(C) by striking out "1979" in the heading for paragraph (3) and inserting in lieu thereof "1979 and 1980".

(2) PROHIBITION AGAINST REGULATIONS AND RULINGS ON EMPLOYMENT STATUS.—Subsection (b) of section 530 of the Revenue Act of 1978 is amended by striking out "January 1, 1980" and inserting in lieu thereof "January 1, 1981".

(e) ADDITIONAL 2-YEAR DELAY IN APPLICATION OF THE NET OPERATING LOSS RULES ADDED BY THE TAX REFORM ACT OF 1976.—Paragraphs (2) and (3) of section 806(g) of the Tax Reform Act of 1976 (relating to effective dates for the amendments to sections 382 and 383 of the Internal Revenue Code of 1954) are amended by striking out "1980" each place it appears and inserting in lieu thereof "1982".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

● Mr. ARMSTRONG. Mr. President, I rise to commend the leadership of the chairman and ranking minority member of the Senate Finance Committee in recommending to the full Senate passage of this legislation which, in part, extends to June 1, 1981, the present ban on IRS efforts to tax employee fringe benefits.

Enactment of this bill will be an important victory for the American taxpayer. IRS would like to tax some 40 employee fringe benefits which would cost the average American family an estimated $240 more each year in taxes—a burden already financially pressed Americans can ill afford. Hardest hit would be employees of airlines, buslines, and railroads who receive free transportation, and retail store workers who are entitled to discounts.

If Congress does not act, the present ban on taxing fringe benefits will expire at the end of this year, and the IRS will be free to decide which "fringe benefits" ought to be subject to taxation and at what rates.

The fringe benefit moratorium was imposed by Congress last year so that it would have time to hold hearings and write legislation on which fringe benefits, if any, would be subject to taxation. Extensive hearings have not been held, and a final bill has not been drafted. In light of IRS past eagerness to lay and collect fringe benefit taxes, this bill is particularly important and timely.

This bill is virtually identical to an amendment I offered earlier this year to the appropriations bill funding IRS operations. That amendment was adopted unanimously by the full Senate, but was dropped in House-Senate conference as an accommodation to the tax-writing committees of Congress. Because the Senate Finance Committee and the House Ways and Means Committee came through on this issue, American taxpayers have won an important victory.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 5224), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION ON MONDAY, DECEMBER 10, 1979, OF SENATORS PROXMIRE, LEVIN, ROBERT C. BYRD, AND TOWER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Messrs. PROXMIRE, LEVIN, ROBERT C. BYRD, and TOWER be recognized each for not to exceed 15 minutes.

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

RECESS UNTIL 10 A.M., MONDAY, DECEMBER 10, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 a.m., on Monday.

The motion was agreed to; and at 8:02 p.m., the Senate recessed until Monday, December 10, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate December 7, 1979:

DEPARTMENT OF STATE

Deane R. Hinton, of Illinois, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

THE JUDICIARY

Earl Ben Gilliam, of California, to be U.S. district judge for the southern district of California, vice a new position created by Public Law 95-486, approved October 20, 1978.

HOUSE OF REPRESENTATIVES—*Monday, December 10, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, we pause in anticipation of the coming Holy Days to laud and praise You for Your mighty acts on our behalf, and Your promise of peace on Earth, good will toward all people. We thank You for the abundant gifts we have received and we are filled with adoration as we meditate on our blessings. Even as we acknowledge these gifts our hearts reach out to those who do not have opportunities to worship as we do, to gather with family and friends. We commend to You, O Lord, all people who have any need or care, and may we, by our prayers and by our acts of good will, bring a measure of hope and love to Your people. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4943. An act granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects; and

H.R. 5224. An act to continue through December 31, 1980, the existing prohibition on the issuance of fringe benefit regulations.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2069. An act to authorize the Architect of the Capitol to contract for personal services with individuals, firms, partnerships, corporations, associations, and other legal entities;

S. 2076. An act to require the President to terminate sanctions against Zimbabwe-Rhodesia under certain circumstances;

S. 2096. An act to provide for a study by the Secretary of Health, Education, and Welfare of the long-term health effects in humans of exposure to dioxins; and

S. Con. Res. 48. Concurrent resolution providing for the acceptance of a statue of Mother Joseph of the Sisters of Providence presented by the State of Washington for the National Statuary Hall collection, and for other purposes.

NATIONAL GRAIN BOARD

(Mr. WEAVER asked and was given permission to address the House for 1

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, it is clear our policy on grain sales to foreign nations is bankrupt. We have agreed to sell to the Soviets 25 million tons of grain at prices which will be less than it cost our farmers to produce the grain. Several experts have written recently in the Washington Star, November 29, and the New York Times, December 10, to express their misgivings on our present policy and to support policies similar to my National Grain Board, the barrel-for-bushel bill.

These experts also say that the trigger prices which bring grain out of the grain reserve are too low. I agree. As the author of the grain reserve bill, which was enacted in 1977, I attempted to pass higher trigger prices even. Today it is imperative, else Russia and other nations benefit to our farmer and taxpayer loss.

I also intend to offer a bill to raise trigger prices for the grain reserve and invite cosponsors.

DAVID C. TREEN, 56TH GOVERNOR OF LOUISIANA

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I take great pleasure in announcing to the House that our distinguished colleague, the gentleman from Louisiana, DAVID C. TREEN, was elected on Saturday, December 8, 1979, as the 56th Governor of the State of Louisiana. He becomes the first Republican Governor of Louisiana in this century and the first one in well over 100 years. To know DAVID is to know that being the first is not something unusual for him.

DAVID ran for Congress four times before being elected as the first Republican Member of the House from Louisiana in this century. Each time he ran, even in those three losing efforts, he did better than any Republican had done before. He has been elected to four terms from Louisiana's Third Congressional District; thus having served in this House longer than any Republican in Louisiana's history. In his last election in 1978, he was unopposed. He was the first Republican ever elected to Congress from Louisiana without opposition.

DAVID ran for Governor once before in 1972. Although that race was unsuccessful, he again established a first among Republicans by having received a greater percentage of the vote than any Republican who had run for Governor in Louisiana in this century. In this race, he carried many parishes never before carried by a Republican candidate. With his election on Saturday, he has again been first not only as a Republican, but now by choice of the majority of the citizens of his State.

DAVID's record of service in this House during his four terms has been nothing less than exemplary for us all. He currently serves as fifth ranking Republican on the Armed Services Committee, as fourth ranking Republican on the Merchant Marine and Fisheries Committee and as ranking member on the Coast Guard and Navigation Subcommittee. He has also served as a member of the Select Committee on the Outer Continental Shelf, and the Select Committee on Intelligence. As a Republican Member of the House, he serves on the executive committee of the Republican Congressional Committee, has served as chairman of the Republican Study Committee, and a member of the executive committee of the committee on committees.

In his service on these committees and on the House floor, his work has been distinguished as that of a legislator's legislator. He has become known among us as one who works hard, knows his subject matter, is willing to work with both sides of the aisle; yet one who is as strong an advocate as any Member who has served in this Chamber. All of us who know him know he serves his State, his constituency and his Nation above all other interests and his personal characteristics of honesty, integrity, and sincerity closely mark his efforts and our dealings with him.

There is no question that his presence in this greatest legislative body will leave a permanent mark worthy of us all to emulate. It is with a note of sadness that we realize come next March he will no longer be an active colleague, yet it is with great joy and satisfaction that we realize he will be even more involved in public service as the chief executive of the sovereign State of Louisiana. I will personally miss him as he has been a good friend, strong ally, and valued mentor.

I know that all of you join me in congratulating him, wishing him well, and praying for his success in his new responsibilities.

AMERICA FIRST AND FOREMOST

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Iranian crisis has taught us with great clarity some of the facts of international life. Chief among these is the fact that we can ultimately depend only on ourselves.

Secretary of State Cyrus Vance is even now on a journey to persuade our allies to join with us in putting pressure on Iran. When a nation has to send high-level missions to its allies to persuade them to do something that they should have already gladly and willingly done, it says something about how we are perceived in the world.

I know that the phrase "America First" has been discredited because of its isolationist associations. But the Iranian situation has shown us that if we do not put America first and foremost, nobody else will.

If we are to survive the challenges of the 1980's we are going to have to develop a viewpoint that puts our national interest ahead of the desire to be loved and admired.

The post-Vietnam era of a docile America is over and the world ought to know that.

MEDIA COVERAGE OF THE IRANIAN CRISIS

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, the Iranian crisis shows us once again how important media coverage can be. It is quite clear that the ayatollah recognizes the fact that Western news media can be used to his own advantage. If the ayatollah wants to say something to the world or if his well-planned spontaneous street demonstrations need television coverage, the Western media are all too glad to oblige.

This is not to say that our news media should not report what the ayatollah says or does. But more than ever there is a need for careful, documented, truly balanced reporting, putting into context what is being said and done in Iran.

The current issue of Time magazine has on its cover a picture of the Shah. Printed beside his portrait are the words "Center of the Storm."

The editors of Time, selecting those words to accompany the Shah's portrait have accepted the ayatollah's view of this controversy. It is the position of the United States that it is the taking of the hostages which is the "center of the storm." When the news magazine with the largest circulation says the Shah is the center of the storm, millions of people here and around the world see the debate as the ayatollah does. I wish the media would think clearly.

MILITARY SERVICE RECRUITERS PROHIBITED FROM VISITING 25 PERCENT OF HIGH SCHOOLS

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, Representative ROBERT C. MCEWEN recently circulated a "Dear Colleague" letter that caused me great concern. Citing remarks made by Army Chief of Staff Edward C. Meyer, Representative MCEWEN noted that fully 25 percent of America's high schools do not permit military service recruiters to visit their schools at any time.

Moreover, an additional 25 percent of the Nation's high schools allow military recruiters to visit only during their annual "job fairs." This is a deplorable situation, especially considering the recruitment problems the All Volunteer Army has experienced over the last few years.

This disconcerting state of affairs must change—and change quickly. Mr. Speaker, I urge all of my colleagues in the House to ask the principals of high schools in their districts to adopt a more open and accessible policy toward military service recruiters. It is time we start giving our military services the kind of cooperation they deserve.

Mr. Speaker, I am indebted to Mr. MCEWEN for his insightful letter. Since

Gen. Edward C. "Shy" Meyer is a native of Elk County, Pa., the heart of the 23d Congressional District, I feel a special obligation to bring this unsettling dilemma to the attention of high schools in my district. I urge all of my colleagues to do the same.

□ 1210

REPRESENTATIVE BAUMAN INTRODUCES BILL TO PROTECT AMERICAN EMBASSIES AND PERSONNEL

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, it is quite obvious that unless we as a nation issue a stern warning to the countries of the world we can expect to be treated continually as the doormat of the world, as we have been in Iran, and Pakistan, and Libya in recent weeks.

As a warning to all nations, I am today introducing legislation that would require in any instance where American diplomatic personnel are taken hostage, or our Embassies are taken, or our facilities are damaged or attacked, that the President would have to determine within 2 weeks whether the host government was in anyway responsible for, condoned, or refused to give assistance in response to requests by the U.S. Government.

If, in fact, that finding were made, the President would break diplomatic relations, would, cut off all aid immediately of any nature and, third, would take over the assets of that host country and out of those assets pay retribution of up to $10 million a day to those who suffer. If the United States is going to be treated this way, the countries who are tempted to act against us ought to know precisely what they stand to lose.

I invite my colleagues to cosponsor this with me. Those wishing to join me should call Luis Luna of my staff at 225-5311.

A copy of the bill follows:

H.R. 6073

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 "Protection of Americans Abroad Act".

SEC. 2. (a) In any case in which—

(1) a United States diplomatic mission or any other property of the United States in a foreign country is seized, damaged, or otherwise illegally intruded upon by foreign nationals, or

(2) a United States diplomatic agent or other officer or employee of the United States assigned to duty in a foreign country is illegally arrested or detained or is held hostage or attacked in any way by foreign nationals, the President shall, not later than 14 days after any act described in paragraph (1) or (2) occurs, determine—

(A) whether the foreign nationals involved committed such act as authorized or de facto agents of the government of the foreign country in which the incident occurred,

(B) whether that government sanctioned that act, or

(C) if the United States requested the assistance of that government in preventing or terminating that act, whether that government failed to respond to that request by taking appropriate action in a timely manner.

(b) If the President makes a determination, pursuant to subsection (a), that any event described in subparagraph (A), (B), or (C) of that subsection did occur with respect to a foreign country, the President shall—

(1) terminate diplomatic relations with that country, if in his discretion he deems it appropriate,

(2) notwithstanding any other provision of law, immediately terminate all direct or indirect United States military and economic assistance to that country, including credits, guaranties, and sales under the Arms Export Control Act, and

(3) under authorities which the President has under other provisions of law, prohibit any transfer of property or assets which are subject to the jurisdiction of the United States or which are in the control of persons subject to the jurisdiction of the United States, and in which that foreign country has any interest,

until such time as the President determines that the government of that country has restored to the custody of the United States any property of the United States, or any United States officers or employees, seized in the incident and has made adequate restitution for damages to United States property or harm to United States officers or employees involved in the incident.

(c) For purposes of this Act the President may impose a fine or indemnity of up to $10,000,000 for each day any act described in paragraph (1) or (2) of subsection (a) of this section continues, payment to be made to the United States government out of any assets of the foreign government subject to the jurisdiction of the United States or in the control of persons subject to the jurisdiction of the United States.

COMMEMORATING HUMAN RIGHTS DAY

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, today marks the 31st anniversary of the adoption of the United Nations Universal Declaration of Human Rights—the historic document that set what Eleanor Roosevelt described as the "common standard of achievement for all nations." As we commemorate 1979 International Human Rights Day, it is with deep regret that we note that this standard has yet to be universally achieved. Despite the guarantees contained in the Universal Declaration, repression of human liberty and flagrant disregard for freedom continue to exist in many nations of the world.

As chairman of the Helsinski Commission, I have seen that rights so routinely exercised in the West—freedom of thought and expression, freedom of movement, the right to practice and profess a religion—are systematically violated by the countries of Eastern Europe. In Czechoslovakia, members of the Charter 1977 movement are imprisoned for their efforts to get the Government to honor its international commitments. In East Germany, harsh restrictions on the flow of people and information are in force, in direct contravention to the Universal Declaration and the Helsinki Final Act. In Bulgaria, the existence of religious repression is evidenced by the recent conviction of seven Pentecostal pastors. In Poland, hundreds of families remain separated from their American relatives. And in Romania, religious activists and leaders of an unofficial trade union movement are subjected to harassment and arrest.

Perhaps the harshest restrictions on liberty are found in the Soviet Union. There, 33 dedicated men and women are imprisoned or exiled merely for attempting to promote compliance by their government with the human rights provisions of the Helsinki Final Act. In recognition of the invaluable contribution to the cause of human rights by these courageous individuals and their colleagues in the Helsinki Monitoring Groups, the Helsinki Commission is today releasing an updated edition of its publication: "Profiles: The Helsinki Monitors." The report—available from the Commission—contains biographical information and photographs of the members of the Helsinki groups in Moscow, Ukraine, Lithuania, Georgia, and Armenia, as well as on the members of the five allied groups formed to deal with more specific issues.

President Carter last year characterized the Universal Declaration as a "beacon, a guide to a future of personal security, political freedom and social justice."

Today, we should not only reaffirm our commitment to the goals espoused in the Universal Declaration, but we should resolve to make that beacon shine on all peoples of the world.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
December 7, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted December 6, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed without amendment H.R. 5163, an Act to authorize the sale to certain foreign nations of certain excess naval vessels.

That the Senate passed without amendment H.R. 5651, An Act to establish the position of Chief of the Capitol Police, and for other purposes;

That the Senate passed without amendment H. Con. Res. 184, providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with amendments and Notes on Related Laws"; and

That the Senate agree to the amendments of the House of Representatives to the amendments of the Senate to the bill H.R. 3892, An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain

health care programs of the Veterans' Administration, and for other purposes.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to the authority granted the Speaker on December 6, 1979, the Speaker did on that day sign the following enrolled bills:

S. 901. An act to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery;

S. 1491. An act to designate the building known as the Federal Building, at 211 Main Street, in Scott City, Kans., as the "Henry D. Parkinson Federal Building";

S. 1535. An act to designate the Federal Building in Rochester, N.Y., the "Kenneth B. Keating Federal Building";

S. 1655. An act to designate the building known as the Department of Labor Building in Washington, District of Columbia, as the "Frances Perkins Department of Labor Building";

S. 1788. An act to amend the National Consumer Cooperative Bank Act to provide for a small business representative on the bank's board;

H.R. 4259. An act authorizing the President of the United States to present a Gold Medal to the American Red Cross;

H.R. 4732. An act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol; and

H.J. Res. 488. Joint resolution proclaiming the week of December 3 through December 9, 1979, as "Scouting Recognition Week."

APPOINTMENT OF CONFEREES ON H.R. 5079, PROVIDING FOR PARTICIPATION OF THE UNITED STATES IN INTERNATIONAL ENERGY EXPOSITION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5079) to provide for participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn., in 1982, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FOUNTAIN, FASCELL, BINGHAM, BONKER, PEASE, BARNES, WOLPE, BROOMFIELD, LAGOMARSINO, FINDLEY, and GILMAN.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

Such rollcall votes, if postponed, will be taken on Tuesday, December 11.

GREAT DISMAL SWAMP NATIONAL REFUGE AUTHORIZATION

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4889) to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge.

The Clerk read as follows:

H.R. 4889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(4) of the Act entitled "An Act to establish the Great Dismal Swamp National Wildlife Refuge" (Public Law 93-402; 88 Stat. 801) is amended by striking the words "September 30, 1980," and inserting in lieu thereof the words "September 30, 1983,".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before the House today has been unanimously reported by the Subcommittee on Fisheries, and Wildlife Conservation and the Environment and the Committee on Merchant Marine and Fisheries. It would simply extend, at the existing level of authorizations, the time period for those authorizations to be used. The authorization in question is for the operation and acquisition of lands in the Great Dismal Swamp National Wildlife Refuge. This legislative action has been requested by the administration.

The Great Dismal Swamp, located in the States of Virginia and North Carolina, is comprised of approximately 385,000 acres. This area is rich in historical significance in that it was once owned by such prominent Virginians as George Washington and Patrick Henry. The swamp itself is made up of predominant forest areas attracting a diverse collection of fish and wildlife species. In addition to the many species of birds and water species, the swamp supports the only breeding population of black bears in eastern Virginia.

In 1972, the Congress enacted a law which authorized a study to determine the feasibility of preserving the Great Dismal Swamp as a public trust. About the same time, approximately 50,000 acres of the swamp were donated to the Department of the Interior for use as a national wildlife refuge. This donation, valued at $13 million, was the largest single land donation to the Government for wildlife conservation. In 1974, Congress passed legislation establishing the Great Dismal Swamp National Wildlife Refuge. The previous study recommended that an additional 58,000 acres be acquired for inclusion within this refuge. The Department has been acquiring this additional acreage since that time, but delays have occurred since they have had to deal with approximately 80 landowners.

Therefore, in order for the Department to complete its acquisition from these landowners they have requested, and the committee has approved, a 3-year extension of the existing authorization of $21.1 million.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4889. The legislation does not authorize any additional funds but simply extends the present authorization for the Great Dismal Swamp National Wildlife Refuge. The purpose of this 3-year extension is to allow the Fish and Wildlife Service to complete land acquisition and development of the refuge. Of the $28.1 million presently authorized for acquisition and development purposes, only a little over $11 million had been appropriated through fiscal year 1979.

The Fish and Wildlife Service plans to acquire a total of 113,000 acres for the refuge but land acquisition has been slow because of the "willing seller" policy of the Service under present agreements There still remain over 20,000 acres left to acquire from about 80 landowners. Development projects have also been delayed pending the completion of land acquisitions.

The Great Dismal Swamp is a unique refuge in that it supports both northern and southern species of flora and fauna. The opportunities for public environmental education and wildlife-oriented recreation are enhanced by its proximity to urban areas.

Mr. Speaker, when Congress established the Great Dismal Swamp National Wildlife Refuge in 1974 we recognized the importance of preserving the fish and wildlife resources and their habitat in this beautiful area along the Virginia/North Carolina border. I support the administration's request for a 3-year extension of the present authorization and strongly recommend enactment of H.R. 4889.

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 4889 is to extend for an additional 3 years the funding authorization for the Great Dismal Swamp National Wildlife Refuge.

The Great Dismal Swamp Refuge, which was established in 1974, is located in the States of North Carolina and Virginia. It presently consists of a 49,000-acre tract of land donated by the Union Camp Co. This land donation, valued at over $12 million, was the largest single land donation ever made to the Federal Government for wildlife conservation. Since that donation was made, an additional 31,000 acres have been purchased with appropriated funds and included in the refuge. Of the remaining acreage planned for acquisition in order to com-

plete the refuge, it is anticipated that another donation will be made consisting of approximately 11,000 acres leaving approximately 20,000 acres to be purchased.

Mr. Speaker, the Great Dismal Swamp is rich in historical significance in that it was once owned by such prominent Virginians as George Washington and Patrick Henry. The remarkably diverse collection of fish and wildlife species in the swamp makes it significantly attractive in that a variety of fish can be found in the waters of Lake Drummond which is located in the swamp along with other water species such as snapping turtles and bullfrogs. The lake also serves as a resting area for Canada geese and whistling swans. The swamp provides habitat for deer, bobcats, black bears, and numerous smaller mammals including flying squirrels. Of the 75 species of birds known to nest in the swamp, included are two that are relatively rare—Wayne's warbler and the southern Swainson's warbler.

Mr. Speaker, under present law, there is authorized to be appropriated $21,100,000 through fiscal year 1980 to be used for acquisitions and for the operation and maintenance of the refuge. Of this amount, approximately $11 million has been appropriated leaving approximately $10.1 million to be appropriated. H.R. 4889 would merely extend the $21.1 million authorization which was previously approved by the House in 1977 for an additional 3 years, through fiscal year 1983.

Mr. Speaker, H.R. 4889 was unanimously ordered reported by the Committee on Merchant Marine and Fisheries. It has the support of the administration and it is widely supported by conservationists throughout the country.

I urge its prompt passage.●

Mr. BREAUX. Mr. Speaker, I have no further requests for time.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 4889.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SAN FRANCISCO BAY NATIONAL WILDLIFE REFUGE AUTHORIZATIONS

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4887) to authorize appropriations for the San Francisco Bay National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 4887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That that part of section 4 of the Act entitled "An Act to provide for the establishment of the San Francisco Bay National Wildlife Refuge", approved June 30, 1972 (86 Stat. 399; 16 U.S.C. 668ii), that precedes the proviso is amended to read as follows: "The Secretary may acquire lands and waters or interests therein, subject to the interest of the State of California in lands now or formerly flowed by the tide, including the public trust of the State, within the boundaries of the refuge by donation, purchase with donated or appropriated funds, or exchange:".

