insurance Departments approve policies sold by insurance companies but approval only means the company and policy meet requirements of state law. Do not believe statements that insurance to supplement Medicare is a government-sponsored program. If anyone tells you that he or she is from the government and later tries to sell you an insurance policy, report that person to your State Insurance Department.

Know With Whom You're Dealing . . . a company must meet certain qualifications to do business in your state. This is for your protection. Agents also must be licensed by your state and must carry proof of licensing showing their name and the company they represent. If the agent cannot show such proof, do not buy from that person. A business card is not a license.

Keep Agents' and/or Companies' Names and Addresses . . . write down the agents' and/or companies' names and addresses or ask for a business card.

Take Your Time . . . do not let a short-term enrollment period high pressure you. Professional salespeople will not rush you. If you question whether a program is worthy, ask the salesperson to explain it to a friend or relative whose judgment you respect. Allow yourself time to think through your decision.

IF YOU DECIDE TO BUY

Complete Application Carefully . . . some companies ask for detailed medical information. If they do, omitting specific medical information can be costly to you. Do not believe anyone who tells you that your medical history on an application is not important. If you omit requested information the company can refuse coverage for an omitted condition for a period of time or it may deny a claim and/or cancel your policy.

Look for an Outline of Coverage . . . you should be given a clearly worded summary of the policy . . . Read It Carefully.

Do Not Pay Cash . . . pay by check, money order or bank drafts made payable to the insurance company, not the agent or anyone else.

Check For A Free Look Provision . . . most companies give you at least 10 days to review the policy. If you decide you don't want to keep it, send it back to the agent or company within 10 days of receiving it and you will get a refund of all premiums you have paid.

Policy Delivery or Refunds Should Be Prompt . . . the insurance company should deliver a policy within 30 days. If not, contact the company and obtain in writing a reason for failure to deliver. If 60 days go by without information, contact your State Insurance Department. The same schedule should be followed if you return the policy but do not receive your refund.

TYPES OF PRIVATE HEALTH INSURANCE

Private health insurance is available through group and individual policies. It is offered by some companies through agents and by other companies directly through advertising media and mail. Coverages offered and their values differ widely among both group and individual policies.

Types of individual and group health insurance coverages:

Medicare Supplement . . . pay some or all of Medicare's deductibles and co-payments. Some policies may also pay for some health services not covered by Medicare. (See page 4.)

Medicare pays only for services determined to be medically necessary and only to the extent of what Medicare determines to be a reasonable charge (see pages 4 through 7). Most Medicare supplements follow the same guidelines and pay nothing for services Medicare finds unnecessary.

Catastrophic or Major Medical Expense . . . helps cover the high cost of serious illness or injury, including some health services not covered by Medicare. These policies usually have a large deductible and may not cover Medicare's copayments and deductibles. It can be a better dollar value to insure only for catastrophic expenses than to buy coverage for the Medicare deductibles and co-payments.

Health Maintenance Organizations (HMOs) . . . there may be one or more HMOs in your area which participate in the Medicare program. HMOs both insure health care and provide the service. People who join HMOs pay a membership fee, or premium, and then receive health services directly from physicians and other providers affiliated with HMOs. Services are prepaid, so there are no claims forms to process. For Medicare covered services, there are no separate charges for deductibles or co-payments. If you are willing to receive your care from a specified group of providers, HMOs may provide the most complete service for your health care dollar.

Group insurance is available through employers and through voluntary associations.

Employer Group Insurance . . . many people are covered by a group plan while they are employed.

Find out before you retire if your group coverage can be continued or converted to a suitable individual Medicare supplement policy when you reach age 65. Check carefully the price and the benefits, including benefits for your spouse. Employer continued or conversion group insurance usually has the advantage of having no waiting periods or preexisting condition exclusions.

Association Group Insurance . . . many organizations, other than employers, offer various kinds of group health insurance coverage to their members over age 65.

Beware of claims of low group rates because coverage under group policies may be as expensive or more costly than comparable coverage under individual policies. Be sure you understand the benefits included and then compare prices.

The following coverages are limited in scope and are not substitutes for Medicare Supplement, Catastrophic, Major Medical Expense or HMOs.

Nursing Home Coverage . . . usually pays a stated amount a day for required skilled nursing service furnished in a skilled nursing facility. Intermediate care, rest care and custodial care are generally not covered under any policy on the market today. Most people in nursing homes are receiving custodial care. Be sure you know which nursing homes and services are covered.

Hospital Confinement Indemnity Coverage . . . pays a fixed amount for each day you are hospitalized up to a designated number of days. Some coverage may have added benefits such as surgical benefits or skilled nursing home confinement benefits. Premiums do not ordinarily increase, but the fixed benefits do not rise to meet increasing costs of hospitalization.

Specified Disease Coverage . . . (Not available in some states) . . . provides benefits for only a single disease, such as cancer, or a group of specified diseases. The value of such coverage depends on the chance you will get the specific disease or diseases covered. Benefits are usually limited to payment of a fixed amount for each type of treatment. Benefits are not designated to fill the Medicare gaps.

WHAT MEDICARE PAYS AND DOESN'T PAY

Medicare is divided into two parts—hospital insurance (Part A) and medical insurance (Part B). This page describes Part A benefits and page 7 describes Part B benefits. The chart on page 5 gives brief outlines of both Part A and Part B. Please refer to Your Medicare Handbook or any Social Security Office for more information.

Medicare does not pay the entire cost for all covered services. You pay for deductibles and co-payments. A deductible is an initial dollar amount which Medicare does not pay . . . a co-payment is your share of expenses for covered services above the deductible.

MEDICARE HOSPITAL INSURANCE BENEFITS (PART A)

What medicare part A pays

When all program requirements are met, Medicare Part A will help pay for medically necessary inhospital care . . . and after a hospital stay, for medically necessary inpatient care in a skilled nursing facility or for home health care.

Part A covers all services customarily furnished by hospitals and skilled nursing facilities. Part A does not cover private duty nursing, charges for a private room unless medically necessary, or convenience items such as telephones or television. Part A also does not cover the first 3 pints of blood you receive during an inpatient stay (but you cannot be charged for blood if it is replaced by a blood plan or through a blood donation in your behalf).

Benefit periods

Medicare Part A benefits are paid on the basis of benefit periods. A benefit period begins the first day you receive Medicare covered service in a hospital and ends when you have been out of a hospital or skilled nursing facility for 60 days in a row. If you enter a hospital again after 60 days, a new benefit period begins. All Part A benefits (except for lifetime reserve days you have used) are renewed. There is no limit to the number of benefit periods you can have.