SEC. 2. (a) Section 5 of such Act of June 30, 1972 (16 U.S.C. 668jj) is amended to read as follows:

"SEC. 5. There are authorized to be appropriated not to exceed—

"(1) $13,200,000 for the acquisition of lands and interests therein as authorized by section 4 of this Act, to remain available until the close of September 30, 1983; and

"(2) $11,300,000 to carry out the other provisions of this Act, to remain available until expended.".

(b) The amendment made by subsection (a) shall take effect October 1, 1980.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

□ 1220

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the San Francisco Bay National Wildlife Refuge authorization, the bill before us today, was recommended for adoption by the administration. The purpose of H.R. 4887 is to increase the authorization for land acquisition in the San Francisco Bay National Wildlife Refuge by $4.2 million to be available until 1983. It also provides that the funds presently authorized for development of the refuge remain available to be expended and it will allow the Fish and Wildlife Service to complete the acquisition of lands needed for the refuge subject to the interests of the State of California.

The Department of the Interior indicated that the legislation was needed to complete land acquisition and development of the San Francisco Bay refuge. The acquisition of these areas has been delayed because of the possibility of retained State interests by the State of California. Justice Department regulations do not allow for title clearance when there is a possible State claim remaining. Therefore, the committee adopted a provision to permit the Department of Interior to purchase land within the refuge subject to the interests of the State. Present owners of the land in question are willing to sell their acreage, and the State of California has expressed its willingness to lease their interest in the refuge in these lands for an extended period at a minimum cost to the Government. This lease arrangement will enable the Secretary of the Interior to control the areas of the refuge and assure that no activities are conducted which are incompatible with the purposes of the refuge.

The committee believes that this arrangement between the landowners, the State of California, and the Federal Government is an equitable and responsible way to overcome these title complications.

The administration has indicated that the additional authorization of $4.2 million will be sufficient to allow for completion of this refuge unit.

The refuge has three major purposes: First, to preserve the natural resources of the south bay; second, to provide environmental education and wildlife interpretation opportunities to area schools and residents; and, third, to insure the protection of an important open space resource and other wildlife-oriented recreational opportunities. The South San Francisco Bay constitutes an ecological system that supports a rich diversity of fish and wildlife, including such species as migratory birds, harbor seals, and five endangered species. Of the 23,000 acres proposed for the refuge the Department of the Interior indicated that they have acquired 16,000 acres to date with additional contracts for the remaining acreage. This remaining acquisition should be able to be completed within the 3-year extension provided for in the legislation.

I urge the adoption of this bill supported by all interested parties involved in this refuge.

Mr. Speaker, I would also like to take this time to commend the staff for their work on both of these refuge bills, and in particular commend the staff director of the majority side, Wayne Smith, whose birthday we honor today.

Mr. Speaker, I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Fish and Wildlife Service plans to acquire a total of about 23,000 acres for the San Francisco Bay National Wildlife Refuge. However, only about 16,000 acres have been acquired to date. Although present law provides an authorization of $9 million for land acquisition, the appropriations for this purpose have nearly reached the ceiling. The Department of the Interior's request for a $4.2 million authorization increase will allow the Service to complete acquisition of the remaining tracts.

Development plans for the dispersion of interpretive and educational facilities throughout the San Francisco Bay Refuge will allow the public to enjoy the opportunity to experience wildlife in their natural settings. The refuge contains nine major habitats. Of these, the marsh and mudflat habitats of the tidelands are the most productive sources of oxygen and food and are essential to the health of the bay. They provide important feeding grounds for shorebirds and valuable habitat for a variety of other wildlife, including two endangered species.

Of the over 6,000 acres left to be acquired, about 5,000 acres are tideland tracts which are the most productive of, and the most valuable to, the refuge. The acquisition of these lands has been held up because under their present authorities, the Justice Department cannot approve their purchase unless the titles are conveyed clear, and unencumbered. At the same time, under its present constitution, the State of California cannot give up its public trust easement in favor of the Federal Government. This has

resulted in many people willing to sell their tideland property and the Fish and Wildlife Service being unable to acquire the land. Because the present act prohibits the condemnation of State interests in the tidelands, the committee adopted an amendment which authorizes the Secretary to purchase the tideland and former tideland areas subject to the State interests. Our solution to the acquisition problem is in no way intended to set a precedent for solving similar problems in other tideland areas of the Nation. It is only intended to resolve the specific problem in the San Francisco Bay Refuge.

Mr. Speaker, I urge my colleagues to join me in the adoption of H.R. 4887. It is important that this legislation be passed if we are to continue to preserve the fish and wildlife resources and their habitat in the South San Francisco Bay.

● Mr. MURPHY of New York. Mr. Speaker, the San Francisco Bay National Wildlife Refuge was established in 1972 pursuant to legislation reported by the Committee on Merchant Marine and Fisheries.

The refuge consists of four distinct units totaling about 23,000 acres. Its 11,000 acres of salt ponds, 3,000 acres of salt marshes, 6,000 acres of tidal flats, and 3,000 acres of open waters afford natural habitat to a rich diversity of fish and wildlife, including such species as migratory waterfowl, shore and water birds, harbor seals, and five endangered species—the California clapper rail, least tern, salt water harvest mouse, brown pelican, and peregrine falcon.

Mr. Speaker, of the 23,000 acres proposed for inclusion in the refuge, 15,000 acres have been acquired at a total cost of $10.6 million. Most of the other lands remaining to be acquired consist of tidelands which are encumbered by the public trust claims of the State of California. Federal regulations prohibit the acquisition of these lands until these outstanding rights to the title are eliminated.

Mr. Speaker, H.R. 4887, as reported by the Committee on Merchant Marine and Fisheries, will eliminate this dilemma by authorizing the Secretary of the Interior to acquire these tidelands subject to the State's interest. The committee was convinced that California's public trust interest does not pose a problem since the State has expressed its willingness to lease its interest in the refuge lands to the Secretary for an extended period of 66 years at a nominal cost. The lease would enable the Secretary to control the tideland areas of the refuge to assure that no activities are conducted incompatible with the purposes of the refuge.

Mr. Speaker, H.R. 4887 would also extend the funding authorization for the refuge for an additional 3 years and increase the funding by $4.2 million for a total funding authorization of $24.5 million.

The passage of this legislation will finally allow the Secretary to complete the acquisition of the remaining acreage within the refuge. It was unanimously ordered reported by the Committee on Merchant Marine and Fisheries and I urge its prompt passage.●

Mr. FORSYTHE. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DANIELSON). The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill (H.R. 4887), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for the San Francisco Bay National Wild Refuge, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the two bills just passed, H.R. 4887 and H.R. 4889.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SUISUN MARSH PRESERVATION AND RESTORATION ACT OF 1979

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4084) to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California, as amended.

The Clerk read as follows:

H.R. 4084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Suisun Marsh Preservation and Restoration Act of 1979".

SEC. 2. It is the purpose of this Act to—

(1) provide for partial mitigation of the adverse effects on the fish and wildlife resources of the Suisun March in Solano County, California of the Central Valley project; and

(2) assist in the preservation and restoration of the fish and wildlife resources of the Marsh by authorizing the Secretary of the Interior to enter into a cooperative agreement with the State of California for the planning, design, construction, operation and maintenance of certain facilities for the Marsh which will not materially enhance the overall resources of the Marsh; and

(3) to provide for such facilities as part of the more extensive system of preservation and restoration facilities to be developed for the Solano County region by the State of California, the Secretary of the Interior, or both.

SEC. 3. The Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to enter into a cooperative agreement with the State of California (hereinafter in this Act referred to as the "State") to provide for mitigation of the adverse effects of the Central Valley project on the fish anid wildlife resources of the Suisun Marsh, Solano County, California, and for the preservation and restoration of these resources. The cooperative agreement shall include the following provisions:

(1) The State shall design, construct, operate, and maintain certain channels, levees, and control structures in the Marsh in a manner which substantially conforms to the provisions of the development plan contained in the Report on the Suisun Marsh Interim Facilities (dated May 1978), prepared by the State of California with the assistance of the Bureau of Reclamation and the Fish and Wildlife Service. The State may enter into contracts with appropriate non-Federal public agencies within the State for the operation and maintenance of such facilities.

(2) The Secretary of the Interior shall pay to the State the Federal share of the costs of the activities described in paragraph (1), whether such costs are incurred before or after the date the cooperative agreement is entered into, upon a determination that such activities are in substantial conformity with the development plan referred to in such paragraph.

(3) A study shall be conducted by the State, the Secretary of the Interior, or both parties, for the purpose of identifying management techniques which could result in more efficient water use on the managed wetlands of the Marsh.

(4) Appropriate arrangements shall be made by the Secretary of the Interior and the State to provide for the monitoring of the salinity levels in the Marsh.

(5) The Federal share of the costs of the activities referred to in paragraphs (1) through (4) shall be 50 per centum: *Provided,* That the Federal share may be altered when the system of preservation and restoration facilities referred to in section 2, subsection (3) is authorized: *And provided further,* That any such altered division of costs shall be made retroactively applicable to the cost of the facilities herein provided for.

SEC. 4. The authority to enter into cooperative agreements under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 5. There are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1981 for the Federal share of the costs of the construction and the initial operation and maintenance of the facilities described in section 3(1) of this Act. Sums appropriated under this section shall remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4084. This bill is a simple measure to mitigate the adverse impact of Federal water project diversions on a very important fish and wildlife area. The Subcommittee on Fisheries and Wildlife Conservation held a hearing on this legislation on September 27. All of the witnesses appearing before the subcommittee—from the Bureau of Reclaimation to the Fish and Wildlife Service to the California Waterfowl Association—testified in favor of this legislation.

The bill requires the Bureau of Reclamation to reimburse the State of California for half of the cost of mitigation facilities now under construction by the State of California in the Suisun Marsh. The mitigation facilities are necessary to preserve the marsh because State and

Federal water project diversions are decreasing the fresh water flow through the marsh and are increasing ocean saltwater intrusions. These saltwater intrusions will ultimately change the marsh from a brackish water marsh to a saltwater marsh that will not be able to support the abundance and diversity of wildlife species now found in the marsh.

There is no dispute that the Bureau of Reclamation's Central Valley project has added to the problems of the marsh. There is a dispute about the degree of the Federal responsibility. The State argues that the Federal and State Governments should share equally in the cost of the mitigation facilities since a joint Federal-State study indicated that the salinity problem would not exist, but for the Federal and State water exports.

The Bureau of Reclamation argues that it should only reimburse the State for 30 percent of the cost of mitigation facilities since the Bureau only diverts 30 percent of the freshwater. There are several problems with the Bureau's argument. First, the State only diverts 23 percent of the freshwater. Under the Bureau's reasoning the State should only pay for 23 percent. The remaining 47 percent is diverted by upstream water users. Upstream water users, however, did not historically pose any threat to the resources of the marsh until the State and the Bureau began large out-of-basin water exports. Second, many of the upstream water users are riparian users. They have special water rights by virtue of their riparian ownership. There appear to be substantial legal and practical impediments to the collection of a percentage of the cost of the mitigation facilities from these individuals.

This bill does not entirely resolve the issue of the degree of Federal responsibility. The committee adopted an amendment which provides that the 50 percent Federal share may be altered when an agreement is reached on the costs of the full mitigation facilities which are now in the planning process. This amendment will allow the reconsideration of the funding issue when the permanent facilities are authorized by Congress.

This country is facing a serious dilemma in the effort to conserve our waterfowl resources. Approximately 100 million waterfowl migrate annually to the United States. If we are to retain this population level we must make serious efforts to conserve the remaining breeding and wintering habitat in the United States. The waterfowl populations of the United States depend to a large extent on the availability of breeding areas in Canada.

Unfortunately, there is increasing pressure to convert many of Canada's best breeding areas to incompatible agricultural production. As this happens, it becomes more and more incumbent on us to make the most of the remaining waterfowl habitat in this country. Obviously, we can not simply terminate all economic uses of the waterfowl habitat in this country. We can, however, act responsibly and mitigate the damage that is caused and enhance the resources whenever possible.

Unfortunately, the mitigation record of the Federal Government is a poor one. I find it a little disturbing that applicants for a section 404 dredge and fill permit in my district have to negotiate a labyrinth of environmental regulations, while Federal agencies can avoid the mitigation requirements of Federal law. There is no question that the Central Valley project has damaged the fish and wildlife resources of the State and the Nation. There is also no question that those losses have not been adequately compensated. This bill will begin to alleviate one problem created by the Central Valley project and will substantially add to the long-term conservation of the waterfowl resources of the Pacific flyway and the Nation.

Mr. Speaker, at this time I want to commend our good friend and colleague from the State of California (Mr. FAZIO), who previously brought this matter to the attention of our committee. We had hearings on it, and I would like to commend him for his efforts in this area, because it is indeed good legislation and we are pleased to call for its favorable consideration.

Mr. FAZIO. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I will be glad to yield to the gentleman from California.

Mr. FAZIO. Mr. Speaker, in 1977 the California State Legislature carried a land use plan to protect the 85,000 acres of sloughs, wetlands, and related uplands that comprise the Suisun Marsh. I had the privilege of carrying that bill as a member of the legislature, and at that time we were well aware that guarding against incompatible residential and industrial development was only half the problem.

The other half lies in preserving for the marsh something approaching the historical level of its natural water quality. The marsh is part of the delta region at the confluence of the Sacramento and San Joaquin rivers in central California. The salinity of its water has been increasing in recent years largely due to fresh water diversions from those rivers for agricultural and urban uses south of the delta. The resulting saltwater intrusion from the ocean has damaged the marsh's ability to grow the food plants necessary for it to serve as one of the principal wintering areas for the millions of waterfowl on the Pacific flyway.

H.R. 4084 represents the first step toward solving that water problem. As the 20 generous cosponsors of the bill might indicate, it is a step agreed to and supported actively by all the major interests in California, including environmentalists, water users, and the State government itself. Such unanimity is not always typical of California water matters, but I am very happy to report that we have in there. I hope we will be able to sustain it when the time comes to move on to the next step.

This bill merely says that the Federal Government should share in the costs of certain water management facilities being constructed in the marsh by the State. The facilities will enable us to make more efficient use of the freshwater that gets to the marsh. They were designed by the State pursuant to a series of Federal-State studies of the marsh. Both levels of government are in agreement about them.

The Federal Government should rightly pay a share because it and the State are jointly responsible for the fresh water diversions and therefore for the salt water intrusion. The State and Federal shares are set at 50 percent each, though the bill contains the provision that if studies which are ongoing indicate a different sharing formula is appropriated, recompense will be made at a later date, when the next step is defined and proposed for authorization.

Though I very much hope we will be successful at obtaining authorization for the next step and thereby finish the job this bill starts, I would like to assure the House that facilities for their viability are necessary now and self-sufficient. The House should also be aware that costs for these remedies are to be borne by the water projects themselves and not by the general taxpayer, because they are mitigation of the projects' impact, not environmental enhancement beyond what nature originally provided.

This bill represents a good, balanced approach to a problem, and will go a long way toward avoiding a critical rupture in the progression of natural wetland areas making up the Pacific flyway. The Suisun Marsh is California's largest remaining and most important single wetland. In fact, it is the largest contiguous marsh of its type in the United States. So, though the facilities themselves lie in my district only, the bill really affects the Pacific region as a whole, including Canada and Alaska. A vote for this bill is a vote that would be supported by all people in this country who are concerned about the welfare of migratory waterfowl.

Thank you, very much.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, this is a joint referral to the Committee on Merchant Marine and Fisheries and the Committee on Interior and Insular Affairs. We strongly support the bill, and I associate myself with the remarks of the gentleman from Louisiana.

Mr. BREAUX. I thank the gentleman for his comments.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the 85,000-acre Suisun Marsh is the largest freshwater wetland remaining in the State of California. It hosts millions of birds each year and is also northern California's best breeding grounds for striped bass. The marsh provides hunting, fishing, and other recreational opportunities near major metropolitan areas.

H.R. 4084, the Suisun Marsh Preservation and Restoration Act of 1979, will provide for partial mitigation of the adverse effects on the fish and wildlife resources of the marsh due to water diversion by the Federal Central Valley project. The reduction of freshwater flows into the marsh, due to the project

and other upstream diversions, has resulted in greater salinity intrusion from the waters of San Francisco Bay and a threat to the waterfowl food plants.

The State of California has already started on the mitigation effort and expects to complete interim water control structures within 1 year. The bill before us authorizes the Secretary of the Interior to enter into a cooperative agreement with the State of California in order to provide for mitigation of the adverse effects on the marsh due to the Central Valley project. It authorizes $2.5 million for the 50-percent Federal share of the costs of the construction of the initial facilities. However, language in the bill makes it clear that this share may be altered at some later time if a different formula is agreed to for the Federal share of the cost of permanent facilities. The language insures that this bill will not establish a precedent for future mitigation.

Mr. Speaker, H.R. 4084 has widespread support among Federal and State governmental officials as well as the sportsmen and wildlife organizations. I strongly urge approval of this legislation in order to restore the Suisun Marsh wildlife habitat.

● Mr. MURPHY of New York. Mr. Speaker, I rise in support of H.R. 4084. H.R. 4084 would require the Secretary of the Interior to enter into a cooperative agreement with the State of California to mitigate the adverse impacts of the Bureau of Reclamation's Central Valley project on the Suisun Marsh. The cooperative agreement would require the Secretary to reimburse the State of California for half of the cost of mitigation facilities now under construction by the State. These mitigation facilities, estimated to cost $5 million, are intended to lessen the impact of reduced freshwater flows and increased salinity levels in the marsh that have been caused by State and Federal water diversions.

The Suisun Marsh is an extremely valuable fish and wildlife area. Reclamation and land utilization for intensive agriculture and urbanization have reduced California's wetland habit from over 5 million acres to less than 500,000 acres. The Suisun Marsh represents fully 10 percent of the remaining acreage. The marsh provides habitat for a wide variety of birds, mammals, and fish, including upward of 1 million waterfowl during the winter months. The marsh is unusual in that it is located adjacent to the San Francisco metropolitan area. The Fish and Wildlife Service estimated that in 1977 that the marsh supported 150,000 recreation visits per year. The level of recreational use of the area is expected to increase dramatically as the resources of the marsh are made more readily available to the people of the San Francisco area. All too often the Federal Government has concentrated its wildlife conservation activities away from the major urban centers of the country. We have an opportunity here to preserve an area that is not only ecologically significant, but is also readily available to the cross-section of people that live in the San Francisco metropolitan area.

Unfortunately, the marsh is facing a gradual but potentially devastating threat. This threat is the increase in salanity levels in the marsh as a result of the increased diversion of fresh water away from the marsh by the State of California and the Federal Government's Bureau of Reclamation. Very simply, ocean saltwater intrudes into the marsh when the freshwater outflow from the Sacramento Delta falls below the level needed to prevent the tides from carrying the saltwater upstream from the San Francisco Bay. If the salinity levels are permitted to increase the marsh will not be able to support the salt sensitive food species that attract most of the animals to the area.

In recent years, the salinity problem has grown especially acute because of increased water project diversions by the State and Federal Government. Both the State and Federal water project systems impound the water of northern California rivers and streams and divert it for agricultural and other uses in central and southern California. The State of California and the entire Nation have benefitted from these diversions. It is only appropriate that an effort be made to offset the adverse impact of these diversions.

Brackish water marsh areas are becoming exceedingly rare in California, as they are in many parts of the country. Once these areas are destroyed it is very difficult, if not impossible to restore them. The loss of marsh areas is especially disturbing because they represent some of the most productive fish and wildlife habitat available. It is no accident that the marsh attracts upward of a million migratory birds each winter. This is an area that supports an abundance of food sources that the birds rely on for survival. Fish and Wildlife studies of the marsh have revealed that it provides food for a wide variety of commercial and noncommercial species, including the striped bass which is severely depressed on the eastern seaboard. Hopefully, we can keep the striped bass populations on the west coast healthy, and we will not have to resort to special conservation programs as we have for the stripers of the Atlantic Ocean.

The State of California has recognized the problem facing the Suisun Marsh. Congressman FAZIO led the effort in the State legislature to establish a model land use bill for the area. The State has already proceeded to commit its own funds to the preservation of the marsh. This bill simply recognizes that the Federal Government's water diversions have added to the problems of the marsh and that the Federal Government has a responsibility to share in the cost of the solution.●

● Mr. KAZEN. Mr. Speaker, H.R. 4084 was referred to both the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries. Both committees adopted identical substantive amendments to the bill which I will describe in a moment. However, the Committee on Merchant Marine and Fisheries adopted one technical amendment which my committee did not. This is a necessary technical amendment and that is why I support the version reported out by the Committee on Merchant Marine and Fisheries.

Mr. Speaker, H.R. 4084 would authorize the Secretary of the Interior to enter into a cooperative agreement with the State of California to partially rectify a serious water problem currently plaguing the Suisun Marsh in California.

The Suisun Marsh is located near the Sacramento-San Joaquin Delta and is the largest of the State of California's remaining wetlands, and, as such, serves as the home for over three-quarters of a million migratory waterfowl. However, because of freshwater diversions for irrigation and other purposes, the salinity of the water in the marsh has increased. The presence of this higher saline water in the marsh could eventually destroy waterfowl food plants and greatly reduce the value of the marsh as a waterfowl habitat.

Although no agreement has been reached on a long term solution to the problem, there are certain things which can be done in the interim to mitigate some of the damage which has occurred. H.R. 4084 would provide the authority to carry out these interim measures.

Specifically, H.R. 4084, as introduced, requires the Secretary of the Interior to enter into a cooperative agreement with the State of California whereby the State will construct, operate and maintain certain interim facilities—such as channels and levees—and the Secretary of the Interior will be obligated to pay 50 percent of the costs of these facilities. The bill as introduced authorizes to be appropriated for fiscal year 1980 the sum of $2½ million to cover the Federal share of the costs of the construction and initial operation and maintenance of these interim facilities.

Mr. Speaker, both committees adopted three amendments to the bill. The first amendment merely conforms H.R. 4084 to the requirements of the Congressional Budget Act by making the authorization of appropriations effective for fiscal year 1981 instead of for fiscal year 1980.

The second amendment adopted by the committees was in response to a departmental objection and changes the bill by deleting the provision requiring the Department to enter into this cooperative agreement and replacing it with a provision giving the Secretary the discretionary authority to do so. This was done in order to give the Secretary the ability to refuse to enter into a cooperative agreement which would be contrary to the public interest.

The final amendment to H.R. 4084 adopted by the committees provides that the Federal cost-sharing responsibility for the interim facilities as contemplated by the bill—namely, 50 percent—may be altered and applied retroactively when long term marsh protection measures are authorized. This amendment responds to the departmental objection that the Federal cost-sharing obligation provided for in the bill was too high and that the bill would set a precedent for Federal cost-sharing on the long term measures to protect the marsh.

Mr. Speaker, I believe that the Suisun Marsh problem is a serious one in need of a prompt solution. H.R. 4084, as amended by the Committee on Merchant Marine and Fisheries, provides such a solution and therefore I urge its favorable consideration.●

● Mr. JOHNSON of California. Mr. Speaker, H.R. 4084, the Suisun Marsh Preservation and Restoration Act of 1979, authorizes the Interior Secretary to enter into a cooperative agreement with the State of California for the protection and restoration of the fish and wildlife resources of the Suisun Marsh, located in California's Solano County approximately 40 miles northeast of San Francisco. This bill is of great importance not only to Californians, but to all Americans who want to preserve our Nation's great natural resources.

Indeed, the Suisun Marsh is part of one of the largest water systems in the United States, comprised of the San Francisco Bay and the Sacramento-San Joaquin Delta, covering some 80,000 acres of coastal wetland that serves as the home for more than three-quarters of a million migratory waterfowl.

California's industrial and agricultural growth has taken its toll on the Suisun Bay. The reduction of fresh water to these scenic lands has prompted salination and other damage.

Pending the development of a long term solution, this bill would require the Interior Secretary to enter into a cooperative agreement with California to mitigate the harmful effects on fish and wildlife now being incurred in the Suisun Marsh as well as to restore these rich resources.

H.R. 4084 requires California to construct, coordinate, and maintain certain facilities in the marsh, that among other things provide for an increased flow of fresh water to this area. This legislation also requires a study in marsh management techniques that would help insure a long term solution to the problems experienced in the Suisun Marsh.

For these purposes, the Federal Government's share in this cost for fiscal year 1980 will be $2,500,000, a very small cost considering the long term benefits to be derived from this bill.

Our legislation took into account the wise counsel of the Interior Department and the State of California. Modifications were made in this bill to meet significant objections.

This thoughtful, timely legislation is truly in the interest of all Americans who want to hold on to our Nation's very special natural resources. Accordingly, I was pleased to be a cosponsor of this bill and pleased now to urge my colleagues to join in voting for this measure.●

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. FORSYTHE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 4084, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1230

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4084.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COLORADO NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5487) to designate certain National Forest System lands in the State of Colorado for inclusion in the National Wilderness Preservation System, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5487

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

SECTION 1. (a) In furtherance of the purposes of the Wilderness Act of September 3, 1964 (78 Stat. 890), the following National Forest lands in the States of Colorado and South Dakota, as generally depicted on maps appropriately referenced, dated October 1979, are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(1) certain lands in the Arapahoe-Roosevelt National Forest, Colorado, which comprise approximately fourteen thousand nine hundred acres, are generally depicted on a map, entitled "Never Summer Wilderness Proposal", and shall be known as the Never Summer Wilderness;

(2) certain lands in the Arapahoe-Roosevelt National Forest, Colorado, which comprise approximately fifty-nine thousand four hundred and ninety acres, are generally depicted on a map entitled "Comanche Peak Wilderness Proposal", and shall be known as the Comanche Peak Wilderness;

(3) certain lands in the Arapahoe-Roosevelt and Pike National Forests, Colorado, which comprise approximately seventy-four thousand acres, are generally depicted on a map entitled "Mount Evans Wilderness Proposal", and shall be known as the Mount Evans Wilderness;

(4) certain lands in the Arapahoe-Roosevelt National Forest, Colorado, which comprise approximately nine thousand four hundred acres, are generally depicted on a map entitled "Cache Le Poudre Wilderness Proposal", and shall be known as the Cache La Poudre Wilderness;

(5) certain lands in the Arapahoe-Roosevelt National Forest, Colorado, which comprise approximately nine thousand nine hundred acres, are generally depicted on a map entitled "Neota Wilderness Proposal", and shall be known as the Neota Wilderness;

(6) certain lands in the San Isabel and White River National Forests, Colorado, which comprise approximately one hundred one thousand four hundred and thirty-two acres, are generally depicted on a map entitled "Holy Cross Wilderness Proposal", and shall be known as the Holy Cross Wilderness: Provided, That no right, or right of claim of right, to the diversion and use of existing conditional water rights for the Homestake Water Development project by the cities of Aurora and Colorado Springs, shall be prejudiced, expanded, diminished, altered, or affected by this Act. Nothing in this Act shall be construed to expand, abate, impair, impede, or interfere with the construction, maintenance, or repair of said project, nor the operation thereof, or any exchange or modification of the same agreed to by the cities and the United States, acting through any appropriate agency thereof;

(7) certain lands in the Gunnison, San Isabel, and White River National Forests, Colorado, which comprise approximately one hundred fifty-five thousand acres, are generally depicted on a map entitled "Elk Mountain-Collegiate Wilderness Proposal", and shall be known as Elk Mountain-Collegiate Wilderness;

(8) certain lands in the Grand Mesa-Uncompahgre National Forest, Colorado, which comprise approximately sixty-seven thousand acres, are generally depicted on a map entitled "Raggeds Wilderness Proposal", and shall be known as the Raggeds Wilderness;

(9) certain lands in the San Juan and Uncompahgre National Forests, Colorado, which comprise approximately forty thousand acres, are generally depicted on a map entitled "Mount Wilson Primitive Area Proposal", and shall be known as the Lizard Head Wilderness;

(10) certain lands in the Uncompahgre National Forest, Colorado, which comprise approximately sixteen thousand two hundred acres, are generally depicted on a map entitled "Mount Sneffels Wilderness Proposal", and shall be known as Mount Sneffels Wilderness;

(11) certain lands in the Uncompahgre National Forest, Colorado, which comprise approximately one hundred thousand acres, are generally depicted on a map entitled "Big Blue-Courthouse Wilderness Proposal", and shall be known as the Big Blue Wilderness;

(12) certain lands in the Gunnison and White River National Forests, Colorado, which comprise approximately one hundred one thousand five hundred acres, are generally depicted on a map entitled "Maroon Bells-Snowmass Additions—Proposed", and which are hereby incorporated in and shall be deemed to be a part of the Maroon Bells-Snowmass Wilderness as designated by Public Law 88-577;

(13) certain lands in the Routt National Forest, Colorado, which comprise approximately sixty-eight thousand acres, are generally depicted on a map entitled "Mount Zirkel Wilderness Additions—Proposed" and which are hereby incorporated in and shall be deemed to be a part of the Mount Zirkel Wilderness as designated by Public Law 88-577: *Provided*, That the Secretary shall permit motorized access and the use of motorized equipment used for the periodic maintenance and repair of the Lookout Ditch and headgate;

(14) certain lands in the Arapahoe-Roosevelt National Forest, Colorado which comprise approximately forty-eight thousand nine hundred and thirty acres are generally depicted on a map entitled "Mount Rawah Wilderness Additions—Proposed" and which are hereby incorporated in and shall be deemed to be a part of the Rawah Wilderness as designated by Public Law 85-577: *Provided*, That the Secretary shall permit motorized access and the use of motorized equip-

ment used for the periodic maintenance and repair of the McGuire Water Transmission Line ditch;

(15) certain lands in the Rio Grande and San Juan National Forests, Colorado, which comprise approximately sixty-six thousand acres are generally depicted on a map entitled "Weminuche Wilderness Additions—Proposed", and which are hereby incorporated in and shall be deemed to be a part of the Weminuche Wilderness as designated by Public Law 93-632;

(16) certain lands in the San Isabel and White River National Forests, Colorado, which comprise approximately twenty-six thousand acres, and are generally depicted on a map entitled "Hunter-Fryingpan Wilderness Additions—Proposed", and which are hereby incorporated in and shall be deemed to be a part of the Hunter-Fryingpan Wilderness as designated by Public Law 95-237;

(17) certain lands in the Grand Mesa-Uncompahgre National Forest, Colorado, which comprise approximately one hundred and thirty thousand acres, and are generally depicted on a map entitled "West Elk Wilderness Additions—Proposed", and which are hereby incorporated in and shall be deemed to be a part of West Elk Wilderness as designated by Public Law 88-577;

(18) certain lands in the San Juan National Forest, Colorado, which comprise approximately one hundred thirty thousand acres, and are generally depicted on a map entitled "South San Juan Wilderness—Proposed", and which shall be known as the South San Juan Wilderness;

(19) certain lands in the Rio Grande and Gunnison National Forests, Colorado, which comprise approximately sixty thousand acres, and are generally depicted on a map entitled "La Garita Addition—Proposed", and which are hereby incorporated in and shall be deemed to be a part of the La Garita Wilderness as designated by Public Law 88-577: *Provided*, That the area depicted on such map as the "Wheeler Geologic Special Study Area" and comprising approximately eleven thousand acres, shall be jointly evaluated and studied by the Secretary of the Interior and Secretary of Agriculture as provided in section 2 of this Act.

(20) certain lands in the Black Hills National Forest, South Dakota, which comprise approximately ten thousand seven hundred acres, and are generally depicted on a map entitled "Harney Peak Wilderness—Proposed", and shall be known as the Harney Peak Wilderness; provided that the provisions of the Act establishing the Custer State Park Sanctuary (41 Stat. 986) and the later named Norbeck Wildlife Preserve (63 Stat. 708) shall also apply to the Harney Peak Wilderness to the extent they are not inconsistent with the provisions of the Wilderness Act;

(b) The previous classification of the Wilson Mountains Primitive Area and the Uncompahgre Primitive Area are hereby abolished.

SEC. 2. Within twelve months of the date of enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall undertake and complete a comprehensive report studying and evaluating the "Wheeler Geologic Special Study Area", and shall submit such report along with their recommendations to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such report shall fully evaluate the following, including, but not limited to:

(a) the natural, historical, cultural, scenic, economic, educational, scientific, and geologic values of the special study area;

(b) the management and protection of fragile geologic resources within the area;

(c) possible land management options or designations including national park, monument, or national recreation area designation, addition to the wilderness system, special administrative designations, and management under the general laws and regulations applicable to the National Forest System;

(d) the effect of possible land management options on State and local economies, including timber harvest, tourism, grazing, mineral, and other commercial activities;

(e) the suitability and desirability of permanent or temporary road or other mechanized access to the Special Study Area, with special attention to access by the elderly and handicapped.

SEC. 3. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this Act with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

ADMINISTRATION OF WILDERNESS

SEC. 4. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas except that with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.

GRAZING IN NATIONAL FOREST WILDERNESS

SEC. 5. The Secretary of Agriculture is directed to review all policies, practices, and regulations of the Department of Agriculture regarding livestock grazing in national forest wilderness areas in order to ensure that such policies, practices, and regulations fully conform with and implement the intent of Congress regarding grazing in such areas, as such intent is expressed in the Wilderness Act and this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from Colorado (Mr. JOHNSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

H.R. 5487 by the gentlemen from Colorado (Mr. JOHNSON and Mr. KOGOVSEK) is an attempt to sort out and to solve some of the pressing problems in the State of Colorado relating to the designation of wilderness. This is a good bill. It has broad support in the areas of Colorado affected. Our Subcommittee on Public Lands under the chairmanship of the gentleman from Ohio (Mr. SEIBERLING) did an outstanding good job in balancing the various interests. I know of no controversy surrounding this bill.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, I am pleased that we are able to bring to the House floor, a RARE II wilderness bill for Colorado which has such a broad base of support. Although the degree of support is not total, the major issues of concern voiced by the many and varied interests involved have received a full and fair hearing, and those concerns have been fully considered and dealt with in the most appropriate manner possible.

H.R. 5487 was reported out of the Public Lands Subcommittee and from the full Interior Committee by unanimous voice votes, without major controversy.

The reason for the relative ease of action in subcommittee and in full committee is that Congressman KOGOVSEK and I, as authors of the legislation, took our time in developing the legislative language and in determining the most appropriate boundaries for the approximately 1.3-million acres which will be designated as additional wilderness in Colorado as a result of passage of this bill.

My colleague from Colorado, Mr. KOGOVSEK, and I both took a very personal interest in the RARE II process in Colorado. Virtually all of the RARE II wilderness recommendations are located in our congressional districts. We personally visited most of the proposed wilderness areas. We each met and spoke with Forest Service officials as well as local citizens and local and State government representatives. We received thousands of pieces of mail from other interested citizens, which we carefully categorized, reviewed, and fully considered on an area-by-area basis.

In August of this year, the Public Lands Subcommittee spent 5 days in Colorado, viewing many of the proposed wilderness area as well as other RARE II areas, from the air and on the ground. The subcommittee also had an opportunity to meet informally with local citizens in many parts of the State, to receive additional public comments about the specific proposals.

On October 18 and 19, the subcommittee held formal public hearings here in Washington, and heard from a wide variety of interested citizens, interest groups, local, county, and State government officials.

From this extensive information base, we proceeded to finalize the legislative language and wilderness boundaries which spoke to the major concerns. Although our legislation, which amounts to approximately 1.3 million acres of new wilderness designation for Colorado, is roughly one-half of the RARE II wilderness recommendations of the administration, the wilderness areas designated by our bill will nonetheless double the amount of wilderness presently existing in Colorado.

Another major accomplishment of this legislation involves the administra-

tion policy concerning grazing of livestock in wilderness areas. The legislative language in H.R. 5487 directs the Secretary to initiate and complete an intensive review of present grazing policies and guidelines in national forest wilderness areas, to insure that they conform with the intent of the Congress as spelled out in the legislative history of the 1964 Wilderness Act as well as in H.R. 5487. To enhance and supplement that statutory directive, the intent of the Congress as it concerns grazing policy in wilderness areas, especially access to such areas and operation and maintenance of grazing structures and facilities in wilderness areas, is made very clear in considerable detail in the committee report.

The Forest Service, conservationists, cattlemen, Mr. KOGOVSEK and myself, and the chairman of the subcommittee, were all actively involved in the drafting of this grazing policy report langauge. We believe it is a simple reaffirmation of what the Congress initially intended in the 1964 Wilderness Act.

Yet it will serve, where necessary, as further direction and clarification to the Forest Service regarding the exact intent of the Congress regarding this issue. The Forest Service has assured us the policy as spelled out in H.R. 5487, and in the committee report, will be followed as it regards the specific wilderness areas created by this legislation. After a thorough review of grazing policy in wilderness areas on a nationwide basis, the Forest Service has again assured us the policy enunciated in the committee report language will be followed in other wilderness areas in other States, to the extent it is not found to be in major conflict with existing law.

This is a major policy issue to those of us from the West. I am most gratified that with the diligent help of the chairman of the subcommittee, we were able to work out this issue, to the basic satisfaction of all concerned. We see this as resulting in a change in direction of present policy, and I expect the Forest Service to follow through with specific implementation of the policy through revision of on-the-ground management guidelines at all levels of Forest Service management.

Mr. Speaker, a good many people have spent a good deal of time and effort in developing this legislation. We have considered the legitimate need to preserve certain areas of our State for future generations, while not neglecting the present need to maintain the economic viability of our communities by providing the necessary resource base. I firmly believe we have accomplished that purpose in this legislation.

My colleague from Colorado (Mr. KOGOVSEK) is to be commended for his diligent and detailed efforts in helping to develop a sound piece of legislation. The chairman of the subcommittee, the gentleman from Ohio (Mr. SEIBERLING) was untiring, very patient, and most constructive in his involvement. I very much appreciate the chairman's guidance in helping to refine and move this legislation in a timely manner.

Mr. Speaker, H.R. 5487 also contains language designating 10,700 acres of the Black Hills National Forest in South Dakota as wilderness. The original legislation to create the Harney Peak Wilderness was introduced by our colleague from South Dakota (Mr. ABDNOR).

The area which Mr. ABDNOR proposed to designate as wilderness, and in which the subcommittee and full committee agreed to without any controversy, is immediately adjacent to Mount Rushmore. Mr. ABDNOR's proposal is identical to the RARE II wilderness recommendation of the administration. Nearly identical legislation has been introduced in the other body for this same area.

Mr. ABDNOR is to be commended for his initiative in bringing this legislation to the committee and now to the House. His proposal is a very thoughtful and important addition to the national wilderness preservation system in my native State of South Dakota.

I am proud that we have been able to work together to develop a reasonable and balanced piece of legislation to bring to the House floor as the first RARE II wilderness bill which will be adopted by this body.

I urge my colleagues to vote for the passage of H.R. 5487.

Mr. Speaker, the gentleman from Colorado (Mr. KOGOVSEK) and I spent a great deal of time this summer traveling around in the proposed RARE II wilderness areas, and this bill is a product of that effort. I would like to pay tribute to the gentleman from Ohio (Mr. SEIBERLING) who is unable to be here due to the death of his mother last week, and there is a memorial service for her today. That is the only reason he could not be here. The gentleman from Ohio (Mr. SEIBERLING) has exhibited a great deal of patience and fortitude and dedication in the work that he has been doing with all of the RARE II bills.

The fact that this one happens to be the first to go through the House I think is due largely to the fact that he was willing to go out to Colorado this summer, take a look around the area, and endorse the efforts of Mr. KOGOVSEK and myself in our attempt to reconcile the inevitable controversy that arises whenever you try to meet with all of the different conflicting interests that are involved in wilderness. I think in this particular case the boundaries are about as well drawn as they can be, and there is little or no controversy involved with any of the competing or conflicting multiple uses.

Mr. Speaker, I urge all of my colleagues to endorse and vote for this bill because I feel that it is a significant contribution to the wilderness system. It is 1.3 million acres. It practically doubles the amount of wilderness that we have in Colorado, and I think that after having traveled through most of the territory in my own district, if the Members ever get the opportunity to take a horseback trip under the auspices of the Forest Service, they ought to do so. It is a magnificent opportunity for the Members and other people, and these are beautiful areas.

I want to congratulate and thank Mr. KOGOVSEK for the fine work he has done on this bill. He is deserving of high recognition for his contribution to this bill which is so significant for our State.

Mr. ABDNOR. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 5487, to designate certain wilderness areas in Colorado and South Dakota. The text of my bill, H.R. 5301, to designate the Harney Peak Wilderness, has been included in H.R. 5487 by the committee.

Although the vast bulk of the acreage, some 1.3 million acres, in H.R. 5487 is located in Colorado, my prime concern is with the 10,700-acre Harney Peak Area, which is located in my district.

The large majority of my constituency reacts negatively to the very concept of wilderness. They perceive the designation in terms of a lockup of potentially needed resources. They are violently opposed to the continued expansion of the authority of the Federal Government, and they are particularly concerned when such expansion takes the form of increased ownership or control of a basic and precious resource; that is, our land.

On the other hand, my constituents know that I am anything other than a wild-eyed, environmentalist rabble-rouser. While I would acknowledge that we have abused our environment unduly in far too many instances, I truly believe that the worst examples and the large bulk of the cases of such abuses are associated with our urban areas—not rural areas, like South Dakota. As such, I sincerely resent the holier-than-thou attitude many of our urban cousins take in suggesting that they know better than local rural people what should be done with our Nation's abundant Federal public lands.

Personally, I am a staunch supporter of multiple-use management of our public lands—not just in some cases or even in most cases, but in virtually every case for which there is not an obvious and compelling reason for a more limited use, such as is provided under the wilderness designation. In terms of the best interests of my State and rural America in general, I strongly believe the balance of needs is tilted far more toward the developmental side of the scale than toward the preservationist side. Indeed, rural America has a vast abundance of undeveloped resource potential which can and must be realized if our Nation is to maintain its standard of living, much less sustain a position of preeminence in the world economy.

Even so, I have absolutely no qualms about recommending wilderness designation of this particular tract of national forest land. I do not regard it as necessarily inconsistent to believe that rural development is receiving too little attention and rural preservation, relatively speaking, too much, and yet to believe that the Harney Peak Area in particular should be preserved in its current state of natural beauty—forever. I honestly believe that the large majority of my constituents, who are opposed to the wilderness in principle, would take that very position. In fact, I know of no one who

has voiced the opinion that the Harney Peak Area should not remain unspoiled by the works of man.

Very much to the contrary, there was a great deal of opposition expressed in regard to designation of the so-called Beaver Park Area of the Black Hills, which was the initial recommendation of the Forest Service as a potential representation of the Black Hills ponderosa pine in the Wilderness System. Due to the degree of local opposition expressed, I suggested and the President agreed in his recommendations to Congress to substitute the Harney Peak Area for Beaver Park.

There are a number of unique features which justify inclusion of the 10,700-acre Harney Peak Area in the Wilderness System. The area boasts some of the highest elevations east of the Rocky Mountains, ranging from 4,050 to 7,242 feet above sea level. Rolling hills, granite walls, and stands of ponderosa pine contribute to the splendor and provide habitat, as well as a breathtaking backdrop, for a variety of wildlife. Wildlife which populate the area and add to the wilderness experience of human visitors include Rocky Mountain goats, elk, deer, grouse, turkey, as well as other nongame birds and mammals. Although not within the boundaries of the proposed wilderness area, two lovely mountain lakes—Sylvan Lake and Horse Thief Lake—are nearby and also add to the splendor of the area.

The Harney Peak Wilderness will comprise about one-third of the existing Norbeck Wildlife Preserve. As such, I requested the Department of Agriculture to draft the legislation, which I introduced as H.R. 5301, in such fashion as to address any potential conflicts between the wildlife preserve and wilderness designations. We are assured that the two need not be in conflict, that the wilderness designation will not disrupt management policies necessary for the Norbeck area as a whole, and, finally, that the original intent of Congress to recognize the Norbeck area as a geographically complete unit of nature will be preserved.

The "Norbeck core" area initially considered by the Forest Service under the RARE II process for inclusion in the Wilderness System comprised 9,400 acres. In making their final review of the area prior to furnishing the draft legislation, however, the Forest Service concluded that the 10,700-acre unit to be authorized by H.R. 5487 reflects the logical, natural boundaries, without major addition to the area initially considered.

The name, "Harney Peak Wilderness," has been suggested by the Department of Agriculture and describes the area geographically since its most distinctive feature is Harney Peak. Senator MCGOVERN has suggested the nomenclature, "Black Elk Wilderness," however; and I wrote a large number of my constituents on this issue. A large majority of those who have responded and expressed a preference support the "Harney Peak" designation over "Black Elk."

There are a number of issues of concern to my constituency with respect to this legislation; and I want to be sure the record is clear, as follows:

First. Because of the relatively small acreage involved, any fires will be controlled to prevent damage to adjacent areas.

Second. Likewise, if a mountain pine beetle epidemic threatens adjacent stands of ponderosa pine, the problem can be dealt with under wilderness law.

Third. Since the area is already a wildlife preserve, the timber would not be harvested for commercial purposes whether or not a wilderness is established.

Fourth. The Forest Service maintains that the management of the area will not be significantly different if the area is declared wilderness or maintained in its present wildlife preserve status.

Fifth. The only distinction is that vegetative manipulations will not be performed to increase wildlife populations. The widespread use of mechanized equipment for this purpose would be highly unlikely in any event, however, due to the terrain.

Sixth. Wilderness designation, per se, will in no way restrict nonmechanized visitations by the public. Our discussions with the Forest Service have disclosed, however, that they have contemplated whether restriction of the number of visitations may not be required in the future to insure compatibility with the existing wildlife preserve status of the area.

Seventh. Sanitary facilities would not be allowed, but it should be remembered that the wilderness will comprise only about one-third of the existing Norbeck Wildlife Preserve. Vegetative manipulations may still be performed upon the bulk of the preserve to enhance wildlife propagation.