Inpatient hospital care

Part A pays for all covered services for the first 60 days of inpatient hospital care in a benefit period except for $160, the current Part A deductible. For the next 30 days, Part A pays for all covered services except for $40 a day. Every person enrolled in Part A also has a 60-day lifetime reserve for inpatient hospital care which can be drawn from if more than 90 days are needed in a benefit period. When lifetime reserve days are used, Part A pays for all covered services except for $80 a day. Once used, lifetime reserve days are not renewable.

Skilled nursing facility care

A skilled nursing facility is a special kind of facility which primarily furnishes skilled nursing and rehabilitation services. It may be a separate facility or a part of a hospital. Medicare benefits are payable only if the skilled nursing facility is certified by Medicare. Most nursing homes in the United States are not skilled nursing facilities and many skilled nursing facilities are not certified by Medicare.

Part A pays for all covered services for the first 20 days of medically necessary inpatient skilled nursing facility care during a benefit period. For the next 80 days, Part A pays all except $20 a day.

Medicare Part A will not cover your stay in a skilled nursing facility if the services you receive are mainly personal care or custodial services, such as help in walking, getting in and out of bed, eating, dressing, bathing and taking medicine.

Home health care

Part A pays the entire cost of up to 100 medically necessary home health visits, after a hospital stay, for each benefit period. These visits must be used within 1 year from your most recent discharge. Part A covers part-time services of a visiting nurse or physical or speech therapist from a Medicare certified home health agency. If you receive any of these services, Part A can also cover part-time home health aide services, occupational therapy, medical social services and medical supplies and equipment. Part A does not cover full-time nursing care, drugs, meals delivered to your home or homemaker services that are primarily to assist you in meeting personal care or housekeeping needs.

MEDICARE—HOSPITAL INSURANCE BENEFITS (PART A)

Service	Benefit	For covered services—Each benefit period: Medicare pays	You pay [1]
Hospitalization: Semiprivate room and board, general nursing and miscellaneous hospital services and supplies. Includes meals, special care units, drugs, lab tests, diagnostic X-rays, medical supplies, operating and recovery room, anesthesia and rehabilitation services.	1st 60 days	All but $160	$160.
	61st to 90th day	All but $40 a day	$40 a day.
	91st to 150th day [2]	All but $80 a day	$80 a day.
	Beyond 150 days	Nothing	All costs.
	A benefit period begins on the 1st day you receive services as an inpatient in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 days in a row.		
Posthospital skilled nursing facility care: In a facility approved by medicare. You must have been in a hospital for at least 3 days and enter the facility within 14 days after hospital discharge.	1st 20 days	100 percent of reasonable costs	Nothing.
	Additional 80 days	All but $20 a day	$20 a day.
	Beyond 100 days	Nothing	All costs.
	Medicare and private insurance will not pay for most nursing home care. You pay for custodial care and most care in a nursing home.		
Posthospital home health care	Up to 100 visits	100 percent of reasonable costs	Nothing.
Blood	Blood	All but 1st 3 pints	For 1st 3 pints.

[1] These figures are for 1979 and are subject to change each year.

[2] 60 lifetime reserve days may be used only once; days used are not renewable.

MEDICARE—MEDICAL INSURANCE BENEFITS (PART B)

Service	Benefit	For covered services—Each calendar year: Medicare pays	You pay
Medical expense: Physician's services, in patient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.	Medicare pays for medical services in or out of hospital. Some insurance policies pay less (or nothing) for hospital outpatient medical services or services in a doctor's office.	80 percent of reasonable charge (after $60 deductible).	$60 deductible [1] plus 20 percent of balance of reasonable charge (plus any charge above reasonable).[2]
Home health care	Up to 100 visits	100 percent of reasonable charge (after $60 deductible).	Subject to deductible.[1]
Outpatient hospital treatment	Unlimited as medically necessary	80 percent of reasonable charge (after $60 deductible).	Subject to deductible [1] plus 20 percent of balance of reasonable charge.[2]
Blood	Blood	80 percent of reasonable charge (after first 3 pints).	For 1st 3 pints plus 20 percent of balance of reasonable charge.[2]

[1] Once you have had $60 of expense for covered services in a calendar year, the part B deductible does not apply to any further covered services you receive in that year.

[2] You pay for charges higher than reasonable charges allowed by medicare unless the doctor or supplier agrees to accept medicare's reasonable charge as the total charge for services rendered.

EXPENSES NOT COVERED BY MEDICARE

Medicare does not cover certain kinds of care. Most private insurance does not cover them either. Among them are:

Private duty nursing.

Skilled nursing home care costs (beyond what is covered by Medicare).

Custodial nursing home care costs.

Intermediate nursing home care costs.

Home health care (above number of visits covered by Medicare).

Physician charges (above Medicare's reasonable charge).

Drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay).

Care received outside the U.S.A.

Dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for and the cost of eyeglasses or hearing aids.

MEDICARE MEDICAL INSURANCE BENEFITS (PART B)

What medicare Part B pays

Medicare Part B helps pay for doctors' bills and many other medical services. You are automatically enrolled in Part B when you enroll in Medicare Part A . . . although you may state that you don't want it. Part B currently costs you $8.70 a month. Your premium for Part B may go up each year. You don't have to purchase Part B . . . but it is an excellent buy because the Federal Government pays more than two-thirds of the actual cost.

You pay the first $60 of charges each year. This is the Part B deductible. After that, Medicare Part B generally pays 80 percent of the amount Medicare determines is a reasonable charge for covered services you receive the rest of the year. You pay the remaining 20 percent. This is the Part B co-payment. Unless your doctor or supplier accepts assignment (see explanation below), you are responsible for charges above the amount Medicare determines to be a reasonable charge.

Services covered

Physicians' and surgeons' services no matter where you receive them . . . at home, in the doctor's office, in a clinic or in a hospital. Routine physical exams are excluded.

Home health visits up to 100 visits each year under an approved plan. They can be in addition to the 100 visits covered under Part A, but under Part B there is no need for prior hospitalization.

Physical therapy and speech pathology services, in a doctor's office or as an outpatient and, on a limited basis, in your home.

Other medical services and supplies . . . such as outpatient hospital services; X-rays and laboratory tests; certain ambulance services; and purchase or rental of durable medical equipment, such as wheel chairs.

Part B will not pay for any services which Medicare does not consider medically necessary . . . neither will most insurance policies.

Reasonable charge

In deciding whether a charge is reasonable, Medicare reviews each year the usual charge by the doctor or supplier for each covered service, and the charge of other doctors and suppliers in the area for the same service. The reasonable charge is often lower than the actual charge made by the doctor or supplier.