Eighth. Finally, due to misinformation provided earlier, some accounts have indicated that two lakes are included in the Harney Peak Wilderness Area. The record should be absolutely clear that these lakes, Sylvan and Horse Thief, are not within the boundaries of the area.

So, Mr. Speaker, with these understandings I am pleased to support enactment of H.R. 5487. It is my intent this legislation will close the book on wilderness deliberations in my State. The Beaver Park Area will be maintained in multipurpose management and the Harney Peak Area will be managed in a fashion only slightly more restrictive than at present. No further areas in South Dakota are, in my view, suited to wilderness designation; and I would expect to oppose any such proposals.

My constituency may be assured I will continue to work to achieve a greatly increased degree of development of the vast natural resources of South Dakota, but the conclusion is inescapable that the highest and best use of the Harney Peak Wilderness is now and will continue to be to preserve it in the most natural state possible. I am delighted to be associated with this important legislative effort, and I am anxious to see it concluded successfully. The Harney Peak Wilderness will be a credit to the Wilderness System, and it represents a fitting legacy for the future of the Black Hills ecosystem.

Mr. JOHNSON of Colorado. Mr. Speaker, in closing, I would like to congratulate the gentleman from Colorado (Mr. KOGOVSEK) for the fine work he has done on this bill. He has actually a larger portion of acreage involved than I have, and I think that the dedication and hard work that he has brought to this bill are indications of the quality of representation that his constituents receive on a daily basis.

Mr. UDALL. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado (Mr. KOGOVSEK).

● Mr. KOGOVSEK. Mr. Speaker, H.R. 5487 is the culmination of 11 months of intensive work by the gentleman from Colorado (Mr. JOHNSON), the gentleman from Ohio (Mr. SEIBERLING), and myself. This piece of legislation is not just a conservationist bill. It is the product of compromise among the grazing industry, mining industry, timber industry, the State, counties, and conservation groups. So precise was this compromise, that there was not one interest group in the State of Colorado that did not have input into this legislation. We felt the Forest Service did a good job in setting the groundwork for RARE II wilderness legislation. They provided the foundation for the decision we are making today.

H.R. 5487 represents a model for the accomplishments that can be achieved by working closely with various constituencies, and in many cases, having the constituencies work closely among themselves. Yet, it most importantly represents decisions made by the people of Colorado, the people that will be living near these areas. What the gentleman from Colorado and I have proposed is a balance. We have made boundaries with a fine razor edge. The economies will be protected for local communities, industry interests have been addressed, and most important, this bill still designates 1.3 million acres of wilderness for the State of Colorado.

I believe we have a major accomplishment before Congress today. This legislation will double the amount of wilderness in our state, and at the same time, not adversely affect anyone in Colorado. It does not go as far as the administration would have liked. Its position is in support of something in excess of 2 million acres for the State. I think we have taken a closer look than the Forest Service in recommending wilderness without adversely affecting local economies.

I want to thank the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL) for his patience and his help in getting this bill passed. I also want to thank the gentleman from Ohio (Mr. SEIBERLING) for his great interest in this legislation. The gentleman from Colorado is correct when he says the gentleman from Ohio took a good portion of his vacation time this past summer to come out and look at these areas in Colorado, so that he would have a better idea as to what should and should not be designated wilderness. Congressman SEIBERLING's patience and direction was the key factor in reaching

the compromise that produced this fine piece of legislation.

Third, I would like to commend the gentleman from Colorado (Mr. JOHNSON) for taking time from his vacation to walk the areas in his district which were proposed for wilderness. I strongly commend him for seriously taking the initiative with this bill.

Finally, we owe a commendation to the people of Colorado. For this is their bill. They in essence wrote it, and, if not for their hard work and willingness to compromise, we wouldn't have a bill today. This is an act by the people of Colorado for the people of Colorado.●

● Mr. SEIBERLING. Mr. Speaker, by passage of H.R. 5487, the House can take a most significant step toward the full protection of some of the West's and the Nation's most priceless wilderness assets.

This bill, which represents the bipartisan efforts of our colleagues from the Third and Fourth Districts of Colorado (Mr. KOGOVSEK and Mr. JOHNSON) and the Second District of South Dakota (Mr. ABDNOR) would designate for inclusion in the national wilderness preservation system, 19 areas in the national forests of Colorado and 1 area in the Black Hills National Forest in South Dakota. The Colorado areas taken together amount to about 1.3 million acres of national forest lands; the South Dakota area is about 10,000 acres.

The bill comes to the floor of the House today upon the unanimous favorable vote of the Committee on Interior and Insular Affairs, and after an earlier unanimous vote in the Subcommittee on Public Lands. The immediate catalyst for our subcommittee's consideration of the wilderness designations contained in this bill was the transmittal to the Congress of the President's recommendations arising from the so-called RARE II (second roadless area review and evaluation) examination of parts of our national forests which remain roadless and possessed of wilderness qualities. However, the subcommittee and committee also drew upon the administration's 1974 recommendations for wilderness in and adjacent to the Wilson Mountains and Uncompahgre Primitive Areas in southwestern Colorado, and earlier reviews by our committee of other wilderness proposals in Colorado. Thus, we are today proposing to the House the wilderness designation be extended to a number of highly qualified areas whose consideration has been too long deferred.

Mr. Speaker, I do not believe that it is necessary for me to take the time of the House to describe each of the areas which this bill would designate for inclusion in the wilderness preservation system, especially since our committee's report does discuss each in some detail; however, I think I should point out that the Subcommittee on Public Lands made a field inspection of all the Colorado wilderness proposals last August, and at that time we were able to see for ourselves that these roadless and untrammeled parts of the great Rocky Mountain chain are without doubt among the most magnificent remnants of the Nation's wilderness heritage, and are possessed of splendid scenic, wildlife, watershed, and other values.

One area in particular does deserve special mention, Mr. Speaker, and that is the so-called Wheeler Geologic Area located in the Rio Grande National Forest in southcentral Colorado. This is an area of unusual geologic structures which has been recognized since the days of Theodore Roosevelt as possessing high scientific, scenic, and other qualities; but the particular terrain involved, the fragility of the geologic structures and management difficulties, have over the years resulted in some uncertainty about the best way to administer this resource. Therefore, the bill provides for a 1-year study by the Secretaries of Agriculture and the Interior, leading to recommendations concerning the land management options and the desirability of permanent or temporary road or other mechanized access, especially as concerns access by the elderly and handicapped. Such a study provision was strongly suggested by some of the county and other local authorities when the subcommittee visited Colorado, and I believe that it is a desirable procedure for moving toward a sound decision on future management of these lands.

Also, Mr. Speaker, I believe that I should mention section 5 of the bill, which would require that the Secretary of Agriculture make a review of all that Department's policies, practices, and regulations regarding livestock grazing in national forest wilderness areas in order to insure that those policies, practices, and regulations are in accord with the intent of the Congress. Of course, section 4(d)(4)(2) of the Wilderness Act is quite clear in stating that livestock grazing can continue in an area designated as wilderness, if that use was established at the time of wilderness designation.

However, in the 15 years since the enactment of the Wilderness Act, our committee has become increasingly aware that the Forest Service's policies for administering the wilderness areas within the national forests have been subject to varying interpretations in the field and in some instances have included pronouncements at variance with the Wilderness Act's clear statement of policy. We believe that the language of the Wilderness Act, which is broad language, is sound and should not be amended—rather, the land managers should be carrying out the policy of the Wilderness Act and the intent of the Congress. Therefore, we have included in this bill a requirement for a review of these policies, practices, and regulations; and in the committee's report on this bill, we have gone to considerable lengths to provide guidance to the Secretary of Agriculture about the significance of that review and the meaning of the Wilderness Act as it relates to established grazing uses.

Mr. Speaker, in the course of the subcommittee visits last summer to Colorado and to many roadless areas in the national forests in other States, we frequently had informal meetings with local representatives of various interest groups concerned about the issues involved in the RARE II process. These included representatives of conservation groups, the timber, mining and oil and gas industries, ranchers, power companies, off-the-road-vehicle users, hunters, local public officials, and citizen organizations. Wherever the opportunity presented itself, I urged these groups to try to get together to work out their differences and, in collaboration with their Representatives in Congress, to attempt to reach a consensus on national forest wilderness legislation.

Of course, consensus usually means compromise, and compromise is not always possible. This bill, however, is the fruit of such a process. While it does not represent 100 percent agreement among all of the interests involved, it is about as close to a complete consensus as one can expect in the normal course of things.

The lion's share of the credit for achieving this outstanding result must go to the two coauthors of this bill, our colleagues from Colorado, RAY KOGOVSEK and JIM JOHNSON. We are indebted to them not only for a balanced bill but for having demonstrated that the process of consultation and accommodation can produce outstanding results.

Mr. Speaker, H.R. 5487 is a bipartisan bill. It is a sound, balanced bill. It received the unanimous endorsement of the Public Lands Subcommittee and the Committee on Interior and Insular Affairs, and I urge the full House to pass it with the same strong showing of deserved support.●

● Mr. CLAUSEN. Mr. Speaker, the legislation before us, H.R. 5487, is a combination of two proposals considered by the Public Lands Subcommittee. The first, sponsored by the gentlemen from Colorado (Mr. JOHNSON and Mr. KOGOVSEK), in whose districts the areas are located, designates 11 new wilderness areas and 8 additions to existing wilderness areas. It contains 1.3 million acres located in 10 national forests in Colorado. The bill encompasses approximately half of the RARE II recommendations of the administration, yet it doubles the amount of wilderness in the State.

The second proposal designates an area in the Black Hills National Forest of South Dakota as the "Harney Peak Wilderness." It is identical to the wilderness recommendation made by the administration for this area and identical to the separate bill authored by the gentleman from South Dakota (Mr. ABDNOR) in whose congressional district the area is located.

The ease with which this legislation cleared the subcommittee and the full House Interior and Insular Affairs Committee and the degree of support exhibited here today are a credit to its sponsors.

The gentleman from South Dakota (Mr. ABDNOR), with whom I serve on the Public Works and Transportation Committee, worked closely with the committee and staff to advance his proposal. I know of no opposition to it.

The fine tuning which was required on the Colorado proposal was accomplished due to the diligence of the gentlemen from Colorado (Mr. JOHNSON and Mr. KOGOVSEK) who carefully addressed the

concerns expressed by those most directly affected. As a result, it has the support of virtually all interested groups and individuals in their congressional districts and statewide.

The bill also contains important language concerning grazing of livestock in wilderness areas. It directs the Secretary of Agriculture to undertake an intensive review of the present policy to insure that it conforms with the intent of Congress when the Wilderness Act of 1964 was enacted. The committee report accompanying the bill also contains significant guidelines for the review.

I would like to commend the distinguished chairman of the subcommittee, the gentleman from Ohio (Mr. SEIBERLING) for the many hours and days he devoted to this legislation and for his fairness in listening to those Members in whose districts the wilderness areas are located.

Having traveled with the chairman of the subcommittee in California, I can attest to the thoroughness with which he inspects each area and his willingness to listen to concerns expressed by local citizens, local government bodies, businesses and other interested groups.

There exists a real need to preserve certain areas while not overlooking the economic needs of our communities and the Nation as a whole. I firmly believe that this legislation strikes such a balance and is deserving of our full support.●

Mr. UDALL. Mr. Speaker, I urge support of the bill, and I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the bill, H.R. 5487, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to designate certain national forest system lands in the States of Colorado and South Dakota for inclusion in the national wilderness preservation system, and for other purposes."

A motion to reconsider was laid on the table.

BISCAYNE NATIONAL PARK

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5926) to establish the Biscayne National Park in the State of Florida, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5926

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

TITLE I—BISCAYNE NATIONAL PARK

SEC. 101. In order to preserve and protect for the education, inspiration, recreation, and enjoyment of present and future generations a rare combination of terrestrial, marine, and amphibious life in a tropical setting of great natural beauty, there is hereby established the Biscayne National Park (hereinafter referred to in this title as the "park") in the State of Florida. The boundary of the park shall include the lands, waters, and interests therein as generally depicted on the map entitled "Boundary Map, Biscayne National Park", numbered 169-90,002, and dated November 1979, which map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. The Secretary of the Interior (hereinafter referred to as the "Secretary") shall publish in the Federal Register, not more than one year after the date of enactment of this Act, a detailed description of the boundary established pursuant to this section. Following reasonable notice in writing to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate of his intention to do so, the Secretary may make minor revisions in the boundary of the park by publication of a revised boundary map or other description in the Federal Register.

SEC. 102. (a) Within the boundary of the park the Secretary is authorized to acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange, except that poverty owned by the State of Florida or any political subdivision thereof may be acquired only by donation, and subject to such reservations and restrictions as may be provided by Florida law. Lands, waters, and interests therein such boundary which are owned by the United States and under the control of the Secretary are hereby transferred to the administrative jurisdiction of the National Park Service to be managed for the purposes of the park. Any federally owned lands within the park which are not under the control of the Secretary shall be transferred to his control of purposes of the park at such time as said lands cease to be needed by the agencies which currently control them.

(b) It is the express intent of the Congress that the Secretary shall substantially complete the land acquisition program authorized herein within two complete fiscal years from the effective date of this Act. Any owner of property within the park may notify the Secretary of the desire of such owner that his property be promptly acquired, and the Secretary shall give immediate and careful consideration, subject to the availability of funds, to the prompt acquisition of such property.

SEC. 103. (a) The Secretary shall preserve and administer the park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented. The waters within the park shall continue to be open to fishing in conformity with the laws of the State of Florida except as the Secretary, after consultation with appropriate officials of said State, designates species for which, areas and times within which, and methods by which fishing is prohibited, limited, or otherwise regulated in the interest of sound natural ecosystem conservation to achieve the purposes for which the park is established: *Provided*, That with respect to lands donated by the State after the effective date of this Act, fishing shall be in conformance with State law.

(b) The Biscayne National Monument, as authorized by the Act of October 18, 1968 (82 Stat. 1188; 16 U.S.C. 450qq), as amended, is abolished as such, and all lands, waters, and interests therein acquired or reserved for such monument are hereby incorporated within and made a part of the park. Any funds available for the purposes of such monument are hereby made available for the purposes of the park, and authorizations of funds for the monument shall continue to be available for the park.

SEC. 104. Within three complete fiscal years from the effective date of this Act, the Secretary shall review the area within the park and shall report to the President and the Congress, in accordance with subsections 3 (c) and (d) of the Wilderness Act (78 Stat. 890), his recommendations as to the suitability or nonsuitability of any area within the park for designation as wilderness. Any designation of any such areas as wilderness shall be accomplished in accordance with said subsections of the Wilderness Act.

SEC. 105. Within two complete fiscal years from the effective date of this Act, the Secretary shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a revised comprehensive general management plan for the park consistent with the provisions of this title and pursuant to the provisions of section 12(b) of the Act of August 18, 1970 (84 Stat. 825), as amended (16 U.S.C. 1a–1 et seq.).

SEC. 106. In addition to the sums previously authorized to be appropriated for Biscayne National Monument, there are authorized to be appropriated such sums as may be necessary for the administration of the park, and not to exceed $8,500,000 for the acquisition of lands and interests therein, as provided in this title. Notwithstanding any other provision of law, no fees shall be charged for entrance or admission to the park.

TITLE II—FORT JEFFERSON NATIONAL MONUMENT

SEC. 201. The Congress recognizes the need for stabilizing and protecting the masonry fortifications at Fort Jefferson and for protecting and interpreting a pristine natural environment including the entire Dry Tortugas group of islands and their associated marine environments, significant coral formation, fish and other marine animal populations, and populations of nesting and migrating birds, all of which are located within Fort Jefferson National Monument, Florida (hereinafter referred to in this title as the "monument"). The monument and its boundaries, as established in Proclamation Numbered 2112, dated January 4, 1935 (49 Stat. 3430), are hereby ratified and confirmed. In furtherance of the purposes of the monument the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to accept gifts of funds which may be donated for any purpose, but particularly for stabilizing the historic structures within the monument.

SEC. 202. Within three complete fiscal years from the effective date of this Act, the Secretary shall, after consultation with the Governor of the State of Florida, develop and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a comprehensive general management plan for the monument consistent with the provisions of this title and pursuant to the provisions of section 12(b) of the Act of August 18, 1970 (84 Stat. 825), as amended (16 U.S.C. 1a–1 et seq.).

SEC. 203. Within three complete fiscal years from the effective date of this Act, the Secretary shall review the area within the monument and shall report to the President and the Congress, in accordance with subsections 3 (c) and (d) of the Wilderness Act (78 Stat. 890), his recommendations as to the suitability or nonsuitability of any area within the monument for designation as wilderness. Any designation of any such areas as wilderness shall be accomplished in accordance with said subsections of the Wilderness Act.

SEC. 204. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title. Notwithstanding any other provisions of law, no fees shall be charged for entrance or admission to the monument.

TITLE III—VALLEY FORGE NATIONAL HISTORICAL PARK

SEC. 301. The Act entitled "An Act to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes", approved July 4, 1976 (90 Stat. 796), is amended (1) in subsection 2(a) by changing "dated February 1976, and numbered VF-91,000," to "dated June 1979, and numbered VF-91,001,"; (2) in section 3 by adding the following sentence at the end thereof: "In furtherance of the purposes of this Act, the Secretary is authorized to provide technical assistance to public and private nonprofit entities in qualifying for appropriate historical designation and for such grants, other financial assistance, and other forms of aid as are available under Federal, State, or local law for the protection, rehabilitation, or preservation of properties in the vicinity of the park which are historically related to the purposes of the park."; and (3) in subsection 4(a) by changing "$8,622,000" to "$13,895,000".

TITLE IV

SEC. 401. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1980. Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 5926.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 5926, authored by the gentleman from Florida (Mr. FASCELL) would expand the existing Biscayne National Monument in Florida and redesignate the area as a national park, ratify the boundaries of the Fort Jefferson National Monument in Florida and provide for the acceptance of donations of funds for the purposes of the monument, and expand the boundaries of the Valley Forge National Historical Park in Pennsylvania.

I would like to call the attention of my colleagues to the longstanding efforts of Representative FASCELL to protect the remarkable natural resources of the south Florida area. A little over 11 years ago, on September 16, 1968, the House of Representatives passed H.R. 551, legislation authored by Congressman FASCELL to authorize the Biscayne National Monument. Now his leadership affords this body the opportunity to greatly enhance the protection of this unique area and raise it to full national park designation. Again, we are considering an initiative of the gentleman from Florida. His is a record of continuing concern for conservation that reflects great credit on both the gentleman himself and the people of the district he represents.

Mr. Speaker, in 1968, Congress authorized the Biscayne National Monument in the State of Florida. The national monument, located some 25 miles south of Miami, protects about 104,000 acres of prime coastal waters, keys and coral reefs. The area contains a remarkably diverse assemblage of tropical and subtropical plant and animal life, and is geologically significant as well.

Enactment of H.R. 5926 would include an additional 71,000 acres within the boundaries of the monument. The additions would greatly enhance the resources to be protected in this area. The northernmost extension of the series of keys which are within the existing boundary would be included. The northern additions would also complete the protection of the coral heads and shoal areas that are an important feature in this area. Finally, the addition of the coastal mangrove areas along the western boundary of the monument would provide protection for this major nutrient for the marine life of the area.

The legislation also addresses certain needs at another south Florida area, Fort Jefferson National Monument. This area contains remarkable marine and wildlife resources, as well as the largest of the 19th-century American coastal forts. Specific authority is given to the Secretary of the Interior to accept donations for the purposes of the monument. The boundaries of the monument, which were established by Presidential proclamation, are ratified. While Fort Jefferson National Monument will not be an area of high visitation due to its isolated location, H.R. 5926 affords an opportunity for the Congress to further the protection of this unique area.

Finally, the committee has incorporated in H.R. 5926 as reported the text of language passed by the House in November 1979 which provides for the addition of some 682 acres of lands to the existing Valley Forge National Historical Park, which was first authorized by Public Law 94-337. Subsequent to the establishment of the historical park, the National Park Service conducted a study of the boundary and the surrounding lands, and identified a number of properties which are desirable for addition to the area. Addition of these areas would permit the acquisition of scenic easements over some 149 acres to retain the character of the area surrounding the park, provide for fee simple acquisition of some 482 acres which will improve the management of visitor use activities and protection of historic properties, and incorporate some 51.4 acres of State and county owned lands which would be acquired only by donation.

Mr. Speaker, in considering this legislation, I would also like to point out the particular contributions made by the State of Florida and Dade County in this effort. Most of the existing area of Biscayne National Monument is composed of submerged lands which were generously donated by the State of Florida. In the expansion of the area which we are now considering, the vast majority of the area is again intended to be acquired by donation from the State. Therefore, our Federal dollars will only be spent to acquire the additional keys and shoreline areas which will complete the park.

Mr. Speaker, I urge my colleagues to join in support of this measure.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I thank the chairman for yielding to me.

Mr. Speaker, I want to commend the gentleman from California (Mr. PHILLIP BURTON) and his subcommittee, and also the full committee, for the attention which they gave this matter with regard to the Biscayne National Park.

Mr. Speaker, I rise in support of H.R. 5926, a bill to redesignate the Biscayne National Monument, in south Florida, as a national park. The bill also expands the boundaries of the present monument to take in approximately 71,000 additional acres, most of which are water.

The redesignation as a national park is important primarily as a public information device. The present name of "Biscayne National Monument" has been confusing ever since its establishment 11 years ago and has led to a serious misconception of what the area actually is. It is a park in every sense of the word and a most beautiful and ecologically valuable one. The National Park Service is in the process of implementing its development plan which, when completed, will provide facilities for boating, swimming, fishing, hiking, picnicking, nature trail exploration, and all the other things one thinks of as comprising the ingredients for a national park. Many of these activities are already available and are residents and visitors alike.

Even more visitors will be attracted to the park if they are not misled into believing that all there is there is a big stone statue or monument rising from the depths of Biscayne Bay.

The expansion of the boundaries is designed to include within the park contiguous islands and water areas which share the ecological fragility of the present monument and which are in danger of destruction if left open for possible development. This expansion includes the six Ragged Keys immediately north of the present boundaries and Soldier Key, just north of the Raggeds. It would also extend the western boundary close to the shore to a point already established by Dade County as a "development line." This area consists primarily of mangroves and is very delicate environmentally.

In addition, the new boundary would swing north to include what is locally

known as the safety valve area. There are a number of "stilt houses" located in this area which are used as recreational homes. The owners of these homes would continue to be able to use them subject to their current leases from the State of Florida.

It is important to emphasize that redesignation as a national park will in no way change the operations of the area as they are now, nor will it subject the area to any more or less stringent environmental controls than those that are presently in effect.

All of the State-owned bay bottoms located within the proposed boundaries will be donated to the Federal Government. The Florida cabinet has already endorsed this donation, which is subject to final action by the legislature. All fishing rights will remain within the jurisdiction of the State, since this is a statutorily mandated condition for transfer of State-owned lands.

It is estimated that acquisition of the privately owned lands will cost approximately $10 million. Since $1.6 million remains available from the original Biscayne National Monument authorization, H.R. 5926 authorizes an additional $8.5 million for acquisition. The bill also mandates that the privately owned lands be acquired within 2 fiscal years from the date of enactment so that the property owners can be promptly paid for their land.

The measure also legislatively establishes the Fort Jefferson National Monument in the Dry Tortugas. Fort Jefferson has important historical significance as the place where Dr. Samuel Mudd was incarcerated following his treatment of John Wilkes Booth after the assassination of President Lincoln. It is also environmentally valuable as a nesting ground for sea birds. Originally established by Executive Proclamation in 1935, this bill simply reaffirms legislatively the intent to preserve and protect it as part of the National Park System.

In addition, H.R. 5926 provides for the addition of 680 acres to the Valley Forge Memorial Park in Pennsylvania. The House already approved this acquisition last month and this reaffirms our intention that this acreage should be acquired.

I urge our colleagues to support the very basic environmental and historical considerations inherent in this legislation.

□ 1240

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. SEBELIUS. Mr. Speaker, I support the bill now under consideration, H.R. 5926, which deals with three existing units of our National Park System—Biscayne National Monument—to be changed to a national park—Fort Jefferson National Monument, and Valley Forge National Historical Park.

I want to stress the importance the committee attaches to the use of the park designation for Biscayne. The national park label is the pinnacle of designation to denote superlative quality for units of our national park system. I have had some reservation about the upgrading in designation of this area from monument to park. I believe it is warranted only if the National Park Service makes a supreme and persistent effort to guard the natural resource qualities of the park area and to be ever-vigilant to identify and repel extraneous influences which may tend to work toward the degradation of the park's natural resource qualities. To this end, the committee recognizes this issue in various references in the committee report.

The National Park Service is requested to conduct professional natural resource evaluations, beginning immediately and continuing for a 10-year period, and to submit its findings to the relevant congressional committees. This is intended as a monitoring device, and one upon which later recommendations and decisions can be formulated for enhancing the protection of the park's natural resources, with particular emphasis to be placed on aquatic components. These study evaluations are to apply similarly to both Biscayne and Fort Jefferson.

Wilderness studies are to be conducted for both Biscayne and Fort Jefferson, with the expectation that the National Park Service will take a creative and innovative approach in its analysis of wilderness potential for these principally aquatic resource areas, and submit findings from this effort in a timely manner.

It is most important that in the revision of general management plans for these two Florida areas, the National Park Service pay particular attention to the development of visitor use carrying capacities.

Finally, Mr. Speaker, title III deals with addition of lands to the Valley Forge National Historical Park in Pennsylvania. An identical measure has been adopted by the House previously as title II of H.R. 4308.

Valley Forge was made a new unit of our national park system on July 1, 1976, appropriately on the occasion of our Nation's 200th birthday. Prior to that time, the area was owned and managed by the State of Pennsylvania. After the National Park Service took over the area, they were able to evaluate the current boundaries of the park in view of their adequacy for their management needs, and with a particular awareness that adjacent suburban development was fast encroaching upon the park.

This evaluation led to the conclusion brought forth in the bill before us, advancing the urgent necessity of some further boundary additions. Most of the lands to be added will help protect the integrity of the current historical lands by buffering them from adverse adjacent development. The additions will also offer expanded management flexibility to channel much of the current nonconforming recreational use within the park from the areas of major interest. It is most important that the National Park Service keeps this issue in the forefront of all its planning and management efforts.

The committee, when it authorized this new area in 1976, saw this issue as one of very high concern—the segregation of recreational use from the prime parts of the historical resource, and the altogether eventual complete elimination of some aspects of recreational use.

Mr. Speaker, this completes my comments on this bill, and I urge its favorable approval by my colleagues.

● Mr. COUGHLIN. Mr. Speaker, I rise to speak on H.R. 5926, a bill to establish the Biscayne National Park and to add 682.4 acres to the Valley Forge National Historical Park, Pa. The Valley Forge section was originally H.R. 4762, an individual bill I introduced on July 12, 1979. Subsequently, it was passed as title II of H.R. 4308, the Legionville National Historic Site bill. Let me take a moment to compliment the distinguished chairman, Mr. PHILLIP BURTON of California, and ranking minority member, (Mr. KEITH SEBELIUS of Kansas, of the Interior Subcommittee on National Parks and Insular Affairs for their swift consideration and support of the Valley Forge land acquisition.

As students of American history know, Valley Forge was the site of the encampment of General George Washington's Continental Army during the bitter winter of 1777–78. While the temporarily victorious British army was comfortably billeted in Philadelphia, General Washington and his 11,000 battle-weary men set up camp 20 miles to the west. Against overwhelming odds, the Continentals not only survived, but emerged as a disciplined and proficient military force. The Valley Forge story is truly one of the most inspired and patriotic chapters in the history of the United States.

In recognition of this, and with the assistance and support of the House Interior and Insular Affairs Committee, a bill establishing the Valley Forge National Historical Park was passed in 1976 (Public Law 94–337). At that time, the committee recognized:

First. The rapidly increasing development around Valley Forge as pressure for usable land in the Greater Philadelphia urban area has grown.

Second. The national character and historic significance of the park; and

Third. The need for continuing protection and management by the National Park Service.

These considerations are applicable, today, to the 682.4 acres which the pending bill would add to the existing 2,450-acre park. Most of the land is in Lower Providence Township, Montgomery County, with about 60 acres in Tredyffrin and Schuylkill townships, Chester County. Acquisition of this new acreage would be a major development in preserving a beautiful section of the Schuylkill River Valley.

It is important that the Federal Government move immediately to obtain these valuable lands. All of the property to be acquired in fee, except for one parcel, is slated for purchase or development by private individuals. There is the real danger that these tracts will be lost, unless the Park Service is able to act in the next few months. It is my understanding that informal agreements exist between the National Park Service and landowners, that the Government would have the opportunity to purchase the land by the end of the year. Unless the property, most of which is raw land, is acquired now, it will not be feasible to purchase it in the future. Higher costs are certain

when compensation for development and displacement is included.

Within the proposed acquisition is Fatlands, the historic building and property in Lower Providence north of the Schuylkill River, which is owned by the famous, former Philadelphia Democratic Chairman Peter J. Camiel. The 155-acre property is slated for development, Mr. Camiel previously announced, unless arrangements for Federal acquisition are completed. A historic structure, vintage 1740, is situated on another tract, also to be acquired. Park officials say the building, in good condition, served as commissary headquarters for General Washington and his Army during the encampment.

The 1976 House Interior Committee report (H. Rep. 94–1142) expressed the expectation that the park would be managed "with increased emphasis on the restoration and maintenance of the historic scene. Non-conforming recreational uses are to be phased down or relocated." Recreational activities currently provided in the park are restricted. Intense uses, such as marathons, are forbidden. Although there is historical justification for buying property north of the river—Washington and his troops also camped on that side and used the ford—the land would be valuable primarily for recreational purposes. Biking, hiking, jogging, and horse trails, and picnic groves could be shifted and expanded from the current park area to accommodate the 4 million annual visitors. New acreage would be a link with the Audubon Wildlife Sanctuary, the Evansburg State Park and planned recreational trails. Such uses conform with township, county, and regional planning, and enjoy strong local support.

Plans also call for obtaining scenic easements on about 130 acres of developed land in Montgomery and Chester counties. Agreements would ensure that land only be used for private homes, preventing high-rise and/or commercial development. Not only would there be no displacement for the 30 owners involved, but vista access across the Schuylkill River would be preserved without buying land out to the horizon.

For historical purposes, recreational use, and vista protection, I urge the House to accept the recommendations of the Parks Subcommittee and the full Interior Committee and pass this bill. Unless action is expeditiously taken, much of this land will be lost to other uses. I am confident that the House will continue to protect America's valuable resources.●

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time. I urge approval of the resolution, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 5926, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to establish the Biscayne National Park, to improve the administration of the Fort Jefferson National Monument, to enlarge the Valley Forge National Historical Park, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEBELIUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT STUDY AUTHORIZATION

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2757) to authorize the Secretary of the Interior to engage in a feasibility study, as amended.

The Clerk read as follows:

H.R. 2757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Department of the Interior is authorized and directed to conduct a feasibility study of the Yakima River Basin Water Enhancement Project, which shall include an analysis by the United States Geological Survey of the water-supply data for the Yakima River Basin. The Secretary is authorized to accept moneys from the State of Washington or other persons or entities, public or private, to assist in the financing of the feasibility study.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2757.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2757 is a bill to authorize the Secretary of the Interior to engage in a feasibility study of the proposed water resource project in the State of Washington known as the Yakima River Basin water enhancement project. I emphasize, this is only a feasibility study done at the request and instance of the distinguished gentleman from Washington (Mr. McCORMACK).

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, as the chairman has pointed out, this legislation calls for a feasibility study of a proposal to develop a systemwide enhancement project for the Yakima River system. If the proposal for which this feasibility study becomes a reality, it will create a long-range, comprehensive program for river development and water management along the entire Yakima River system. It would include five additional reservoirs and a program to assure all users of water in the valley that they will have an optimum opportunity of obtaining water in the future. At the same time, the proposal would protect and enhance the flow of the Yakima River. Thus, it is a legitimate and meaningful environmental protection plan that would significantly enhance anadromous fish runs in the river.

Mr. Speaker, the Yakima River enhancement proposal has been worked out by the Governor of the State of Washington, the Honorable Dixy Lee Ray; the Yakima Indian Tribal Council, led by Chief Watson Totus; and the House Interior Committee. I know of no opposition to the proposal or to this bill. The feasibility study which is called for in this bill will be partially funded by money that has already been provided by the State of Washington. The total cost of the study is estimated by the Congressional Budget Office to be less than $2 million.

I urge support for this bill.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill and commend my colleague, the gentleman from Washington, for his initiative in this far-reaching solution.

● Mr. KAZEN. Mr. Speaker, H.R. 2757 is a bill to authorize the Secretary of the Interior to engage in a feasibility study of a proposed water resource project in the State of Washington known as the Yakima River Basin water enhancement project.

While the Secretary can conduct preliminary studies, designated reconnaissance level studies, and basin surveys without congressional approval, under existing law, he cannot conduct the more detailed feasibility study without such approval.

Drought conditions in recent years have focused attention on the need for expanded and assured water supplies in many areas of the Western States, including the Yakima River Basin.

The primary objectives of the Yakima River Basin water enhancement project are to provide supplemental water to presently irrigated lands, provide new water to lands in the Yakima Indian Reservation, provide water for increased instream flows for the benefit of aquatic life, and develop a comprehensive plan for the basin to enable efficient management of existing water supplies.

The proposed project is multipurpose, providing increased storage of water for irrigation, fish and wildlife conservation, flood control, and additional hydroelectric generating capacity.

The estimated cost of the feasibility

study authorized by H.R. 2757 is $2 million. As amended, the bill authorizes the Secretary of the Interior to accept money from the State of Washington or other private or public entities to assist in financing the study. It is the understanding of the committee that the State of Washington has agreed to provide half of the amount required for the study.

As introduced, H.R. 2757 provided that any money contributed by the State would be credited to the total amount of cost to be borne by the State as a contribution to the cost of the project should it be authorized and constructed. The committee amendment deleted this provision, it being the judgment of the committee that a decision on whether or not such a credit should be allowed ought to be deferred until such time as authorizing legislation for construction is considered.

Mr. Speaker, I believe that the study authorized by H.R. 2757 is necessary in order that a determination may be made as to how best to manage and conserve a most important resource in the Yakima River Basin, and I urge approval of the bill, H.R. 2757, as amended.●

Mr. UDALL. Mr. Speaker, I urge support of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the bill, H.R. 2757, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 585) to authorize the Secretary of the Interior to engage in a feasibility study of the Yakima River Basin water enhancement project, a bill similar to the bill just passed, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Department of the Interior is authorized and directed to conduct a feasibility study of the Yakima River Basin Water Enhancement Project. The Secretary is authorized to accept moneys from the State of Washington or other persons or entities, public or private, to assist in the financing of the feasibility study. If moneys are so provided by the State of Washington, and Congress thereafter authorizes and appropriates funds for the construction of the Yakima River Basin Water Enhancement Project, the moneys so provided by the State shall be credited to the total amount of any costs required to be borne by the State as contributions toward or repayment for costs of the project.

MOTION OFFERED BY MR. UDALL

Mr. UDALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. UDALL moves to strike out all after the enacting clause of S. 585 and to insert in lieu thereof the provisions of H.R. 2757, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2757) was laid on the table.

AIR TRAFFIC CONTROLLERS TRAINING AMENDMENTS

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5870) to amend title 5 of the United States Code to improve the second career training program for air traffic controllers, as amended.

The Clerk read as follows:

H.R. 5870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3381 of title 5, United States Code, is amended to read as follows:

"§ 3381. Training

"(a) Subject to the following provisions of this section, an air traffic controller is entitled to training under a program approved under this section, if the controller—

"(1) is not a supervisor (as defined in section 7103(a)(10) of this title);

"(2) has completed not less than 8 years of service as a controller;

"(3) is not eligible for immediate retirement under section 8336 of this title;

"(4) is to be removed as a controller because the Secretary of Transportation has determined that—

"(A) the controller is medically disqualified for duties as a controller;

"(B) the controller is unable to maintain technical proficiency as a controller; or

"(C) the removal is necessary for the preservation of the physical or mental health of the controller;

"(5) within 30 days after receipt by the controller of notice of the Secretary's determination under paragraph (4) of this subsection (or if a reconsideration is requested under section 3383 of this title, within 30 days after receipt of the findings of the board of review under subsection (c) of section 3383), has submitted to the appropriate regional review board written notice of the controller's intention to apply for training under this section;

"(6) submits to the appropriate regional review board an application—

"(A) which sets forth a proposed program for training of the controller under this section, and

"(B) which is accompanied by a certificate of a physician, selected from a list maintained under subsection (d)(4), which states that the physician has conducted a medical examination of the controller and the examination did not reveal any medical reason why the controller would not be able to complete the proposed training program; and

"(7) within 15 days after receipt by the controller of notice of approval of a training program for the controller, submits to the Secretary of Transportation written notice of the controller's intent to participate in the approved training program.

"(b) During a period of training under this section, a controller shall be—

"(1) retained at his last assigned grade and rate of basic pay as a controller;

"(2) entitled to each increase in rate of basic pay provided under law; and

"(3) excluded from staffing limitations otherwise applicable.

"(c) The Secretary of Transportation shall designate employees of the Department of Transportation to serve as regional career counselors—

"(1) who shall be responsible for providing assistance to controllers in developing proposed training programs under this section, and

"(2) who are qualified on the basis of knowledge, training, and experience to provide that assistance.

"(d)(1) For purposes of this section, the Secretary of Transportation shall establish regional review boards. Each board shall be composed of three members, as follows:

"(A) an employee of the Department of Transportation, designated by the Secretary of Transportation;

"(B) an employee of the Department of Labor experienced in vocational counseling, designated by the Secretary of Labor; and

"(C) a representative of the exclusive representative (as defined in section 7103(a)(16) of this title) of the controller, designated by the exclusive representative.

Members of each board shall receive no additional pay by reason of their service on the board. The amount of time spent by an employee serving as a board member shall be considered as spent in the performance of the employee's official duties.

"(2) Each board shall promptly consider any application for training submitted to it and approve the application if the board determines the training program proposed in the application provides training objectives and courses of study reasonably likely to result in—

"(A) successful completion of the training program by the controller, and

"(B) appropriate job placement of the controller upon the completion of that program.

If the board finds that the proposed training program does not meet the requirements of subparagraphs (A) and (B), the board (in consultation with the controller) shall modify the proposed training program to the extent necessary to permit the board to find that those requirements are met, and shall approve the proposed training program as modified. The board shall promptly provide the Secretary and the controller written notice of its approval, together with any modifications of the training program.

"(3) The board may not approve any training program the duration of which exceeds two years.

"(4) Each board shall maintain a list of not fewer than five physicians who the board considers qualified to make the certification required under subsection (a)(6) of this section.

"(5) As soon as practicable after the board receives notice by any controller under subsection (a)(5) of this section of the controller's intention to apply for training under this section, the board shall notify the Secretary of Labor of that action and request that the Secretary expedite any determination regarding any award of compensation under section 8124(a) of this title for which an application by the controller has been or may be made.

"(e) Upon completion of training under this section, a controller—

"(1) may be assigned to other duties in the Department of Transportation;

"(2) upon the controller's request, shall be accorded appropriate assistance for place-

ment in vacant positions in other Executive agencies; or

"(3) may be involuntarily separated from the service.

The involuntary separation of a controller under this subsection is not a removal for cause on charges of misconduct, delinquency, or inefficiency for purposes of section 5595 or section 8336(e) of this title.

"(f) The Secretary, without regard to section 529 of title 31, shall pay, or reimburse a controller for, the necessary expenses of training approved under this section, including expenses authorized to be paid under chapter 41 and subchapter I of chapter 57 of this title, and the costs of other services or facilities directly related to the training of a controller.

"(g) Except as provided by subsection (f) of this section, the provisions of chapter 41 of this title, other than sections 4105(a), 4107 (a) and (b), and 4111, shall not apply to training under this section.

"(h) The provisions of this section shall not otherwise affect the authority of the Secretary to provide training under chapter 41 of this title or under any other provision of law.".

SEC. 2. (a) Section 3882 of title 5, United States Code, is amended by striking out the last two sentences.

(b) Section 3383(a) of title 5, United States Code, is amended by striking out "3381(a)" and inserting in lieu thereof "3381(a)(4)".

SEC. 3. All regulations which have been issued by the Secretary of Transportation under section 3384 of title 5, United States Code, and which are in effect immediately before the date of the enactment of this Act shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law or by operation of this Act or any other law.

SEC. 4. (a) The amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by this Act shall not apply with respect to individuals receiving training under subchapter VII of chapter 33 of title 5, United States Code, on or before the effective date of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. COURTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this bill, H.R. 5870.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am handling this bill today at the request of the gentleman from New York (Mr. HANLEY), chairman of the Committee on Post Office and Civil Service, who is unable to be here today. This bill revises the second career training program for air traffic controllers. Last year, after several years of unhappy experience with the program, the Committee on Appropriations cut out all funding for fiscal year 1979. Adverse reports were received from the GAO and the FAA about the program and the Committee on Appropriations recommended substantial modifications.

Mr. Speaker, this program was created in 1972 so the controllers who were over the hill could continue to receive pay for 2 years and undertake training for some new occupation. The principal weakness has been withdrawal from the program because controllers go out on disability retirement or workmen's compensation.

Mr. Speaker, H.R. 5870 makes six basic changes in the existing law.

First. Employees eligible to retire under civil service retirement cannot receive second career training;

Second. Review boards will be established in each region to review applicants for training and generally monitor the program;

Third. A physician will have to certify an applicant medically able to enter and complete a second career training program;

Fourth. First line supervisors will no longer be eligible for second career training;

Fifth. A minimum number of years of service as a controller for entry into the program is increased from 5 to 8 years; and

Sixth. The FAA will have to provide more effective counseling and supervision of the program. At the present time no counselor in the program is professionally qualified for this kind of work.

If enacted, H.R. 5870 would reduce the cost of the second career training program from about $27 million to $22 million a year.

Mr. Speaker, I reserve the balance of my time.

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5870, a bill to improve the air traffic controller second career training program.

In 1972, the Congress approved comprehensive legislation, Public Law 92-297, to provide needed reforms to the air traffic controller program. Specifically, the law provides eligible air traffic controllers the opportunity for early retirement and up to 2 years of federally supported academic or on the job training at full salary.

However, from all reports it appears the "second career training program" has been badly administered. According to the GAO, FAA failed to properly counsel controllers on the second-career program and little effort was made to relocate controllers within the Government.

Because of this report and other investigations, the Congress for the past 2 years has not appropriated any funds for this program. Early this year, the House Committee on Appropriations indicated the current status of the program would remain in effect until such time as a substantially modified program is enacted by Congress.

H.R. 5870, I believe, will satisfy the legitimate concerns of the Appropriations Committee.

This bill specifically changes the law by requiring the Secretary of Transportation to designate employees to serve as career counselors to controllers eligible for second career training; establishes regional boards, and requires these boards to work with controllers to develop acceptable training programs; certificates of medical fitness for training must be obtained from physicians approved by the regional training boards; and the boards must notify the Secretary of Labor when a controller applies for second career training and to request expedition of workmens' compensation determinations.

Mr. Speaker, these important changes in the law will correct many of the deficiencies cited in the various negative reports on the second career training program. Further, they will provide the necessary mechanisms to management to properly administer a much needed second career program to those who no longer can efficiently function as air traffic controllers.

I urge prompt enactment of this legislation.

□ 1250

Mr. Speaker, I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Speaker, I congratulate Chairman HANLEY and the Committee on Post Office and Civil Service for its development of H.R. 5870, a major improvement on Public Law 92-297. Hopefully, should H.R. 5870 become law, many of the abuses, if not outright fraud committed through the operation, or inoperation of Public Law 92-297 will be corrected.

Today, because of the unavoidable absence of Chairman DUNCAN of the House Subcommittee on Transportation Appropriations, I rise to question whether the second career training program for air traffic controllers should be continued or whether, in fact, this body should be repealing and not modifying section 3381 of title V, United States Code, as recommended by the General Accounting Office on June 29, 1978.

By 1977, more than $76 million had been spent on the operation of Public Law 92-297 which was enacted May 10, 1972, to provide that an air traffic controller who is medically disqualified or unable to maintain technical proficiency is eligible for 2 years of approved training (at no cost to the controller) to prepare for a career in another line of work. While in training, he continues to receive full pay.

The legislation was based on the premise that air traffic control is a young's man's work and that in the pursuit of such a career an individual acquires few, if any, transferable skills. Accordingly, the objective of the program was to ease the transition over to a new career for controllers who burned-out early of the skills and energies neces-

sary to efficient operation in air traffic work.

In the fiscal year 1978 appropriations bill, the program was reduced by $3 million because a controller who is eligible for retirement could avail himself of second career opportunities and collect an additional 2 years pay plus additional retirement credit. The subcommittee anticipated legislation to remedy the situation and indicated that the legislation should be enacted.

In the fiscal year 1979 appropriations, the subcommittee noted that the Appropriations Committee investigative staff had reviewed the Federal employees compensation programs (OWCP) of the Department of Labor and the second career training program of the FAA. That review concluded that the second career program should be discontinued—a finding similar to that of the Comptroller General.

The investigative staff found that more than $100 million had been appropriated for the program although the GAO found that only 7 percent of the eligible controllers in the three regions covered by its report had used or would use the program to enter a new career. The remaining 93 percent either declined training, withdrew before completion of training or could not be expected to find employment after training.

The GAO had also noted that if the second career program is discontinued, 98 percent of the controllers could have their needs met by income security and training benefits available from other Federal programs. The GAO concluded that the remaining 2 percent could be employed within Federal Government.

Because of these findings and the supporting testimony of the FAA, the subcommittee recommended for fiscal year 1979 and 1980 that the program be limited to personnel in the program and that new applicants not be admitted unless substantial program modifications were enacted by Congress.