Most insurance policies you can buy to supplement Medicare only pay 20% of Medicare's reasonable charge. You might not get 100% coverage for your Part B bills even if you have Medicare Part B and private insurance. Here's how this could happen:

Suppose your doctor charges you $500 for an operation and Medicare determines the reasonable charge to be $360. You would pay the first $60 (the Part B deductible) yourself. The rest of the reasonable charge would be $300. Medicare would pay 80% of that $300, or $240. Most insurance policies would pay 20% of that $300 or $60. You would pay a total of $200 . . . the $60 Part B deductible plus the $140 difference between your doctor's actual charge and the reasonable charge determined by Medicare. However, you may avoid this extra payment if your doctor accepts assignment.

Ask about assignment

Because you can't tell in advance whether the reasonable charge and the actual charge will be the same, always ask your doctors or other medical suppliers, such as laboratories and therapists, if they will accept assignment of Medicare benefits. Assignment means that the doctor or supplier will accept Medicare's reasonable charge as full payment and cannot legally bill you for anything above that amount. In the example above, if your doctor agreed to assignment, he or she would accept $360 as payment in full and you would not have to pay the $140 difference yourself.

Doctors and suppliers do not have to accept assignment, but many do.

FOR ADDITIONAL HELP

If you need additional help or advice on Medicare benefits or eligibility, contact your nearest Social Security Office or the Health Care Financing Administration. For information on private insurance to supplement Medicare, check with your State Insurance Department or State Consumer Protection Agency.

If you bought or are considering buying a health insurance policy, the company or its agent should answer your questions. If you do not get the service you feel you deserve, discuss the matter with your State Insurance Department.

The Medicare information in this pamphlet is for 1979. It may change from year to year. For a more detailed and current explanation of Medicare and its benefits, obtain a free copy of Your Medicare Handbook from your local Social Security/Health Care Financing Administration Office.●

HISPANIC HERITAGE WEEK

● Mr. MATHIAS. Mr. President, Hispanic Heritage Week gives us a chance to enjoy a wonderful cultural event, but it also challenges us to think seriously about Hispanic Americans and not only about the problems they encounter in our society but about the special qualities they bring to our culture.

It has been my privilege to visit the Hispanic world on several occasions. I have not traveled there as widely as I would like—unfortunately there never seems to be enough time for that—but I have visted Puerto Rico, Mexico, Colombia, Venezuela, and, of course, Spain. And the one thing that strikes you so forcibly when you visit these countries—where the people are all so different from one another and where the national character of each is so distinctive—the one common characteristic you discover in the Hispanic world, besides the Spanish language, is the pride, self-respect, and human decency of the Hispanic peoples.

And, as you look around our troubled world, that is not a bad bond to tie people together. Those qualities of the human spirit add an important dimension to life wherever they are found and they are qualities which we, in the United States, must seek to encourage in our society.

Steven Muller, president of the Johns Hopkins University, thinks that although "an American society exists * * * mighty, productive, bursting with achievement," we still have not created an American civilization. He calls this country a teenager "full of muscle and energy, not yet mature, but very much aware of ourselves." And, like all teenagers, the country still has a lot of questions to answer—"hard questions of who we really are, how well we will mature, of wisdom and grace to match our promise."

Dr. Muller thinks we will eventually be able to answer those questions pretty well, but as he says:

Teenagers tend to be impatient, superficial still, sometimes, self-indulgent, and often undisciplined. Such characteristics also mark our American society . . .(and) they must be overcome.

It seems to me that as we seek to construct a mature civilization to replace our rough teenage society and as we work to overcome the superficial and self-indulgent aspects of our society, the spiritual qualities of the Hispanic people will be an important element in that efiort.

Therefore, as we observe Hispanic Heritage Week, I hope that all Americans will become more aware of the sense of human decency which is so pronounced in Hispanic Americans. And I hope that Hispanic Americans will use this as an occasion to dedicate themselves to working to help America evolve a civilization which reflects the values which infuse their lives.

And finally, because the American dream of a rewarding job, a comfortable home, and a good education and a better life for their children, still eludes most Hispanic Americans, I hope we will all use the occasion of Hispanic Heritage Week to dedicate ourselves to seeing that Hispanic Americans achieve the full rights and opportunities to which they are entitled in our society.

As José Martí, the great Hispanic poet and patriot, long ago pointed out: "Men have no special rights because they belong to one race or another: the word man defines all rights."●

TAX POLICY AND INFLATION—CONGRESS SHOULD BE ACCOUNTABLE

● Mr. DOLE. Mr. President, last Wednesday the Chairman of the Federal Reserve Board, Paul Volcker, testified before the House Budget Committee. During his appearance before the Budget Committee, Mr. Volcker stated his opposition to automatic adjustment of the income tax rate brackets to compensate for the effects of inflation on personal income. The Federal Reserve Chairman would prefer that Congress address that problem on a case-by-case basis and decide each year whether such an adjustment is necessary. Mr. Volcker feels that adjustments in the tax rates should be examined carefully in the political process.

As the sponsor of the Tax Equalization Act, the Senator from Kansas was particularly disappointed to hear Mr. Volcker's position. The Tax Equalization Act would maintain constant rates of taxation on each level of real—as opposed to inflated—income. Of course, Congress would always have the power to change the rates of taxation as it deems appropriate—but the rates would be geared to real income and stable purchasing power. It is surprising that Chairman Volcker would regard this procedure—indexing income taxes for inflation—as resulting in insulation of tax policy from the political process.

Mr. President, Chairman Volcker has demonstrated his determination to fight inflation and that is why the Senator from Kansas is distressed at the Chairman's opposition to indexing taxes for inflation. A good idea needs all the good men it can get to promote it, and indexing is a good idea, as the public is fast coming to realize. It is also a significant anti-inflation measure and, contrary to Mr. Volcker's conclusion, would increase the political accountability of Congress in setting tax policy.

As the law now stands, the tax rates for each of the brackets stay the same despite the fact that, each year, inflation pushes taxpayers into higher rate brackets. These taxpayers have not increased their real income as measured by purchasing power; they have merely, if they are fortunate, kept pace with inflation. The result is an unlegislated increase in tax revenues for the Federal Government. Congress is not politically accountable for the increase. It is no wonder that the public is confused when Congress passes "tax cuts" which leave the taxpayer paying as much or more of his income as before.