The real issue is whether H.R. 5870 includes modifications that would cure the abuses noted to date and effectuate sufficient cost savings to meet the original intent of Public Law 92-297.

Earlier this year, the FAA testified regarding recommended changes to Public Law 92-297. That testimony follows:

Requires that as a condition of entry into a second career training program that the employee provide a statement from his attending physician stating that, in the physician's opinion, the employee is medically suited for entry into and completion of the training.

Estimated cost implications: None.

Comment: If there were to be a second career program, we would agree with the idea that a disqualified controller's physician should certify to his/her medical suitability for training. This, coupled with advice from the FAA medical staff, could help insure against many training problems resulting from illness.

Requires that employees meeting the age and service requirements which would entitle them to retirement on immediate annuity be restricted from entering the second career training program.

Estimated cost implications: Savings $2,100,000.

Comment: In January 1977, legislation was proposed to eliminate training for all disqualified controllers eligible for optional Civil Service retirement. FAA would continue to support this position if a second career training program were reinstated.

Treats training costs incurred by participants in the second career training program with the same tax status as those afforded training under the Federal Employees' Compensation Act.

Estimated cost implications: None.

Comment: We believe that the Tax Reform Act of 1978 has liberalized considerably training benefits from taxable income and that second career training costs would not be taxable. However, IRS would have to rule specifically on this issue.

Requires that the office of workers compensation programs recognize second career training under Public Law 92-297 as valid rehabilitation training programs for the purpose of determining compensation levels for those employees entitled to benefits under the Federal Employees' Compensation Act.

Savings—Minimal.

Estimated cost implications: Additional cost—None.

Comment: We propose that FAA training should not be provided to persons who are eligible for compensation (including rehabilitation training) under the Federal employees' compensation program. Since compensation from OWCP is tax free (and continued salary from FAA during training is not), most second career participants have opted for coverage under OWCP as soon as they were determined eligible. Thus, there is no need for FAA to continue the expense of any training program for this group of people.

If FAA were to continue a training program for all disqualified controllers, we agree that it should be recognized by the OWCP as valid training for compensation determination purposes. FAA training and salaries costs still would not vary appreciably from the present situation. The effect would be to reduce our annual chargeback from OWCP cost. However, the amount would depend upon whether the controller complete the training, the marketability of the skills after training, the local labor market, the controller's health status, etc. We doubt that the net savings to FAA would be much greater than currently possible under the OWCP's authority to reevaluate one's loss of wage earning capacity.

Require the agency to use either the services of other State or Federal vocational counseling offices, or the service of private counselors who are professionally trained in the field.

Estimated cost implications: $430,000 additional cost.

Comment: FAA has tested the use of an outside vocational counselor in New York and the use of the Georgia State Vocational Counseling Service. In both cases, our evaluations indicated that there were: (A) no significant differences in the training objective selected: (B) no differences in training completion rates: and (C) no differences in the post training employment rates. Also, the Georgia State Vocational Service felt that controller income levels from either office of personnel management disability retirement or OWCP, removed the incentive for positive rehabilitation to occur.

Alternate proposal: create a national level tripartite board of review to review training programs.

Estimated cost implications: $259,000 additional cost.

Comment: In our opinion, the establishment of a national board would create considerable delays in approval of training programs and would not be responsive to individual needs or local employment market conditions.

Extend the current 5-year eligibility requirement to 5 years at or above grade GS-10.

Estimated cost implications: Savings $1,100,000.

Comment: FAA agrees that eligibility for second career training should be restricted and requiring 5 years at or above GS-10 is a reasonable criteria. In addition, we strongly believe that a disqualified controller should have attained the full performance level at least in one facility. This would assure a degree of personal investment in the air traffic profession before the controller could receive future benefits.

Restrict entitlement to second career training to those air traffic controllers actively engaged in the control and operation of aircraft.

Estimated cost savings: $2,000,000.

Comment: Due to operational requirements, supervisors are required to meet the same medical and operational standards as journeyman controllers. In the event they become disqualified, it would be illogical to deny them retraining benefits.

Quite frankly, H.R. 5870, will effectuate some cost savings. However, the GAO, in proposing discontinuance of the program, concluded that the 2 percent that would need assistance could be employed by the Federal Government, including other FAA assignments, such as FSS specialists.

In the investigative staff's opinion, the cost of second careers were prohibitive for the results being achieved. This view was shared by a number of FAA officials, one of whom suggested that Government's interest would be better served if controllers were just carried in pay status for 2 years after removal (or until picked up by OWCP) and the rehabilitation program under second career were dropped.

Another suggestion was made for integrating the two programs so that a controller eligible for OWCP would not be eligible for second career. Implementation requires legislation and the resolution of many procedural problems, but the staff believed the idea had merit. Second career was conceived at a time when the OWCP alternative was not so readily available, and a program was needed to take care of controllers who had burned out. By the time the legislation was enacted, OWCP was taking a more liberal approach to adjudicating stress related claims and fulfilling this need. Now, the controller often has access to both programs and, in some ways, they are highly duplicative. Both, for example, are premised on the need for rehabilitative service and training, and there are no safeguards to preclude a controller from taking a full 2 years of training (possibly with different career objectives) under both programs, the first 2 years at full salary and the next 2 at 75 percent of pay, tax free.

H.R. 5870, while curbing some of the abuses, does not go far enough in certain instances, namely the continuation of seniority for retirement and coordination with OWCP to prevent duplication. On the other hand, it does continue aspects of a program which has proven extremely costly over the past 7 years.

I, for one, do believe that we have a responsibility to our air controllers because of overriding interest in air safety. We do not want controllers who are "burned out" and do not want to encourage, even indirectly, the continuance in office of a controller who cannot per-

form. On the other hand, all reviews of this program point to an excessive cost which is not remedied here.

On behalf of Chairman DUNCAN, I ask that this measure be reconsidered—possibly with a year's guarantee of salary and commitment of the FAA to place all physically able controllers within that agency at a much less sensitive post and comparable pay until such time as the controller is eligible for retirement. Certainly, this alternative will cost far less than the $22 million annual price tag of this bill—and probably do much more for our professional air controllers.

Mr. UDALL. Mr. Speaker, just in brief response, this program has been widely criticized and I think there has been some justification.

The committee had two options; one was simply to kill the program and the other was to work out the bugs and see if we could go around and make it perform satisfactorily at this time.

The Appropriations Committee will have another whack at it when we reach the budget process, the appropriation process next year.

I hope that we would pass the legislation, take a look at it. The Appropriations Committee can do as they did a couple years ago and deny funds, or it can restrict the amount of funds; but I think we owe it to these second career air traffic controllers, who have a very difficult and successful job, to at least leave this program open for further refinement.

Mr. Speaker, I yield back the balance of my time and ask support for the bill.

● Mr. DOWNEY. Mr. Speaker, the debate today on the second career training program for air traffic controllers is of great importance, not only to the controllers but also to the vast majority of Americans who have or will someday use our Nation's airways. I am sure my colleagues are aware of the incredible physical and mental stresses and strains of an air traffic controller's job. Because of the nature of their work, controllers deserve special consideration when they later change to another form of employment which is less mentally demanding. Currently, controllers often find themselves in the position of being highly skilled in an extremely technical area, but with skills and experience which are not easily transferable to other fields. It is for this reason the Government must provide an efficient and practical program of retraining for these men and women who have served the American public in an absolutely essential occupation. Without it, we may never be able to attract the type of high quality individuals to this profession that we so desperately need.

The specific requirements for entry into a second career training program that have been worked out by the Post Office and Civil Service Committee lays the necessary groundwork for addressing this situation. I congratulate the committee on their efforts and offer my full support for the commitee bill. I sincerely hope that the Congress and the administration will not allow too many more months to pass before the Nation's air traffic controllers have the second career training program they fully deserve and need.●

● Mr. DERWINSKI. Mr. Speaker, I support enactment of H.R. 5870, which makes necessary changes in the second career program for air traffic controllers.

Although the FAA was charged with responsibility to administer the second-career program established in 1972, it has failed miserably. Too often second-career benefits have been abused, and the effectiveness of the program to prepare controllers for a new career has been at best questionable.

The failings of the program were emphasized in a 1978 General Accounting Office report, which said:

> FAA had not adequately administered the second-career program to assure its proper use and maximize program success because controllers were not properly counseled and no appreciable effort was made to find employment for controllers within FAA or other Federal agencies.

While there is little disagreement that air traffic control is a highly stressful occupation, there remains a question as to the future of air traffic controllers who burn out at a young chronological age. Although these skilled employees are no longer able to handle air traffic, they still are capable of contributing usefully in other areas of the labor market.

Therefore, I endorse the concept of second-career training and feel that a properly administered program can have positive results. The hearing record is replete with evidence showing air traffic controller skills are not transferable to other occupations.

H.R. 5870 brings together the loose ends of second career training left behind by FAA bureaucrats who did not know how to run the program. The bill provides for regional training boards and requires the boards to work with controllers in developing acceptable training programs. It requires the Secretary of Transportation to designate employees to be career counselors to controllers qualifying for second career training, and requires 8 years of service for eligibility into the program.

Mr. Speaker, H.R. 5870 is sound legislation which will make second career training a workable, well functioning reality. It is a good program which should be continued.●

● Mr. EDWARDS of Alabama. Mr. Speaker, I rise in opposition to the bill H.R. 5870, which would have the effect of amending Public Law 92–397, the law which provides for second-career training for air traffic controllers removed from duty for various medical reasons.

The purpose for which this program was created is well established. In the interest of aviation safety, air traffic controllers who are no longer able to perform their highly specialized duties must be removed. Because few employment opportunities exist outside the Government for controllers' skills, Congress established a second-career training program in 1972 for controllers so removed by the Federal Aviation Administration.

However, the program has been fraught with problems since its inception. The General Accounting Office as well as our own Appropriations Committee investigative staff have both conducted investigations and as a result criticized this program claiming that as currently organized and managed the program needs to be discontinued. Some of the problems that were outlined and documented were the extremely high average cost of training, poor administration, including ineffective career counseling by the Federal Aviation Administration and abuses of participating employees. The program has been widely criticized because some controllers participate in the second career training program only to maintain their salaries during the lengthy application process for disability compensation and then withdraw their application upon approval. These abuses are well documented.

As a result of the substantial abuses which the program has experienced since its inception, coupled with the extremely high costs associated with the program, as well as the very poor completion rate and employment in the field for which training is received, I feel compelled to cast my vote in opposition to this bill. It was for this reason that many of my colleagues on the Appropriation's Committee felt it necessary to call for substantial modification for this program in the fiscal year 1979 Department of Transportation and related agencies appropriation bill.

The bill we have before us today does not adequately address the problems which this program is faced with. Unless and until we can bring a bill before the House which deals squarely with the failure of this program to achieve its desired goal, I feel its a true waste of the taxpayer's dollar to continue it at this time.

I urge my colleagues to oppose this bill and at this point I would like to insert in the RECORD a letter the committee received just this morning from FAA's Administrator urging the defeat of this bill.

The material follows:

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., December 7, 1979.

Hon. ROBERT B. DUNCAN,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to express my concern about the possible enactment of H.R. 5870 which has been favorably reported by the House Committee on Post Office and Civil Service. We have reviewed H.R. 5870 and have concluded that its enactment should be strongly opposed. Though appearing to make changes to the second career training program to reduce costs and to improve its effectiveness, we do not believe that will, in fact, occur. While it is true that program costs could be reduced modestly by tightened eligibility, we nevertheless estimate that the second career program would cost the taxpayer on the order of $26,000,000 annually if H.R. 5870 is enacted and funding for second career training restored.

This proposed legislation is an apparent response to the prohibition against further funding of the second career training program which was initiated by your Subcommittee after reports by the Appropriations General Accounting Office disclosed numerous shortcomings in the program. Those shortcomings were subsequently verified by

the Federal Aviation Administration in our reexamination of the second career training program. Among the salient findings, you may recall, was the determination that the cost of the second career training program per successful trainee was nearly $370,000.

Let me discuss for a moment the changes to the program contemplated by H.R. 5870. For one thing, it would exclude from eligibility those controllers who, when disqualified from controller duties, are eligible for voluntary retirement. The bill also requires career counseling for disqualified controllers and placement assistance after completion of training; requires medical certification that a controller does not have a condition which would preclude him from being able to complete training; institutes regional review boards to review proposed training programs; limits eligibility to controllers who have served eight years as a controller contrasted with the five years required in the existing statute; and would no longer permit first level supervisors to undertake second career training.

A number of these changes admittedly have surface appeal; some would apparently reduce program costs by restricting program eligibility—others would raise costs of program administration but seem geared towards improving upon the extremely poor success rate that was experienced with second career training. On further analysis, however, it is clear that many of the root causes of problems which contributed to the failure of the previous second career training program have not been addressed. For that matter, it is not clear to us that the concept of a limited training program such as second career can be made to work.

I'd like to briefly touch upon some of the deficiencies we see with the proposed legislation. One significant problem that has not been adequately addressed by the bill concerns the relationship of second career training and Office of Workers' Compensation Program (OWCP) benefits. As you are aware, OWCP benefits for job related disability are quite high (they can be as much as 75 percent of former salary, tax-free). But it frequently takes a susbtantial period of time before a claim submitted to OWCP is finally approved. Therefore, it was our experience in the past that second career training served merely as a convenient "way station" for many controllers to continue to receive full salary while awaiting approval of their OWCP claims. The proposed legislation does not address this fundamental problem; consequently, it is likely that a number of controllers would enter second career training with no real intent of seeking training for a new career, and would withdraw from training once OWCP benefits were available.

Another deficiency is that the medical certification of disqualified controllers, called for by the bill, relates only to their ability to complete training. Consequently, while a controller might be medically capable of completing training, his medical condition could pose a hurdle for actual work in the occupation for which trained.

Earlier I alluded to the fact that there may be fundamental problems with the concept of second career training itself that cannot really be fully addressed. I believe that a significant problem with the concept of second career training arises from the fact that, for the limited number of controllers who actually complete training, the types of jobs available are, in many cases, insufficient inducement to actively seek employment.

In the Federal sector, for example, two years of academic training are generally qualifying at the GS-4 level. Even if a former controller received qualifications credit for past experience, it would be the exception rather than the norm when such an individual would qualify for Federal employment above the GS-7 level. Considering the low salary ranges at the GS-4 to 7 levels, contrasted with the typically high salary earned by controllers, it is highly unlikely that a controller would waive entitlement to Civil Service disability retirement by accepting a relatively low paying Federal job. In the private sector, too, the limited amount of training provided by a second career training program would generally only entitle an individual to a relatively low paying job. Thus, as in the Federal sector, there is frequently not much of an incentive to seek employment, which fact seems to be borne out by the poor success rate of the earlier program.

In sum, Mr. Chairman, we believe that the proposed legislation will not result in a program which warrants funding by the taxpayer. In fact, we estimate that even if the success rate of a second career training program increased several fold—to a 25 percent success rate—an increase we believe is highly unlikely, the cost per successful program participant would still approximate nearly $325,000. I'm sure you and the Members of your Subcommittee will agree with me that an expenditure of that magnitude should not be allowed.

Though it has been alleged that the FAA's poor administration of the second career training program was responsible for its failure—thus suggesting that modifications to the administration of the program would make it work—I would call your attention to the GAO report, "Second-Career Training For Air Traffic Controllers Should Be Discontinued", which states: "The Federal Aviation Administration could improve program administration, but these improvements are unlikely to noticeably increase the program's success. Controllers' health and age and preferences for the long-term income security and training benefits from other Federal programs provide formidable obstacles to increasing the program's effectiveness."

The Office of Management and Budget advises that the enactment of H.R. 5870 would not be in accord with the President's program.

Thank you for your attention to this matter. I will be pleased to meet with you on this subject, should you desire.

Sincerely,

LANGHORNE M. BOND.●

Mr. HARRIS. Mr. Speaker, I rise to support H.R. 5870, a bill to insure the aviation safety of our Nation. This legislation provides a sound, responsible program to make certain the Government maintains the kind of air traffic controller work force which will provide the optimum standard of safety for our air-traveling public.

Equally important is the fact that this legislation says to air traffic controllers that we—the Federal Government—will not "use them up" and then toss them out with no assistance so that they can continue meaningful, productive lives.

In 1972, Congress recognized the magnitude of the problem of stress on air traffic controllers and enacted Public Law 92-297. This program has been subject to poor administration. The 7 years of experience under the law has pointed to the need for improvement in the program to eliminate certain weakness in the original legislation. H.R. 5870 provides these improvements and its enactment will insure the aviation safety of our Nation and a responsible program for second-career training for our dedicated air traffic controllers. I urge my colleagues to support this important legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the bill, H.R. 5870, as amended.

The question was taken.

Mr. BENJAMIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order is considered withdrawn.

EXTENSION OF FEDERAL PHYSICIANS COMPARABILITY ALLOWANCE ACT

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5015) to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5015

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 Physicians Comparability Allowance Amendments of 1979".

SEC. 2. Section 5948 of title 5, United States Code, is amended—

(1) in subsection (d) by—

(A) striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981"; and

(B) striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983";

(2) in subsection (g)(1) by—

(A) inserting immediately after "physician" the words "or dentist";

(B) redesignating subparagraphs (B) through (G) as subparagraphs (D) through (I), respectively;

(C) inserting after subparagraph (A) the following:

"(B) subchapter VIII of chapter 53 of this title, relating to the Senior Executive Service;

"(C) chapter 54 of this title, relating to the Merit Pay System;";

(D) amending subparagraph (D) (as redesignated by this section) by striking out "5361" and inserting in lieu thereof "5371"; and

(E) amending subparagraph (H) (as redesignated by this section) to read as follows:

"(H) section 1202 of the Panama Canal Act of 1979, relating to the Panama Canal Commission; or";

(3) in subsection (g)(2) by striking out the comma after the word "title" and inserting in lieu thereof ", the Library of Congress,".

SEC. 3. Section 5383(b) of title 5, United States Code, is amended by striking out "and 5384" and inserting in lieu thereof "5384, and 5948".

SEC. 4. Section 3 of the Federal Physicians Comparability Allowance Act of 1978 (Public Law 95-603; 92 Stat. 3018) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".

SEC. 5. Any service agreement entered into on or after the date of enactment of this Act pursuant to section 5948 of title 5, United States Code, as amended by section 2 of this Act, shall be effective only to such extent or

in such amounts as are provided in advance in appropriation Acts.

SEC. 6. The amendments made by this Act shall not be construed to authorize additional or supplemental appropriations for the fiscal year ending September 30, 1980.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I were to ask, "Do we need a quality Federal work force?" I am sure every one of my colleagues, Republican and Democratic, would agree we do. I would hope, therefore, that all my colleagues will join me in supporting H.R. 5015, which is essential if the Government is going to continue to recruit and retain high quality medical people.

The bill extends for 2 years the special allowance program established by the Federal Physicians Comparability Allowance Act of 1978. For the benefit of those not familiar with this act, let me explain that it allowed Federal Government agencies experiencing physician recruitment and retention problems to grant allowances to physicians who agreed to stay on in their agency for an additional period. The allowances could not exceed $7,000 per year for those with less than 2 years of Government service or $10,000 per year for those with more than 2 years of service.

Mr. Speaker, authority to enter into these agreements expired September 30. In addition, under terms of the 1978 law, no agreement with a physician signed before that date can be extended beyond September 30, 1981. The administration feels, and the Post Office and Civil Service Committee agrees, it is in the public interest to extend this program for an additional 24 months. Without such an extension, affected Government agencies are at a serious disadvantage in competing for quality physicians in the labor market.

H.R. 5015 would allow agencies to grant special physicians allowances through September 30, 1981. Agreements signed through that date could not be extended beyond September 30, 1983.

I want to stress that authority to award these allowances would be limited to those Federal agencies in which significant physician recruitment and retention difficulties are being experienced. The bill also extends coverage to include dentists as well as physicians, but it is anticipated that there will be limited use of this provision at this time because few agencies are currently experiencing recruitment or retention problems with dentists. The cost, therefore, would be minimal.

H.R. 5015 also extends the comparability allowance program to physicians employed by the Library of Congress and makes certain other technical changes in the 1978 law made necessary by enactment of last year's Civil Service Reform Act.

I want to stress also, Mr. Speaker, that this bill would not be open ended. The authority to grant these allowances would expire in just 2 years. I want to stress also the fact that there is an urgent need for approval since some agencies are experiencing real problems with recruiting and retaining physicians.

□ 1300

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5015, a bill to extend the Federal Physicians Comparability Allowance Act of 1978—Public Law 95-603—for 2 years.

Under the law, the head of any agency has discretionary authority to determine categories of physicians where there is a recruitment and retention problem. If such a problem exists, he or she may pay these employees special allowances. A maximum bonus of $7,000 per year is allowed if they served less than 2 years, and $10,000 per year is allowed for those serving more than 2 years.

This bill affects approximately 2,000 physicians and dentists employed by the United States in the general schedule. Other such professionals in the Government are covered under pay schedules of the uniformed services DOD and the Veterans' Administration.

Extension of this program which is similar to the special pay program established for physicians in the Veterans' Administration, is imperative.

If the Federal Government, the Nation's largest employer, is to be able to compete in the labor market for highly skilled physicians it must have the necessary tools. Quite frankly, one of these tools is pay. It means having the ability to pay a physician with a needed specialty, a bonus. While this bonus, in addition to regular pay, cannot compare with what a physician can earn in private practice, it is, nevertheless, pivotal in many cases in whether a physician elects to enter or stay in Federal service. This is especially true with physicians with young families.

Mr. Speaker, this is no expensive bill. In fact, it is a very small price to pay for a program which provides needed economic incentives to highly skilled physicians and dentists to serve our country.

H.R. 5015 was reported by our committee on a voice vote, and is supported by the minority.

Mr. Speaker, I urge prompt enactment of this bill, and I yield back the balance of my time.

Mrs. SPELLMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill, H.R. 5015, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

DISPUTE RESOLUTION ACT

Mr. KASTENMEIER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 423) to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 423, with Mrs. SPELLMAN in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the Senate bill is dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 15 minutes, the gentleman from Illinois (Mr. RAILSBACK) will be recognized for 15 minutes, the gentleman from North Carolina (Mr. PREYER) will be recognized for 15 minutes, and the gentleman from New Jersey (Mr. RINALDO) will be recognized for 15 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in support of S. 423, the Dispute Resolution Act. This legislation which has been jointly processed by the Committee on the Judiciary and the Committee on Interstate and Foreign Commerce, is an important bill to our respective committees, and will be a significant step to improve access to justice for all Americans.

The gentleman from North Carolina (Mr. PREYER) and I will jointly manage the bill. Therefore I will defer to him to explain the structure of S. 423, as amended. I would like to focus on the need for the legislation and its widespread support.

At the outset I would like to explain the legislative history of S. 423. Legislation to improve the resolution of minor disputes was unanimously passed by the Senate during the 95th Congress (S. 957) and this Congress (S. 423). The House would have passed the legislation during

the 95th Congress, except that lack of time necessitated the placement of the bill on the Suspension Calendar during the last week of the Congress. It narrowly missed attaining the required two-thirds vote (224–166). There was not even time to process the bill—which was jointly referred to the Committee on the Judiciary and the Committee on Interstate and Foreign Commerce—through the full Judiciary Committee.

This Congress each of our committees made this bill a high priority. As soon as the Senate bill was received we scheduled 4 days of joint hearings on S. 423 and related bills. These hearings, which were held in June, supplemented the 2 days of hearings which each of our subcommittees held separately during the 95th Congress. So in total 8 days of hearings have been held in the House. Each of our committees working cooperatively have developed an amendment in the nature of a substitute to S. 423. Both amendments are substantially identical. The rule will make the Judiciary Committee amendment in order as though the original bill. I will support an amendment to be offered by Mr. BROYHILL to emphasize that one of the priorities of the bill would be consumer dispute mechanisms.

The two purposes of S. 423 are: First, to establish a Dispute Resolution Resource Center; and second, to provide seed money to States, localities, and nonprofit organizations to stimulate and improve the development of dispute resolution mechanisms.

Why is there a need for a dispute resolution program, and what is the role, if any, which the Federal Government can play?

As chairman of the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, I am well aware of the difficulties encountered by persons seeking access to justice, and have held several hearings on the general subject, as well as on specific proposals to improve justice.

There is a growing recognition that not every conflict requires for its resolution the formality of the traditional judicial system. In many cases there should be alternatives to lengthy and costly litigation—alternatives which can insure the parties a fair, speedy, and inexpensive resolution of disputes. The traditional courts with their formal procedures, high costs, and overloaded dockets are not necessarily the best forum for resolving disputes. Courts are often inaccessible, particularly when a party has neither the time nor the finances to use them, but also when the amount in controversy is seemingly small and the cost of its resolution exceeds that amount. In addition many disputes cannot be adequately resolved in a courtroom setting. Often both sides of a controversy emerge as "losers," and it may be that if anyone is a "winner," it is a well-paid attorney. Unresolved disputes create tensions and frustrations which may even lead to criminal actions. Access to justice must be improved so that those with legitimate claims—small or large—may be heard and receive appropriate action.

One way of increasing access to justice is by improving alternatives to formal courts—that is, informal courts—such as small claims and landlord/tenant courts—as well as by developing alternate procedures—for example, mediation, arbitration, conciliation, and negotiation. Such procedures have been used in many European countries, but persons in the United States have only recently begun experimenting with these alternative dispute mechanisms. Preliminary studies are encouraging, but much more needs to be done. Knowledge we gain from these new dispute mechanisms should be shared with interested persons, as well as State and local governments. New dispute resolution mechanisms need to be developed.

S. 423 sets up a Dispute Resolution Resource Center to function as a clearinghouse, to provide technical assistance and to administer grants. Although the Center will be placed in the Department of Justice, it can contract out many of the Center's functions to appropriate persons with expertise. Initial placement of the program in the Department was acceptable to all the witnesses who testified before us, as an alternative to creating a bureaucracy to administer it. Up to ten Federal employees may be detailed to work at the Center. The Attorney General will be advised by an advisory board composed of nine persons from State and local governments, State courts, business and consumer organizations, the academic or research community, neighborhood and community organizations, and the legal profession.

The role which the Federal Government will play in the resolution of minor disputes is a limited one in terms of time and money. That is the way that it should be. The legislation will be sunsetted after 4 years of grants to States, localities, and nonprofit organizations. These grants will be seed money to stimulate and improve resolution mechanisms. They will diminish over the 4-year period, and special consideration will be given to those programs which are most likely to continue when the Federal Government ends its financial assistance. The legislation envisions an initial partnership between the States and the Federal Government, but does not interfere with the distinctive role that States and their justice systems are assigned in our political system. The program is entirely voluntary: programs can decide whether to seek Federal funding; parties can decide whether to use new forums for dispute resolution.

Support for this legislation has been overwhelming. The wide variety of supporters is worth noting—businesses, consumer groups, public agencies, private organizations and bar associations. It is encouraging to have the Chamber of Commerce and Consumers Union supporting the same bill. I have attached a selected list of supporters for your review.

The cost of the dispute resolution program is modest, and is $20 million less than last year's proposal. The first year up to $3 million can be spent for the Dispute Resolution Resource Center. The Department of Justice has the money and will reprogram it. During the next 4 years, up to $3 million may be spent each year for the Center: this includes money for an information system, technical assistance, and evaluations. Up to $15 million per year may be spent for grants to improve existing dispute resolution mechanisms (including small claims courts and nonjudicial forums) and to develop new ones.

In sum, I would like to emphasize that S. 423 provides a needed program which places the Federal Government in a limited role—a role which is sunsetted after 5 years. The basic thrust of the program is to provide assistance at local and State levels, with the expectation that effective projects will be continued by State and local governments or organizations. Grants are structured to encourage that result.

I urge you to support this modest and exciting program.

Madam Chairman, I include here a list of supporters of this legislation, as follows:

SELECTED LIST OF SUPPORTERS

American Arbitration Association.
American Bar Association.
American Express Company.
American Friends Service Committee.
AUTOCAP.
Center for Community Justice.
Chamber of Commerce of the United States of America.
Citizen Dispute Settlement Program, State of Florida.
Cleveland (Ohio) Center for Dispute Settlement.
Columbus (Ohio) Night Prosecutor's Program.
Community Board Program, San Francisco, California.
Conference of Mayors.
Conference of (State) Chief Justices.
Congress Watch (Public Citizen).
Consumer Electronics Group of the Electronic Industries Association.
Consumers Federation of America.
Consumers Union.
Department of Consumer Affairs, New York City.
Department of Consumer Affairs, State of California.
Dispute Services Project for Services and Research in Dispute Resolution (Oklahoma State University).
Equal Justice Foundation.
Ford Motor Company.
International City Management Association.
League of Cities.
Motor Vehicle Manufacturers Association of the United States.
National Association of Automobile Dealers.
National Association of Counties.
National Center for State Courts.
National Consumers League.
National Home Improvement Council.
National Institute for Consumer Justice.
National Manufacturers Housing Federation, Inc.
National Retail Merchants Association.
National Senior Citizens Law Center.
Neighborhood Justice Center of Atlanta, Inc.
Office of the Public Advocate, State of New Jersey.
Ohio Mobile Home and Recreational Vehicle Association.
Pound Conference Follow-up Task Force.
Santa Clara County Bar Association.
Sears, Roebuck and Co.
Small Claims Study Group.
United States Office of Consumer Affairs.

□ 1310

Mr. RAILSBACK. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I want to commend the work of the two standing committees that have been involved in drafting this legislation. In addition, I want to express my belief that the Justice Department, particularly under the leadership of Griffin Bell, who, as we all know, has retired, as well as Prof. Dan Meador, who was in charge of the Office for Improvements in the Administration of Justice, did a very fine job in carrying out some recommendations in this area that had been made to them and which they worked on for a long time.

Madam Chairman, I believe that Americans may be reaching a high water mark concerning litigation. People are beginning to realize that hiring a lawyer and going to court is a long expensive process that may be unnecessarily complicated. For many Americans it is no longer economically feasible to hire lawyers and use the traditional litigation process for certain claims. But, it is clear that you do not enter our system of justice successfully without a lawyer.

There are many types of matters that do not need the procedural formalities that accompany a court trial for their resolution. At one time, numerous less formal public and private institutions were used to settle the relatively minor disputes of everyday life. These institutions included justices of the peace. neighborhood policemen, churches, schools, and the family. In contemporary American life, however, the role of these institutions has diminished. As a result, today many minor disputes either go unresolved or else find their way into court. Those that are unresolved often fester into larger controversies that cause anguish to individuals and sometimes lead to violence and criminal activity that can cost society dearly.

The Dispute Resolution Act, which would build upon the Justice Department's Neighborhood Justice Center program, would encourage and provide funding to States and localities for the creation of dispute mechanisms to hear all types of minor disputes.

There is every indication that this act will prove cost effective. Alternative mechanisms that utilize mediation and conciliation are capable of resolving minor disputes at a lower cost than traditional courts. In addition, there is ample evidence that the most successful resolution of disputes have proved to be those in which the parties themselves suggest a solution and agree about what should be done. Mediation and conciliation bring the parties together in a cooperative effort to solve their own problems, instead of placing them in the traditional adversary posture which occurs in adjudication.

I recently had an opportunity to visit the community board program in San Francisco, and was extremely impressed to learn not only that the people who sit in panels of five resolving neighborhood disputes do so for a salary of $10 a month, but that there is a waiting list of people who want to be mediators. There is no enforcement mechanisms, although the agreements are generally written down and about 95 percent of the parties stick to the agreements. By the same token, as a matter of interest, in England there are nearly 20,000 volunteer lay-magistrates which dispose of 97 percent of the English criminal caseload.

It is important to note the widespread support this legislation has attracted. The Chamber of Commerce, the ABA, the Consumers Union, and the Conference of State Chief Justices, as well as approximately 40 other organizations have endorsed the legislation. There is, in fact, no organization that opposes this bill.

In my opinion, what makes this program really different from any of the other Federal programs is that it is a relatively modest experimental effort, rather than any kind of $1 billion massive program without any experimentation. I cannot think of a more constructive or innovative step to take right now than to see if we cannot facilitate experimentation by the States and localities, find out what works, and then try to expand on it in an effort to improve access to justice for all citizens.

Mr. McCLORY. Madam Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Madam Chairman, I want to commend the gentleman from Illinois (Mr. RAILSBACK), the chairman of the Subcommittee on Courts and the chairman and the ranking minority member of the Interstate and Foreign Commerce Committee which has helped produce this piece of legislation.

□ 1320

It seems to me that the Dispute Resolution Act is a very important bill for us to take action on. Now, I am reluctant to support new initiatives, especially ones that will involve new Federal spending. I know we are all very wary of such a process.

On the other hand, it seems to me that when we have an initiative which would provide guidance and direction in an important area and which would enable the American public to save money and bypass much of the circuitous route that is involved in the traditional court system, I think that we have an initiative which we should latch onto and give generous support to.

I am very impressed by the fact that this piece of legislation has the widespread support of the business community, as represented by the U.S. Chamber of Commerce, the Chief Justice, the American Bar Association, and consumer groups as well. The legislation has also received good general public support. I think the Committee on the Judiciary and the Interstate and Foreign Commerce Committee which have worked on this legislation acted very wisely in recognizing that our judicial system and our system of counsel for litigants have their limitations. I am certain that this legislation is before us because there is a national problem with respect to the handling of minor disputes. The need to address the problems of high court costs, long delays, and complex procedures confronting citizens with minor disputes are well documented.

I believe that one of the key features of this legislation that has allowed it to attract such broad-based support is that it has a sunset provision that will terminate the program in 1984. Moreover, the grant program is designed to limit the Federal role to that of assisting States and localities in the initiation of projects without assuming long-term financial responsibility. Federal funding would begin to taper off after the second year and then terminate altogether after the fourth year.

In my opinion, the Dispute Resolution Act represents a worthwhile attempt by the Federal Government to improve the handling of minor disputes. The carefully structured Federal involvement, which is limited in terms of dollars and in terms of time, will better enable the States and localities to handle the responsibility of providing responsive mechanisms for the resolution of minor disputes for all individuals.

I am confident that this legislation is going to be passed overwhelmingly by the Members of the House, and already having passed the Senate, I am sure it is going to become law.

Mr. KASTENMEIER. Madam Chairman, I yield such time as he may consume to the gentleman from California (Mr. DANIELSON), who has made such a great contribution to this legislation.

Mr. DANIELSON. I thank my chairman for yielding. I shall not take a great deal of time.

I wish, first of all, simply to state that I fully endorse and ratify and confirm and adopt the arguments heretofore made by my chairman and the gentlemen from the other side of the aisle. No one could state their argument any better. I shall not attempt to improve upon them.

I would like to point out my own point of view on a couple of points in everyday terms. When we consider the number of disputes that we have in America and the facilities that are available to resolve them, we confirm the statement made by President Carter a couple of years ago when he said, "We appear to be the most overlawyered and under represented country in the world."

While that has a certain dramatic ring to it, it contains a great deal of truth that we have to recognize.

The average dispute that the average person gets into today does not justify, in the number of dollars involved, the employment of professional counsel on both sides and the resort to our very formal though very excellent courts, which are so structured that it takes hundreds of dollars, sometimes thousands of dollars, per day of court time just to have them function.

The average neighborhood or consumer dispute does not require that complex a mechanism for its disposition, yet these disputes require solution.

The Members know that if we do not make justice available to people, we are denying it to them. Justice for a small dispute, a small claim, is just as important as in a large claim, particularly to the person involved, because the most important lawsuit on Earth to a party to a lawsuit is the one that they themselves are in, not the one that someone else may be in.

So, just as we do not send out a hook and ladder truck to put out a small brush fire, as we do not call out the Army to maintain the peace at a parade, as we do not require the intensive care unit in a hospital to take care of a sprained ankle, we should not need to call upon our courts to resolve the everyday disputes which take place between our citizens.

It will be far more wholesome and far more economical if there is a facility available, immediately close to these people, in their neighborhood, where they can be heard without the need for professional counsel and where they can have a fair resolution to their disputes. That is what this bill provides for.

This will not be a budget buster. This will save money in the long run because it will do away with the need for courts in many instances where today we would be required to resort to them. We can do so without denying people access to justice. I urge that everybody support this bill. It is a very forward step in the administration of justice.

I yield back the balance of my time.

Mr. RAILSBACK. Madam Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Madam Chairman, for openers, this legislation would create a brand new Federal program with an authorization of $75 million. It does not sound like a very big figure for those of us around here perhaps, but it does to taxpayers; and remember how the food stamp program started years ago.

I think we ought to look first of all at the debate on this bill as hardly possible today. I have presumably 3 minutes. The principal debate on this bill will take place tomorrow under the 5-minute rule when consideration is continued, at least as the agenda is set up to this point in time.

I would like to raise a word of warning to those 166 who voted in the 95th Congress against this measure, that it is about to be perpetrated upon us again.

Tomorrow when consideration is continued, I think we are going to have to take a much closer look at some of the findings in the bill; for example, I note in finding No. 4 that there is a lack of necessary resources or expertise in many portions of the Nation to deal with these problems. Where is it going to come from? From $75 million? Why cannot the States better accomplish that? I note also in finding No.'s 6 and 7 they refer to neighborhood mechanisms. Who is going to control a neighborhood mechanism? What we are talking about is the potential of developing a kangaroo court in every neighborhood or revolutionary council or whatever you want to call it. It will not be subject to the control of local or State government.

Let us make sure that we understand that it would be subject to the control of the bureaucrats in Washington and that this program would conceivably grow to the point where it adds to the regulatory pollution that the American public is calling upon us to clean up even today.

Yes, this can touch the lives of a great many people. The mechanism is here in this bill, if extended beyond its original 4 years and the original $75 million, to really affect a lot of lives in a very deep way.

Rapid growth is readily predictable for any Federal program, but this one has grown even before leaving the launching pad.

The bill rejected by the House last year and the bill that passed the Senate this year create a program, if the title is any indication, for the resolution of consumer controversies. However, the title of the amendment in the Senate of a substitute to the Senate bill adopted by the House Committee on the Judiciary, broadens this extensively to provide for the resolution of minor disputes.

There is nothing in this legislation that gives any indication as to what a minor dispute may be. In my judgment, if we are going to undertake to enact legislation which so clearly impacts on matters traditionally left to the States, we should provide some more specific guidance as to the problems we are trying to solve. Bear in mind that the assumption of a Federal responsibility is inevitably followed by abdication of State responsibility.

As soon as Federal money becomes available, State funded programs—even previously funded—have a way of drying up. In our zeal to do something about a problem that many States are already addressing, we may wind up with a negative rather than a positive impact from the Federal program. Before we spend $75 million for this program, we should take a look at what the State and local governments are doing in this area.

Dr. Daniel McGillis, research fellow at the Center for Criminal Justice, Harvard Law School, advised that there are presently approximately 100 programs in 28 States attempting to solve disputes. In addition, there are various Federal efforts in the area of minor disputes, such as the Department of Justice's three neighborhood justice centers.

Now proponents of this legislation have stated that the purpose of it is to facilitate experimentation with the handling of minor disputes by the States and local communities. I think it is necessary to stop and ask ourselves, "How much experimentation does the Federal Government need to facilitate on the State and local levels?" The record would seem to indicate that the States and local governments are already responding adequately to the problem without further involvement from the Federal Government. However, there are those that will argue that many States and local communities are not as well off as some of their counterparts, and will require Federal assistance to implement such dispute resolution programs.

Consider how much better off the Federal Government is with a $30 billion deficit than are State and local communities.

Resolving disputes sounds like a good idea, and it may very well be that the traditional procedures could produce workable legislation, but this product falls far short of what it should be. We do not need another $75 million program which the Federal Government can ill afford, and which may well create a separation of powers problem, in an effort to handle matters that the States and local communities are adequately addressing.

I believe that dispute resolution programs are and should be local responses to a problem that is local in origin; furthermore, they can be and should be financed from non-Federal sources.

□ 1330

Mr. KASTENMEIER. Madam Chairman, I yield such time as he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Madam Chairman, I had the opportunity as a member of the California State Legislature of authoring legislation to create centers for dispute resolution. We were building on the model of the demonstration projects funded through the Federal Government in Los Angeles and San Francisco.

We based our bill on the success those two agencies had in penetrating local communities, involving those people who live there in the resolution of their own problems, problems that, frankly, would not have been resolved by the legal system, for they are of the magnitude that fall through the cracks.

The gentleman from Ohio was just advocating the need to more precisely define the types of disputes that we should be addressing in this bill. I think that the bill ought to be vague on that point. I think we should give the local entities the opportunity to choose the kinds of disputes they think are best diverted from the judicial system.

We have seen consumer complaints addressed, We have seen school violence adjudicated. We have seen these agencies address kinds of cases the district attorney or city attorney do not have the manpower to take to the courts. We have seen a level of community involvement which is minimal or totally lacking in most of the judicial systems that exist in most of the States. I think we have found here an area where we ought to allow additional experimentation to take place.

We have seen, I think, in this country, as the cost of litigation continues to go up, a tendency for only the wealthy to have the opportunity to take care of their civil matters through the court system. I think that system is inadequate to the needs of many of the people in this country, and I am pleased to see that a committee made up of lawyers dealing with the court system on a full-time basis has been quick to see the need to have this kind of a system put in place at a neighborhood level. We must allow average or below average income individuals to have an alternative to very expensive litigation which, in total, might cost more than the matter to be resolved is worth. We know how important these matters of justice are important to people. We know they sometimes lead to violence, and we know they always lead to a very unhealthy cynicism which is all too pervasive in this country.

Mr. RAILSBACK. Madam Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Madam Chairman, I rise in opposition to S. 423, the Dispute Resolution Act. The Dispute

Resolution Act represents an unwarranted intrusion by the Federal Government into what has generally been a State and local prerogative—the settling of minor disputes and small claims.

The hearing record is full of testimony from witnesses who were involved in innovative programs at the State and local level to handle the violations of minor disputes. These approaches evolved without the involvement of the Federal Government.

I am afraid that once the Federal Government becomes involved in the resolution of minor disputes, that these innovative approaches will end. As we have seen in so many other cases, once Federal money becomes available to a State for a program, similar programs, previously funded or encouraged by the State have a way of discontinuing.

If there are problems with the handling of minor disputes by State and local authorities, then the solution should be for these authorities to develop more innovative procedures within small claims courts or similar adjudicatory bodies. These procedures could include the use of court personnel, such as clerks, to enter default judgments, appointing arbitrators whose decisions would be subject to confirmation by the court, and so forth. This approach is far superior to the establishment of a new agency within the Department of Justice.

I would also like to express my concern, from practical experience in dealing with court reorganization as a member of the Wisconsin Legislature, that any real and meaningful solution should come from the judicial branch rather than the legislative and executive branches of Government.

In summary, the resolution of minor disputes should not be left up to the Federal Government. These problems should be handled and solved on the local level. Such disputes do not warrant Federal attention.

Mr. RAILSBACK. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in support of S. 423, the Dispute Resolution Act. As acting chairman of the Subcommittee on Consumer Protection and Finance, I and members of our subcommittee joined with Congressman KASTENMEIER and his Subcommittee on Courts, Civil Liberties and the Administration of Justice in extensive hearings on this bill early this year. As a result of these hearings, virtually identical versions of S. 423 were reported out of the full Committee on Interstate and Foreign Commerce and the Committee on the Judiciary with strong bipartisan support. I would like to particularly commend Congressman JIM BROYHILL for his leadership and support in the Commerce Committee.

The resultant bill, in the nature of a substitute to S. 423, is a compromise between the two House versions of the dispute resolution bill, H.R. 3719 and H.R. 2863. The bill as it now stands authorizes the Attorney General to make seed grants to States, localities, and nonprofit organizations to experiment with developing inexpensive, fair, and easy-to-use mechanisms for resolving minor disputes. The money could be used to improve existing forums, such as small claims courts, or it could be used to establish new mechanisms, such as forums for conciliation, mediation, and arbitration. To be eligible for a grant, an applicant must show that its mechanism will comply with criteria in the bill designed to insure that the mechanism will be easy to use and readily accessible to the ordinary citizen.

The bill also sets up a resource center within the Department of Justice to serve as a national clearinghouse on information and experiences relating to formal and informal dispute resolution mechanisms. The resource center is also authorized to conduct research on dispute resolution and provide technical assistance to the States.

The bill authorizes $3 million in fiscal year 1980, 1981, 1982, 1983, and 1984 for the resource center with $15 million a year for fiscal years 1981, 1982, 1983, and 1984 for the seed grants. Federal funding for the seed grants would be decreased over 4 years and local funding would have to take its place. In fiscal year 1980, the administration intends to fund the resource center through $3 million of existing LEAA funds.

The need for this bill is predicated upon the premise that the high cost of litigation in both time and money effectively precludes the present judicial system from providing a practical means for resolving minor disputes. In 1973, the National Institute for Consumers Justice recommended that Federal funds be made available to stimulate State and local governments to establish and improve their small claims courts so that consumers would have access to fair, effective, and inexpensive justice.

Since that time, a number of studies have highlighted the need for new and improved mechanisms for resolving all kinds of minor disputes. For example, in August 1976, the American Bar Association published the report of the Pound Conference Followup Task Force which indicated the need for improved methods for dealing with all kinds of minor civil disputes. A recent report by the Ford Foundation entitled "New Approaches to Conflict Resolution" states, "observers and practitioners agree that the present system of handling individual disputes is too costly, cumbersome, and time consuming." Chief Justice Warren Burger echoed this viewpoint in an address in May 1977 when he noted that—

> There are many conflicts that fall into today's classification of minor disputes, which no one is solving and which ought to be resolved if we are to avoid the frustrations, tensions, and hostilities that often flow from unresolved conflicts.