Congress should be accountable for the Federal tax policy—in this the Senator from Kansas agrees with Chairman Volcker. The way to make Congress accountable is to eliminate automatic, unlegislated tax increases. Congress will then need to examine whether a tax increase, or a real tax cut, is required in light of the particular economic situation. Indexing is the first step toward responsible fiscal policy, and it will make policy more responsive to changes in the Nation's economy.

A responsible fiscal policy is the first line of defense against inflation. The Senator from Kansas urges Chairman Volcker to reexamine his position and consider that, in the long run, the task of the Federal Reserve in fighting inflation would be eased by adoption of the Tax Equalization Act. This is an issue on which the opponents of inflation must band together, and it is an issue which can be ignored no longer.●

HISPANIC HERITAGE WEEK

● Mr. SCHMITT. Mr. President, as we join in celebration throughout the country to honor Hispanic Americans, a group which may be the largest minority in the United States by 1980, let us focus on the increasing importance of our relationship with Latin America.

Our own Hispanic citizens must be willing to assist in strengthening those relations. No other group in the country can more readily provide the bridge. Hispanic Americans, more than any other group, have the background and knowledge to make a major contribution to this worthy and crucial goal.

As a Senator from the State of New Mexico, I am proud that my constituency is made up of a large percentage of individuals of Spanish descent. A Hispanic society has existed in what is now northern New Mexico around Santa Fe and Taos since 1610, and through the centuries, persons with family ties to this community, have made up nearly half the State's population.

New Mexico was admitted to the Union in 1912, and although these proud descendants of the Spanish conquistadores have encountered various difficulties moving into the mainstream of American society, they have maintained what remains one of the richest and strongest heritages of culture in America.

As we honor Hispanic Americans, let us not forget the painstaking steps they

have taken to overcome the language barrier and succeed in education and in the labor market. Although much progress has been made in these areas, we must continue to provide increased opportunities for these Americans to participate equally in the affairs of the Nation. If we do not do so, the dream of America as both a melting pot and preserver of diverse cultures will be tarnished.●

FOREIGN EARNED INCOME ACT

● Mr. MATHIAS. Mr. President, today I join the Senator from Rhode Island (Mr. CHAFEE) as a cosponsor of S. 1703, a bill to provide an exclusion for income earned abroad by employees of certain charitable organizations.

The Foreign Earned Income Act of 1978 significantly improved the provisions of the Tax Reform Act of 1976, allowing special itemized deductions for Americans working in qualified countries and a flat $20,000 exclusion for workers in hardship areas living in substandard housing. These provisions have resolved many of the problems encountered by Americans living abroad.

Despite this progress, there is at least one problem remaining: Overseas nonprofit organizations in nonqualified countries (Canada and most of Europe) are in danger because of the tax status of their employees. Many corporations have solved the double taxation problem by compensating their employees for the additional taxes they are required to pay. Unfortunately, nonprofit organizations cannot offset these taxes for their employees. As a result, many of these workers are finding themselves in the unenviable position of owing more taxes than they earn in base salary.

One of the important and worthy nonprofit organizations that this bill would help is the University of Maryland, which has an extensive overseas operation. Its programs focus on the needs of our military personnel stationed abroad who want to earn their college degrees. Courses are offered at over 150 sites around the world, employing 800 Americans as faculty members and an administrative staff of 250 to 300. Because the program will be severely crippled if the Americans who staff it continue to do without the Federal income tax exemption that they enjoyed before the Tax Reform Act of 1976, I think that the reinstatement of the exemption is of utmost importance.

The University of Maryland is only one example of the many organizations operating hundreds of progams all over the world, employing thousands of Americans. All these institutions are operating under severe strain, and many will be forced to close if their employees are not given some form of tax relief.

I had already drafted and had planned to introduce a bill that would have solved this problem, allowing a flat $20,000 exclusion to employees of charitable organizations. However, the distinguished Senator from Rhode Island (Mr. CHAFEE) introduced a similar bill, S. 1703, on August 3, 1979, with broad support in the Finance Committee. His proposal will extend the provisions of section 913 of the tax code to American employees of charitable organizations operating abroad. Rather than diffuse our efforts, with a multiplicity of similar proposals, I will withhold my bill and concentrate my energies on S. 1703. The charitable organizations that will benefit from this bill are all deserving of our support, and I encourage all of my colleagues to join the Senator from Rhode Island (Mr. CHAFEE) in helping us pass this bill in the 96th Congress.●

SENATOR BUMPERS' AMENDMENT TO FEDERAL COURTS IMPROVEMENT ACT

● Mr. STENNIS. Mr. President, last Friday, September 7, while the Senate was considering S. 1477, the Federal Courts Improvement Act of 1979, I was called to the White House on an urgent and important defense matter. Therefore, I was necesarily and unavoidably absent when the Senate rejected the motion to table the amendment of the Senator from Arkansas (Mr. BUMPERS) by a vote of 27 yeas and 51 nays. Since I strongly and enthusiastically supported this amendment, I would have voted "nay" on the motion to table had it been possible for me to be present.

I had hoped that I would have the opportunity to vote for the amendment on the up or down vote but the amendment was subsequently approved by a voice vote.

Mr. President, I want to highly commend the Senator from Arkansas for his foresight, alertness, and wisdom in offering his amendment. While it is not a complete answer or panacea to the problems and burdens our people face in the regulatory field, it is certainly a useful, welcome, and helpful step in the right direction.

We all know, Mr. President, that American businesses and industries, large and small, are literally staggering under the ever-increasing burden of Federal regulation. The general perception of this, and the fact that the people are crying out for relief, was evidenced by the overwhelming support for the Bumpers amendment on the floor of the Senate.

The amendment is simple. It basically has two purposes. First, it would direct the courts to decide for themselves, without giving undue weight to so-called administrative expertise, all issues of law. Second, it would reverse the traditional presumption by the courts that agency regulations are valid.

To state it differently, Mr. President, the Bumpers amendment would place the burden of establishing the validity of a Federal regulation where it ought to be in justice and equity; that is, upon the agency which has promulgated it. These agencies have all of the great and powerful resources of the Government at their command, and it is altogether proper that they should have to prove the validity of their own actions, instead of the burden being placed upon the citizen litigant to prove the reverse.

I think, Mr. President, that thoughtful people fully recognize that it is absolutely necessary for the Congress to delegate regulatory functions to Federal agencies, and the Bumpers amendment does not do away with the regulatory process or rulemaking power. However, it appears that the Federal regulatory agencies are literally running wild and that, despite the constant cry for help from our constituents, little or no relief has been given either by the Congress or the administration.

As I have said, one of the major problems in this field is that the courts have held that administrative actions are presumed to be valid and that the burden is on the challenging party to overcome that presumption. Courts accord presumption of validity to actions of regulatory agencies when they act within their sphere of expertise. These presumptions place an almost intolerable burden upon a citizen or a small business who or which desires to contest an agency rule or regulation in court. This is the problem which the Bumpers amendment is designed to correct, at least in part.

The Congress should correct its own errors. One of the primary demands of my constituents, both through the mail and when I am at home, is that the arbitrary and uncontrolled abuse of regulatory power be curbed. I hear this from all over my State. I believe that Congress must take some corrective action.

Objections to overregulation by Federal agencies have been made over and over again in this and preceding Congresses, but so far we have not taken any major step to correct the problem. The President, during his campaign in 1976, made a firm commitment that he would curb the abuse of the regulatory power. He has not been able to do it. I am not being critical of the President; I am only stating the facts as I see them.

The people at home that I talk to believe that Federal agencies are eroding and contributing to the erosion of the free enterprise system by complex, costly and burdensome rules and regulations which are being imposed upon businesses by the hundreds and thousands. During this session of the Congress alone there have been more speeches and discussions about eliminating or reducing cost and burden of Federal regulation than I have ever heard before.

The major problem in this field, Mr. President, is that when an individual or business goes to court to question the validity of a rule or regulation of a Federal agency, that individual or business is put to the cost and expense of having to carry the burden of showing that the rule or regulation exceeds the statutory power and authority of the agency. The private litigant must establish that the regulation is an improper and arbitrary exercise of the authority given to the agency by the Congress. In other words, the burden is placed upon the citizen rather than the agency.

In addition, many courts have required that the individual or corporation contesting the validity of a rule or regulation must demonstrate that the rule or regulation was adopted or promulgated in an arbitrary and capricious manner. This substantially increases the burden of proof that the litigant has to carry.

I believe that the Bumpers amendment offers a sensible and logical approach to this problem. Simply put, it transfers the burden of proof concern-

ing the legality of administrative rulemaking to the agency which has promulgated the rule. I believe that this is a fair, proper and sensible approach. There is nothing wrong with the Congress telling an agency which it has created that, when challenged, it must demonstrate that rules and regulations are legal and are within the mandate given to the agency by the Congress as the representative of the people.

Let me conclude, Mr. President, by reiterating my strong support for the amendment offered by the distinguished Senator from Arkansas. It presents an opportunity for the Congress to do something about the abuse of the regulatory and rulemaking power. It may very well be a first important step in turning the tide in this field. It certainly presents the Congress with an opportunity to take a big step to recapture for the American people the fundamental separation of powers contemplated by our Constitution.

Abuse of the regulatory power is and should be a matter of the greatest concern to all of us. It is creating unnecessary cost and paperwork. It is feeding the fires of inflation and contributing to higher taxes and an unbalanced budget. It is placing an intolerable burden upon business. We have a special duty to do something about it, and I again commend the distinguished Senator from Arkansas for his alert and timely action in offering this amendment.

I hope, Mr. President, that this amendment will be accepted by the House of Representatives. If it is not, I hope the Senate conferees will insist upon it when the bill goes to conference. I certainly believe that they should do this in view of the one-sided vote by the Senate against the motion to table.●

THE LONDON CONFERENCE ON ZIMBABWE-RHODESIA

● Mr. HELMS. Mr. President, today marks the opening of the London Conference on the future of Zimbabwe-Rhodesia. Although the British say that they hope to keep the focus on the constitution, the Patriotic Front is attempting to shift the agenda to mechanisms for the transfer of power to the Communist guerrilla forces. There are few who expect such a transfer to take place under the British aegis; but the real question is whether or not the British Foreign Minister, Lord Carrington, will push the government of Bishop Abel Muzorewa so far that the fabric of society in Zimbabwe-Rhodesia could collapse.

Nevertheless, Prime Minister Muzorewa's government is dealing from a position of strength. Superbly organized and highly efficient, the Prime Minister has shown great restraint in the fact of stepped-up provocations by the terrorists. Communist tactics always include the stepping up of attacks during negotiations; the United States learned to its sorrow in Korea and Vietnam that we had more casualties after the negotiations started than before. The Prime Minister's military strikes against the buildup and involvement of Mozambiqan forces in the fighting is a healthy response to this tactic, and should help, in the long run, to keep casualties down during the talks. The Patriotic Front has pointedly refused to accept a cease-fire. As long as the talks go on without a cease-fire, I urge the Prime Minister to be prepared to conduct whatever military operations are necessary to counter the terrorist threat.

The fact is that the Patriotic Front armies are living on borrowed time. Their host countries, Zambia and Mozambique, are on the verge of economic collapse, and famine already stalks the land. Even their strongest diplomatic supporter, Jules Nyerere of Tanzania, is having economic difficulties as a result of his occupation of Uganda—and Tanzania is already at the bottom of the scale of African living standards as a result of Nyerere's doctrinaire Marxist policies.

If the London Conference demonstrates this weakness, then it will have served a useful function. But if the British Foreign Office imagines that any compromise by Bishop Muzorewa and his political allies could induce the Patriotic Front to give up their attempt to seize power by force, then they will have seriously misjudged the situation. The stability of any nation depends upon its psychological mood, as well as its military and economic strength. But demands for further compromise, by a nation that has endured 15 years of negotiation and compromise, surely go beyond the bounds of reasonableness and will undercut the nation's stability.

THE BRITISH DEMANDS

What confuses the people of Zimbabwe-Rhodesia is that the British objections, centering on the Constitution, appear to be frivolous and punitive. Except for the so-called "blocking mechanism" which permits the white community to interpose against amendments to key sections of the Constitution, the document is absolutely color blind. The Constitution does nothing other than to guarantee basic human rights, sound parliamentary practice, and efficient government. There is no provision in the Constitution which guarantees "white control" of anything. The only bone of contention is the fact that the judiciary, the civil service, and the security force structure do not presently have enough blacks qualified by tenure and experience for appointment to senior positions. Although crash training programs are underway, it will be 3 to 5 years before fully qualified blacks will be in decision-making posts of the nonpolitical services.

The alternative to appointment by merit and experience is appointment by race or by political interference. The President of the country is a black; he is the head of state and the chief executive in a parliamentary system; he is also the commander in chief of the Armed Forces. The Prime Minister is black, and the majority of his cabinet in the government of national unity is black. The majority of the Senate is black, and the majority of the House of Assembly is black. They are free to adopt any policy or pass any act that is not forbidden by the Constitution.

The policy of the government of Zimbabwe-Rhodesia is evolutionary, not revolutionary. It cannot be assumed that blacks, whatever their abilities or their good will, can assume governmental positions for which they have had no experience or training without a diminution or even collapse of government services. In the past, blacks in Rhodesia were denied the opportunity to make significant gains in government service; it is unreasonable to assume that they are prepared to carry on government services now at the same high level which Rhodesians have enjoyed for many years.

But the fact that many senior positions in the nonpolitical services happen to be held by whites, and probably will be for some time, does not mean that the services are "controlled" by whites. All such employees are responsible to their respective ministries, the key portfolios of which are held by blacks. Judges must be responsible to laws which are made by a black House of Assembly. Military officers are responsible to the commander in chief, who is black, and to the Minister of Defense, who is black. The policy decisions in Zimbabwe-Rhodesia are made by blacks.

It is difficult to believe that the Constitution of Zimbabwe-Rhodesia is "undemocratic" because it does not provide for the immediate replacement of the jobs of a few hundred white civil servants who are not political appointees. On the contrary, it would be lacking in equity if it called for their dismissal.

Parliament may, by a simple majority, amend most of the laws currently in force in Zimbabwe-Rhodesia, including among others, those providing for the national flag, the administration of prisons, immigration control, civil evidence, the criminal code, extradition, censorship and entertainments control, control of correspondence colleges, official secrets, the production and marketing of agricultural products, plant breeders' rights, animal health and plant protection, deeds registries, land settlement, natural resources, the administration of parks and wildlife areas, tribal trust land and the development thereof, the mining industry, the reserve bank, currency and exchange control, customs and excise, income tax, sales tax, the control of banks, building societies and companies, patents, trademarks and copyrights, the control of professions, African tribal law and custom, postal, radio and telecommunications services, transportation, including the national airline, air services, the national railways, and road motor transportation, industrial conciliation, apprenticeship training and skilled manpower development, the control of trade and commerce, including the generation and distribution of electricity, the iron and steel industry, public health, including drugs control and control of food and food standards, and the control of national bodies such as the National Archives, National Arts Foundation, National Free Library, National Gallery, National Museums and Monuments and Colours Control Board.

In all there are about 350 acts, all of which can be changed by Parliament without the consent of the 28 white seats in the House of Assembly. In addition, there are eight other acts, none of them racially discriminatory, which have the

same status as the protected clauses of the Constitution. These include:

First. The provisions of the Electoral Act which provide for the appointment and functions of the Delimitation Commission and the Registrar-General of Elections and the qualifications for election as a Senator or member of the House of Assembly. Other mechanics of elections can be amended by simple majority.

Second. The provisions of the Education Act which require that the government maintain, as at present, three classes of government schools: high-fee paying, low-fee paying, and free. The number of such schools which may be established, and the facilities provided is totally at the discretion of the Government. Admission to such schools cannot be regulated on a racial basis.

Third. The Medical Services Act provides the government to maintain and provide for comprehensive and constantly developing hospital services. Government hospitals are required to be classified as open or closed, depending on the basis of fees charged. Admission may not be regulated on a racial basis.

Fourth. The Housing Standards Control Act provides for the control of the standard and safety of buildings and also for the control of the harmful use or occupation of premises and undue interference with the rights of persons.

Fifth. The Parks and Wild Life Act prescribes the areas of the country set aside for national parks and conservation. Such land then falls under the provision of the Constitution which requires that such areas may not be reduced by more than 1 percent unless the bill passes by more than 78 votes in the House of Assembly.

Sixth. Local government in the country is provided by a system of municipalities, town councils, rural councils, and local boards—all of them administered on a nonracial basis. The Constitution provides that any bill which amends certain provisions of the acts regulating these local authorities must pass by more than 78 votes in the House of Assembly.

These six provisions are safeguards to protect the quality of life for all citizens of Zimbabwe-Rhodesia. A primary goal of the black policymakers of the country has been to induce white citizens to stay on and contribute their experience, capital, and expertise to the running of the new nation. Bishop Muzorewa has said over and over again that he does not want his country to become another Mozambique, or another Zambia, where technically trained whites fled the country rather than live under oppression and a reduced standard of living.

The six acts with specially protected provisions all set technical standards which seek to prevent the degradation of the quality of life. But they do not diminish in any way the quality of life for any citizen. They insure, for example, that comprehensive medical care is available to low income Africans in a setting that respects African customs; at the same time, it insures that European-style medical care is available to both blacks and whites who want it and can afford it. Without the continuation of such standards in education, health, and housing facilities, whites would have little inducement to stay.

In short, after observing the disarray in the black-ruled nations all around them—including those whose independence was granted by Britain without adequate safeguards—the whites of Zimbabwe-Rhodesia were determined to drive a bargain for the transfer of power which would protect human rights, efficiency in government, and the quality of life. These protections would extend equally to both black and white. The new Constitution was designed not to protect white control, but to guarantee the bargain that was struck. The "blocking mechanism" was designed not to preserve white control, but to preserve the sophisticated system of free government, with all its checks and balances, that is characteristic of Western parliamentary democracies.

IDENTICAL TO OTHER BRITISH CONSTITUTIONS

Indeed, there is nothing in the Constitution of Zimbabwe-Rhodesia which has not been granted by Britain in principle in other independence constitutions. The constitutional experts in Salisbury made a careful comparative study of all the British independence constitutions before writing their own. Every point to which the British have raised objection has been countered by citing some other constitution granted by Great Britain with identical or near identical provisions.

The notion that the basic provisions and protections of a constitution require specially high majorities to be amended is common to all British independence constitutions. Many of them also recognized the coexistence of various racial communities and the necessity for special protection of ethnic interests. Kenya, Tanganyika, and Zambia all had special seats assigned to whites. The Fiji independence order had provisions for separate voters' rolls for Indians, Fijians, and others. The Mauritius independence order provided for a Hindu community, a Muslim community, a Sino-Mauritian community, and a fourth called general population.

The Anglo-American proposals for Rhodesia provided for 20 seats assigned to whites in the House of Assembly. The British Government proposal in 1971 held that a constitution would be democratic if it provided for 50 blacks and 50 whites. But now the British say that 28 whites out of 100 is too many.

"ENTRENCHED" PROVISIONS

The technical term for safeguarding basic clauses of a constitution is "entrenchment." The provisions of independence constitutions granted by Britain are invariably entrenched so that a special procedure must be followed before the legislature can amend the provisions. In addition to this, there are usually specially entrenched provisions which, depending upon the constitution concerned, include provisions relating to the declaration of rights, the composition of Parliament, the method of election of members and the sessions, prorogation, and dissolution thereof, the powers of the Executive, the Judicature, Service Commissions, citizenship, and the functions and conditions of service of various officers such as the Director of Public Prosecutions, Auditor-General and the Commissioner of Police.

Mr. President, I ask unanimous consent that a chart showing examples of entrenchment of provisions in independence constitutions granted by Britain be printed in the RECORD at this point.

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

Examples of entrenchment and special entrenchment of provisions in independence constitutions granted by Britain

COUNTRY	ORDINARY ENTRENCHMENT	SPECIAL ENTRENCHMENT
Botswana	Two-thirds of total membership of National Assembly in order to amend certain provisions of Constitution	Two-thirds of total membership of National Assembly plus majority of persons voting at referendum of electors of members of National Assembly
Fiji	Two-thirds of total membership of each House of Parliament	Three-quarters of total membership of each House of Parliament
The Gambia	Two-thirds of total membership of House of Representatives	Two-thirds of total membership of House of Representatives plus approval of half of total number of voters qualified to vote or of two-thirds of voters who cast votes in referendum
Guyana	Majority of all elected members of Assembly	Majority of all elected members of Assembly plus approval at referendum of electors
Kenya	Three-quarters of each House of Parliament or simple majority of Parliament after approval by two-thirds of voters voting in referendum	Three-quarters of total membership of House of Representatives and nine-tenths of total membership of Senate
Mauritius	Two-thirds of total membership of Assembly	Three-quarters of total membership of Assembly
Seychelles	Two-thirds of total membership of National Assembly	Four-fifths of total membership of National Assembly
Swaziland	Three-quarters of total number of members of Senate and House of Assembly sitting together	Three-quarters of total number of members of Senate and House of Assembly sitting together plus approval of two-thirds of voters voting in referendum
Zambia	Two-thirds of total membership of Legislature	Two-thirds of total membership of Legislature plus support of majority of voters voting in referendum

Mr. HELMS. Mr. President, with regards to the entrenchment of certain acts, as opposed merely to constitutional clauses alone, I might note that the Constitution of Fiji specially entrenches the provision of nine existing laws relating to Fijians. An amendment to these laws must receive the affirmative votes of no less than three-quarters of the total membership of each House of Parliament, plus the votes of at least six of the eight senators appointed by the Governor-General on the advice of the Great Council of Chiefs.

By contrast, I might note that the acts entrenched in Zimbabwe-Rhodesia as mentioned earlier do not specify the rights of any race, but merely relate to technical standards that affect the quality of life for everyone.

THE BRITISH OBJECTIONS

The British objections to the present Constitution of Zimbabwe-Rhodesia do appear to be frivolous and punitive. They can have no objection to the format or concept of the Constitution itself, since it is clearly modeled on previous British constitutions. Its form and character is clearly democratic. The British objections nit-pick the percentage of white seats, the standards for civil service advancement, the method of appointment of permanent civil service secretaries (that is, the nonpolitical directors of commissions and agencies).

But such objections go precisely to the heart of the matter of protecting basic human rights and standards of government. The Rhodesians know that oppression, corruption, inefficiency, and socialism are the hallmarks of the Africa governments most opposed to the Muzorewa government. They tried to avoid those mistakes.

When the government of Ian Smith voluntarily handed over power to the black community as a result of the Salisbury Agreement of March 3, 1978, it did so on the basis of five key points:

First. There would be a common voters' roll, with all citizens of 18 years and over being eligible for registration;

Second. In the House of Assembly there would be 72 seats reserved for blacks and 28 reserved for whites;

Third. There would be a justiciable Declaration of Rights protecting the rights and freedom of individuals;

Fourth. The independence and qualifications of the judiciary would be entrenched and judges would have security of tenure of office; and

Fifth. The public service, police force, defense forces, and prison service would be maintained in a high state of efficiency and free from political interference.

These principles were then written into the Constitution by a committee representing all the parties to the Salisbury Agreement. As each draft chapter was submitted to the Executive Council of the transitional government (representing the whites and the three black factions participating in the agreement), any one member of the Council had a veto power. Thus it is not correct to say that the Constitution was drafted or imposed by the whites.

Later, the Constitution was submitted to a referendum of the whites, who overwhelmingly approved it. To have submitted it to a general referendum would have been a travesty of the electoral process. It was the whites, after all, who were voluntarily giving up the power. If their votes had been swamped by black votes in a general referendum, there would never have been any clear, legal expression of the transfer of power. Moreover, since one of the objectives of both sides was to create a climate where the whites with capital and expertise would want to stay and participate in the building of the new country, it was essential that there be no doubt that the transfer was voluntary.

Later, when elections were held this spring, 65 percent of the electorate turned out to vote for candidates for the new Parliament. This, in itself, was an implicit endorsement of the new Constitution by the majority of the black electorate, for the blacks turned out to vote in spite of a concerted campaign, reinforced by terrorism, to induce blacks not to participate. Instead blacks turned out eagerly in every section of the country, with the exception of Matabeleland. The Ndbele-oriented tribes, who constitute only 19 percent of the population, are a war-like group who conquered and enslaved the majority Shona tribes before British rule. Today the Ndebeles are not enthusiastic about majority rule based on the ballot.

Even if there had been a black referendum on the Constitution, it would have been only a symbolic gesture. The leaders representing the majority of blacks had not only written the Constitution, but had approved it section by section by withholding their vetoes. If the black electorate had approved the Constitution in a referendum, they would merely have endorsed the work of their leaders. If they had disapproved it, there would have been no transfer of power.

THE WHITE "PRIVILEGES"

An examination of the Constitution of Zimbabwe-Rhodesia reveals it to be a model of clarity and precision whose content is quite unexceptionable in the context of modern society. Indeed, with the sole exception of the reservation of 28 seats in the House of Assembly for whites, the Constitution, as noted, is color blind. The only power which those 28 seats exercise is negative. Certain fundamental clauses of the Constitution are described legally as "specially entrenched," meaning that it takes 78 votes to amend them. Thus, in practice, all 72 black votes would have to be joined by six white votes to change the entrenched clauses.

Such a coalition to change the Constitution is not impossible of realization. White Rhodesian politics is by no means monolithic. Ian Smith, for example, is a moderate in the Rhodesian context, with many white voters regarding him as left-of-center. At the other end of the spectrum there are academic and religious liberals, as well as unscrupulous but powerful businessmen, who are urging change and modification for their own several reasons.

In addition, the structure of the Constitution splits the 28 white votes. Only 20 are elected directly by those on the white voter rolls. Once elected, the 20 constitute a temporary "electoral college" which nominates a slate of 16. Eight of the 16 are then elected by the House of Assembly as a whole. Those eight most necessarily have the support of a majority of the black legislators. Although the black choices are circumscribed by the slate of 16, it is not impossible to conceive of a situation in which politicking and promises would put together the six votes needed for significant constitutional amendment.

CONTENT OF THE CONSTITUTION

Although often referred to as a "blocking mechanism," the 28 vote white group of seats, in combination with the requirement of 78 votes for change, should rather be viewed as a political device for finding national unity on divisive topics. It is not a matter of blocking, but of slowing down—just as a filibuster in the U.S. Senate almost always results in significant improvements in legislation, rather than destroying the bill in question. Once blacks and whites have learned to work together (and that process is already moving at amazing speed), there is every reason to believe that even the blocking mechanism is subject to change before the 10-year trial period is up.

For an examination of the Constitution itself turns up very little that any fair-minded person would want to change. Far from entrenching "white privilege," the Constitution entrenches only the ordinary checks and balances found in every free parliamentary government. The duties of the President and his ministers are circumscribed; the legal procedures for the enactment of laws are specified; the independence of the judiciary is assured; the civil service is insulated from political interference; the human rights of all citizens are guaranteed. These provisions benefit all citizens equally, black and white. They provide for a government of laws, not of men.

It is difficult to conceive what the "special privileges" are which the critics imagine to be found in the Constitution. Is anyone proposing the elimination of the protection of the right to life? Or the right to personal liberty? Should a simple majority of the House of Assembly be allowed to reinstate slavery and forced labor? Should citizens no longer be protected from inhuman treatment, deprivation of property, or arbitrary search or entry? Do they hope that bills will be introduced for the elimination of freedom of conscience, freedom of expression, freedom of assembly and association, freedom of movement? These are, indeed, some of the special privileges entrenched in the Constitution.

Although in the American or British context, it would appear preposterous

that anyone would seek to change the constitution to eliminate such fundamental right, it not so preposterous to the white citizens of Zimbabwe-Rhodesia. They have seen precisely those "special privileges" eliminated for whites—and blacks—in Uganda, Angola, Mozambique, the Central African Empire, Equatorial Guinea, and other black-ruled states. And they have seen how those rights are quickly eroded in practice, if not in principle, when corruption, inefficiency, and socialism infected such countries as Zambia, Tanzania, Congo (Brazzaville), Zaire, Nigeria, and many other sub-Saharan countries. They have seen that the end result is more often poverty, starvation, suffering, and innocent deaths.

The fact is that there is always a trade-off between democracy and freedom, between majority and minority rights. The discipline of liberty is not something that springs naturally in the human heart; it is a virtue that is learned slowly, cultivated with care over many generations, and easily lost. Whites and blacks in Zimbabwe-Rhodesia have joined in partnership to learn together how to avoid the mistakes of their neighbors. The constitution protects the rights of blacks and whites equally; but the whites, with more experience in constitutional government, have reserved only the privilege of guaranteeing that equal protection does not give way to tyranny.

CONCLUSION

Mr. President, for many citizens of Zimbabwe-Rhodesia, the London Conference is the last play of the card, the last turn of the wheel, or perhaps the last straw in a long agonizing process which has sought to preserve the benefits of civilization on a continent not hospitable to such preservation. Both the black and white leadership of Zimbabwe-Rhodesia realize that those benefits rebound to all citizens of the nation, no matter what their color. They realize that even in an evolutionary situation, where thousands of citizens are still in transition from a tribal-oriented, subsistence-agriculture tradition, the fundamental human rights of security, stability, and property provide the basis of liberty.

Should the thread of Zimbabwe-Rhodesia become unraveled in London, the real losers would not be the sophisticated white farmers and technicians who have carved a modern country out of the bush. The real losers would be the black majority. They would miss not only the economic benefits of living in a dynamic, expanding economy and learning to adapt to its technological needs; they would also suffer the loss of basic human rights, the dissolution of family and tribal groupings, starvation, and genocide. Such has been the fate of many of their brothers in the neighboring states.

The time has come for the world to recognize the legitimacy and validity of the Zimbabwe-Rhodesian Government. Until the misnamed Patriotic Front realizes that the game is up, the killing will go on every day. The Western World is responsible for that killing, for all the needless deaths, because it has not taken a leadership position against Soviet-supplied guerrillas who are seeking to impose Marxist tyranny on Zimbabwe-Rhodesia with a gun. If the London Conference serves to illustrate the futility of dealing with terrorists, then it will have performed a useful function, leading perhaps to world recognition. But if the British apply heavy-handed pressure which results in the destabilization of the government of national unity, then Zimbabwe-Rhodesia may be plunged for years into chaos and degradation.●

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

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

ORDER FOR RECOGNITION OF SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two leaders, under the orders that have been ordered that constitute a standing order, Mr. EAGLETON be recognized for not to exceed 15 minutes, that he be followed by Mr. HARRY F. BYRD, JR., for not to exceed 15 minutes, that he be followed by Mr. RIEGLE for not to exceed 15 minutes.

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

ORDER FOR CONSIDERATION TOMORROW OF S. 1403, SURFACE MINING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of those orders tomorrow, the Senate proceed to the consideration of Calendar No. 288, S. 1403, Surface Mining Amendments of 1979.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow in connection with the surface mining bill and any other measures or conference reports that may be prepared for action.

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 previous order, that the Senate stand in recess until 10:30 tomorrow morning.

The motion was agreed to; and at 6:40 p.m. the Senate recessed until tomorrow, Tuesday, September 11, 1979, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 10, 1976:

DEPARTMENT OF TRANSPORTATION

Neil Goldschmidt, of Oregon, to be Secretary of Transportation, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF STATE

Donald F. McHenry, of Illinois, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

Horace G. Dawson, Jr., of the District of Columbia, a Foreign Service information officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Kenneth M. Curtis, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

George B. Roberts, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Cooperative Republic of Guyana.

Nancy V. Rawls, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Richard David Vine, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Richard Noyes Viets, of Vermont, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

NATIONAL SCIENCE FOUNDATION

Francis Severin Johnson, of Texas, to be an Assistant Director of the National Science Foundation, vice John B. Slaughter, resigned.

William Klemperer, of Massachusetts, to be an Assistant Director of the National Science Foundation, vice James Arthur Krumhansl, resigned.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Henry Harold Kennedy, Jr., of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Joyce Hens Green, elevated.

Frank Ernest Schwelb, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice William Cornet Pryor, elevated.