Essentially, this bill would provide seed grants and technical assistance to States to experiment with procedures to meet these problems over the next 5 years at which time Federal involvement will end.

I believe the bill in this fashion demonstrates a constructive form of federalism, that is, it sets up a completely voluntary program with sufficient flexibility to allow State and local governments and nonprofit organizations to experiment with procedures for solving their own problems. The cost of the seed programs are modest, approximately $300,000 per State assuming every State participates. After the first 2 years, the Federal share will be reduced and after 4 years, the Federal money must be replaced entirely with State and local funding. After that length of time, State and local officials should be able to make a considered judgment as to the cost effectiveness of these programs and the Federal Government will have accumulated and analyzed a wealth of information for future dissemination to interested parties.

The concept of this bill enjoys wide support from such diverse organizations as the Conference of State Chief Justices, the American Bar Association, Chamber of Commerce, Consumers Union and Congress Watch (Public Citizen) and some 35 other national and local organizations. There has been no organized opposition.

Mr. MOORHEAD of California. Madam Chairman, I yield myself such time as I may consume.

I strongly support S. 423, the Dispute Resolution Act, for several reasons. First, I believe that this bill addresses a problem of some magnitude in this country. The problem is this: Small disputes often go unresolved because existing channels for their resolution are either nonexistent on the one hand or time consuming and expensive on the other. As a member of the Commerce Committee and the Judiciary Committee I have been especially aware for some time of the need for dispute mechanisms which address minor disputes arising between business and consumers. Such disputes usually involve a minimal amount of money. In fact, the amount involved may be small enough that the disputant individual, whether businessman or consumer, is effectively deprived of a remedy because the value of the claim is equaled or exceeded by the expense of asserting it. Litigation is so time consuming and costly that it does not represent a reasonable route for most disputants. We need alternative forums for such disputes, forums that are inexpensive, fair, and fast. I view such forums as a far better approach to this problem than a patchwork of remedial provisions in different statutes or a broadening of various agencies' powers with respect to the pursuit of individuals' rights.

In the past, this problem has generated numerous legislative proposals, such as consumer class actions under relaxed procedure standards or the ill-fated Consumer Protection Agency. The class action device has been touted as an effective method of dealing with small individual claims. But no one would be willing to deny that class action litigation is very expensive as well as time consuming. A disputant with a claim could

wait years before receiving some relief. Combine this with the fact that that claimant may only recover part of what he lost and it is obvious that this is hardly a realistic remedy for an individual with a small claim. Neither is the establishment of another Federal agency in Washington, D.C., a satisfactory answer to a consumer with a claim against his local auto mechanic or television repair shop. Unlike proposals such as these, S. 423 squarely addresses the problem by providing a 4-year Federal funding program to assist States, localities, and nonprofit organizations in developing new mechanisms for solving individual disputes. These mechanisms must be inexpensive, fast, fair, and easily accessible to everyone. This bill provides for access by the business community, thus assuring that both business and consumers will be able to resolve their disputes in forums which are inexpensive and easy to use. Businesses, particularly small businesses, as well as individual consumers have a great need for such forums. They all stand to benefit if their dispute is resolved quickly and economically. The formalities, delays, and expenses of the court process are hardly a close second to such forums.

It should be emphasized that the program established in the legislation is an experiment and, as such, will expire after 4 years. Federal involvement in the program has been kept to an absolute minimum. The bill leaves to the States and localities the responsibility for developing new mechanisms or improving existing ones in line with criteria in the bill which are designed to insure that the mechanisms are fair, easy to use, and readily accessible to everyone. I am confident that this experimental 4-year program will result in the development of dispute mechanisms across this country that are far more effective in resolving minor disputes than our present system.

□ 1340

Mr. KINDNESS. Madam Chairman, will the gentleman yield for a question?

Mr. MOORHEAD of California. I will be happy to yield to the gentleman from Ohio.

Mr. KINDNESS. Madam Chairman, I thank the gentleman for yielding. The gentleman mentioned the local and State governments' role in the development of programs. Could he tell us about how we are assured that grants would not be made other than through State and local governments, but perhaps directly to a neighborhood group or an informal or ad hoc group?

Mr. MOORHEAD of California. Well, the grant funds, of course, will be controlled by the Attorney General in Washington, D.C. He knows the direction of this legislation and knows the limits that have been set in it as passed through Congress. They will also have a copy of the RECORD and the statements that have been made here. All of which will constitute part of the legislative history. I do not think that it is likely that the money will be diverted.

As the gentleman knows, I would oppose grants to any other type of organization, such as the gentleman would. But, having run a lawyer's reference service and a legal aid clinic for many years, I know that there are just thousands of people out there who do not have the money to go to court, and I know it is a waste of the court's time and money to handle minor disputes.

Yet, if a person with a legitimate claim does not have a place to go, the cost of running the claim through the court system would exceed the cost of the amount of money involved in the claim. If it is not resolved, they feel that they have been deprived of justice, and it is reasonable that they should feel that way. I think we have to look for new ways whereby we can resolve these claims without a lot of expense to the taxpayer. That is the reason I support this legislation.

I do not think the money will go to self-appointed groups who come in and want to get some of this Federal money.

Mr. KINDNESS. If the gentleman will yield for an additional question along that line, I take it from the gentleman's remarks that he would not be averse to the consideration of an amendment which would assure that the purpose of the Congress is made clear, as indicating that there would not be any way in which these funds would be directed to nongovernmental groups, either directly or indirectly.

Mr. MOORHEAD of California. There is a provision making nonprofit organizations who are set up to handle that kind of a claim eligible for funds under this legislation. If the gentleman wanted to remove them for purposes of eligibility, he would have to do it by amendment, obviously.

Mr. KINDNESS. Yes, that was what I had in mind, an amendment.

Mr. MOORHEAD of California. But, I am sure that the types of nonprofit organizations that would receive funds under this act are those which are organized specifically to resolve claims, rather than those that are out to campaign or work for special types of legislation and things of that sort.

Mr. KINDNESS. I thank the gentleman for yielding and for that response, but I have much less confidence in the direction of these programs than he, as in the case of the ACTION program, for example. In some instances and some other areas we have found that the purposes and intent of the Congress have not been carried out in just exactly the same manner as we think of them as we debate these questions. Tightening up that purpose might be very wise, particularly since we are only talking about $75 million, so there is not going to be that much to go around.

Mr. MOORHEAD of California. I personally hope that most of the money goes to local and State governments which, if I had my choice, is where it would all go to, but we do not get our total choice in these matters.

Mr. KINDNESS. I thank the gentleman.

Mr. KASTENMEIER. Madam Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Madam Chairman, on that point the gentleman is absolutely right. Not only might grants be made to State and local governments, but they might also be made to nonprofit organizations. However, lest the type of forum be something outside that which one would think to be a reasonable recipient, the bill provides under section 8(F), as the gentleman knows, we do notify the attorney general of the State of the application of any group, nonprofit or otherwise, at least 30 days before approval of such application; and the attorney general of the State may respond as to the propriety of such a grant. Those comments have to be taken into consideration by the Attorney General of the United States. That is to guard against the notion that one might have some organization antithetical to the State which would be seeking grants and might be given grants under the program.

I appreciate the gentleman's comments.

Mr. PREYER. Madam Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from North Carolina.

Mr. PREYER. Madam Chairman, I believe the bill also provides, in addition to the attorney general of a State, that both the chief justice of a State and the chief executive officer—the Governor—also must comment on any grant to a nongovernmental body, so that we have a three-way protection there of comments from three very responsible people.

● Mr. SCHEUER. Madam Chairman, I rise in support of S. 423, the Dispute Resolution Act. In doing so, I am reminded of a lecture given by Judge Learned Hand in 1921, entitled "Deficiency of Trials To Reach the Heart of the Matter." In this lecture, Judge Hand, one of the most respected jurists of this century, said:

> I must say that as a litigant I should dread a lawsuit beyond almost anything else short of sickness and death.

I believe this overall problem as perceived by Judge Hand in regard to litigation in the twenties has been compounded since that time, almost in exponential terms when it involves "minor disputes." Essentially, "minor dispute" problems result from the fact that very often the cause of a controversy is of such a relatively small monetary amount that the cost of pursuing litigation in our judicial system ends up being prohibitive. In such a system "access to justice" is nonexistent.

As chairman of the Consumer Protection and Finance Subcommittee, I see this happening all the time whether it be in the auto warranty field or in general consumer complaints. Indeed, in 1978 alone, the New York Department of Consumer Affairs handled over 170,000 complaints from consumers who wanted help in resolving conflicts with merchants. When you consider that most people in this society do not complain to anyone, regardless of the merit of their complaint, the extent of consumer frustration in the United States is likely to be staggering.

Indeed, a study by the Center for Responsive Law published in the Harvard Business Review, states that people actually raise complaints concerning one-third of the problems they perceive, of

these only 3.7 percent are referred to third parties, and of these, only 16 percent are referred to local consumer agencies. If you extrapolate this study and the New York situation to the United States as a whole; that is, 170,000 complaints to a consumer agency in New York, the need for alternative dispute resolution mechanisms is obvious.

I further suggest that S. 423, as it has been developed, puts the Federal Government in just the proper position vis-a-vis State and local governments which are primarily responsible for these disputes. The role of the Federal Government in S. 423 is very limited and the parameters of Federal intervention is minimal. The grants involved are merely seed money to State and local entities with Federal support decreasing over 4 years. At that time, the Federal role ends with just an overall evaluation of the process. The program envisions an initial partnership between State and Federal Government, but does not interfere with the State judicial system. And the bottom line is that the program is entirely voluntary. As President Carter has stated:

> This legislation would enable Federal and State Governments to work in partnership to improve the delivery of justice to all the people of the United States.

I join in support of this bill, which is a truly constructive form of federalism.

Further, I want to salute two of my distinguished colleagues, the Honorable RICHARDSON PREYER of North Carolina and the Honorable BOB KASTENMEIER of Wisconsin, for their hard work and persistence for this vital consumer legislation.●

● Mr. RINALDO. Madam Chairman, this bill generally provides States, localities, and nonprofit organizations with financial assistance to develop dispute resolution mechanisms which are effective, fast, fair, and inexpensive. Our hearing record on this subject is extensive. The Subcommittee on Consumer Protection and Finance held hearings last session—July 20 and 21, 1978. This year we held 4 days of joint hearings with the Subcommittee on Courts, Civil Liberties, and Administration of Justice of the Judiciary Committee.

The need for this legislation has been well documented during the course of these hearings. Because of the high cost of litigation in terms of both time and money, our present judicial system provides little effective relief for individuals with minor disputes. As a result, many such disputes are never satisfactorily resolved.

This problem became particularly evident to me during the course of our field hearings on H.R. 1005, the Automobile Warranty and Repair Act in New Jersey and New York. Most auto repair disputes can be resolved far more quickly, cheaply, and effectively by a dispute mechanism than by litigation.

This bill will give the States and localities the needed incentive to look at their existing mechanisms for dispute resolution with an eye to improving them and to developing new mechanisms where appropriate. The intent is to encourage innovation and expansion at the local level so as to assure the development of mechanisms best suited to a given locality's needs.

It is important to keep in mind that this grant program has a 4-year statutory limit, after which the grantees must supply their own funding. Furthermore, the Federal funding in the bill decreases at a specified rate: 100 percent for the first and second years; 75 percent for the third year; and 60 percent for the fourth and final year. This formula has been included in the bill to assure that local funding will take its place once the programs are underway. There is no intention on the part of the bill's sponsors to perpetuate this program at the Federal level.

It should also be noted that this bill is strongly supported by a broad range of groups including the American Bar Association, the Consumers Union, the Chamber of Commerce, the Conference of Chief Justices, the National Association of Counties, the League of Cities, the Motor Vehicle Manufacturers Association—including General Motors, Ford Motor Co., Chrysler Corp., and American Motors—Congress Watch, and Sears, Roebuck & Co. Nor is this list complete; there are more. But these groups who support the bill represent the spectrum of business and consumer interests as well as State, local, and national interests.

Finally, this bill authorizes $15 million per year for 4 years for grant purposes. That sum breaks down to less than $300-000 per State—the District of Columbia and U.S. territories and possessions are eligible for funding. Such a sum is modest. It constitutes, for all practical purposes, "seed money" to enable the States, localities, and nonprofit organizations to move ahead in this area.●

● Mr. RODINO. Madam Chairman, I rise in strong support of S. 423, the Dispute Resolution Act. As chairman of the House Committee on the Judiciary, I continually receive accounts of the difficulties which confront citizens who are seeking redress for their grievances. The fair, speedy, and inexpensive resolutions of everyday disputes—such as complaints by neighbors, customers, tenants, small businessmen, and family members—pose serious problems for society.

Disputes which arise in the course of daily life, if left unresolved, raise frustrations and tensions to a level that can seriously affect public order.

It is evident to me that the problems of cost and delay restrict access to the equal justice that all Americans have a right to expect and that this Congress has an obligation to protect.

When attorneys' fees and costs of litigation are likely to be more than the amount of alleged monetary damages, it is not surprising that individuals do not go to court. In these instances, local dispute resolution mechanisms become crucial to the harmony of our communities, and States have recognized this in seeking the help of the Congress through this legislation.

That is why this legislation is widely supported by organizations representing such a broad range of interests as the U.S. Chamber of Commerce, Congress Watch, the U.S. Department of Justice, the Conference of Chief Justices, the American Bar Association, and the Ford Motor Co.

My home State of New Jersey is a leader in this area, and the State's Attorney General John Degnan and Public Advocate Stanley Van Ness wholeheartedly support this legislation. New Jersey is the only State in the Nation with an office for dispute settlement and the public advocate expects this bill to help the State experiment with new locally based resolution mechanisms.

The fact that New Jersey, as well as other institutions and organizations, has moved forward in this area does not remove the need for this program. On the contrary, it means that their expertise will be helpful in solving unmet needs elsewhere in the country.

What is being debated here is not unique to the United States. Alternatives to court litigation have been used widely in many European countries: Great Britain, France, Poland and Sweden, among others.

The $18 million annual authorization in the Dispute Resolution Act is a modest sum when considering the beneficial effects it will have on our Nation. It is not designed to get the Federal Government involved in resolving minor disputes throughout the country. Rather, it merely creates a resource center in the Department of Justice to serve as a clearinghouse for information, to conduct research and to assist States and localities to create new mechanisms or improve existing ones.

For example, if one State conducts a successful dispute resolution experiment, then the resource center would communicate this to the other States. It would be inappropriate for the taxpayers of the initiating state to take this upon themselves. This legislation will plant seed money in the States and localities to assist their efforts to improve dispute resolution programs.

Madam Chairman, there is a growing need to assure all Americans access to convenient forums in which local disputes can be resolved inexpensively, expeditiously and fairly.

This bill addresses that need in an efficient, intelligent and effective manner, and I strongly urge its adoption.●

● Mr. DODD. Madam Chairman, I rise in support of S. 423, the Dispute Resolution Act, a bill to promote the establishment of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies and other disputes. At a time when we in the Congress have been accused of fostering creeping bureaucracy and overregulation, it is particularly refreshing to find a piece of legislation that seeks to simplify, rather than to complicate, procedures; to expedite, not to impede, solutions; and to encourage flexibility in operational methods rather than to insist on rigid adherence to any one method. I applaud the bill's stress on convenience of location to and accessibility by those people who will be served—an approach at once sound and sensible.

There are two basic provisions of the

legislation: First, the creation of a 4-year Federal grant program to foster the development of dispute resolution mechanisms (small claims or landlord-tenant courts; neighborhood, community, or agency-based nonjudicial forums) to settle minor civil disputes; and second, the establishment of a dispute resolution resource center within the Department of Justice for the purpose of dispersing information, providing technical assistance, conducting research and surveys on the dispute resolution process and the administration of the grant program.

There has long been a need for this kind of program whereby any individual can, fairly and at little or no cost, seek redress and/or remuneration in consumer problems, landlord-tenant disputes, and other civil matters. Many of these kinds of problems cannot be resolved through existing judicial means, due to lack of jurisdiction. Others involve little or no money, so resolving them through the courts costs the consumer so much that it is impractical to seek resolution in that way. The Dispute Resolution Act provides that whatever system is established must be accessible by all segments of the public, including the business community; must be conveniently located; and must be available for use during evening and/or weekend hours as well as weekdays. It encourages voluntary resolution of disputes, before resorting to use of the system. It requires that assistance be provided to both parties in a dispute and that the rules of the forum are fair and easily understandable. And it does not require representation by an attorney. Enactment of this bill will mean that, if the consumer needs to get his money back on $35 worth of paint, it won't end up costing him $135 to do so—no time off from work and no lawyer's fees will be necessary.

The bill encourages experimentation, using existing systems as well as new forums for dispute resolution, and allows the use of various techniques—mediation, arbitration, conciliation—in resolving controversies. This should help insure that whatever forum a locality or nonprofit organization chooses to employ will more likely be responsive to persons in that area than if one method were imposed across the board. This kind of flexibility will, no doubt, result in a greater number of successful programs than would a rigid structure.

The Dispute Resolution Act is legislation that is equally applicable to residents of urban, rural, and suburban areas; it is legislation that encourages the involvement of existing resources and expertise. It calls for the cooperation of Federal agencies with experience in dispute resolution and authorizes the use of personnel from those agencies to staff the Center. It does not create yet another permanent bureaucracy, a fact which will make it possible to easily sunset the program when it terminates in 1984.

This legislation enjoys widespread support and it is worth noting that it has no registered opposition. In addition to the support of the administration, the U.S. Department of Justice, the U.S. Office of Consumer Affairs, and the American Bar Association, the Dispute Resolution Act is supported by many business, consumer, and interest groups, including the Chamber of Commerce of the United States; the U.S. Conference of Mayors, Congress Watch, Consumers Federation of America, Consumers Union, Council of Better Business Bureaus, Inc., National Consumers League, National League of Cities, National Senior Citizens Law Center, and the National Institute for Consumer Justice.

I urge adoption of this bill.●

Mr. MOORHEAD of California. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. PREYER. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

□ 1350

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Dispute Resolution Act".

Mr. KASTENMEIER. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the chair, Mrs. SPELLMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 423) to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 423, just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

Mr. MILLER of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2977) to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MILLER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2977, with Mr. FAZIO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. MILLER) will be recognized for 30 minutes, and the gentleman from Colorado (Mr. KRAMER) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, passage of the Domestic Violence Prevention and Service Act, H.R. 2977, has been a top priority for me since I became a Member of this great body almost 3 years ago. As a former child abuse worker, I have witnessed examples of terrible cruelty within the American family. From talking to women's groups and victims themselves, I became aware that battered wives can be found in every economic and social group. Violence in the American home is a quiet epidemic and it is getting worse as our economy worsens.

Consider some of these facts and figures:

The FBI estimates that an American woman is abused every 18 seconds; nearly 5,000 are abused each day.

One in every six American couples will experience a violent episode this year. Serious physical harm occurs each year in nearly 10 percent of all couples in our Nation.

The National Institute of Mental Health has estimated that 1.8 million wives per year are severely assaulted; child abuse is estimated to occur in one-half of these families.

Spouse abuse contributes to one-fourth of all divorces in America.

One-eighth of all murders in the United States are caused by spouses killing their spouses.

More police die answering domestic violence calls than in any other part of their line of duty (the FBI estimates this to be 22.2 percent of the total).

Once it has happened, domestic violence tends to occur again and get more severe each time.

For too long, battered women have had nowhere to go. When they have had the courage to try and stop their beatings, they found a court system that deliberately made it difficult for women to press charges. They found hospital emergency rooms that ignored the real causes of injury and accepted obviously

false explanations that let everybody off the hook. They found traditional social services that were not responsive because this was a problem that made everyone uncomfortable.

Into this void, many private, nonprofit community based programs and shelters for battered women have sprung up. Almost every one of my distinguished colleagues has one in his or her district. A shelter is a place where a woman and her family can catch their breath—both physically and psychologically. She is able to realize that violence is not her fault; and that she does not have to submit to it forever. She can get information about community resources and what options are available to her during her short stay. The shelter is an intermediate solution—but an essential one.

These shelters also take in the often battered children of abused parents. The shelters provide counseling for the battered woman, her dependents and often for the abusive husband or boyfriend. Shelters actually serve to strengthen the American family—an institution where spouse beating should have no place.

Unfortunately, these shelters are, without exception, burdened by severe financial problems. Contrary to what opponents of this bill are saying, the money is just not there—on the Federal, State, or local level. The House of Ruth in Baltimore is an exemplary shelter, run by a superb group of committed, concerned Baltimoreans, many of whom are volunteers. But, it just does not have the financial resources to meet the enormous demand for its needs.

From July 1 to October 1, 1979, the House of Ruth provided shelter for 82 women and 65 children, yet they had to refuse admittance for 80 people because of a lack of room and money.

During this 3-month period, 389 women called the House of Ruth's crisis intervention hotline, all needing counseling and many needing shelter.

An additional 459 people called, needing information or referral to family violence community services.

And this is just the tip of the iceberg.

We would never ask the Pentagon to hold a bake sale to build the MX missile; and we do not think that researchers into esoteric diseases should support their laboratories by running thrift shops but that is the advice we have given to women trying to save the lives and health of other women. It is time we provided some short-term support—both technical and financial—to enable these local programs to reach economic stability and self-sufficiency. The battered wife who flees her house in the middle of the night because she is in terror of her life should not have to get to the shelter with her children to find that the doors have been closed because there was no money to pay the rent.

The Domestic Violence Prevention and Services Act is a modest, fiscally reasonable, but essential effort at alleviating this enormous problem. Seventy-five percent of the $65 million authorized over the next 3 fiscal years is distributed to the States to go directly to community based domestic violence programs and shelters. It requires States to develop a long-term plan which will include changing the criminal justice system, social service delivery, and public education. It will not create a whole new bureaucracy in HEW, nor will it cause shelters to become dependent upon Federal aid. Local control will be emphasized. It will change the Government's role from one of benign neglect to one of benevolent nurturance.

In supporting shelters for the victims of domestic violence, we are literally offering refuges to save the lives and health of hundreds of thousands of battered spouses. Surely, there can be no more important priority for Government than this. I strongly urge my distinguished colleagues to defeat all weakening amendments, and vote for final passage of H.R. 2977.

□ 1400

Mr. KRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this legislation, not because I do not recognize the fact that there is a domestic violence problem in this country. I think there is no question but that there is. I agree with the remarks of my colleagues that potentially if a police officer and people in law enforcement go into domestic violence situations it really does present perhaps the most dangerous kind of confrontation that can take place in law enforcement work. However, the question really before us today is not whether or not there is a problem, but whether or not the Federal Government ought to be involved in the solution to that problem, at least on the scale suggested by this bill and at this particular point in time. I would suggest that the answer to that is no. For a few minutes I would like to explore some of the reasoning that I have based my decisions on in reaching that conclusion.

Mr. Chairman, I do not think the bill is necessary. There are already 10 Federal agencies and 32 programs we know of which are providing some kind of Federal assistance to domestic violence victims. In addition, there are untold programs going to domestic violence victims that we cannot actually delineate and ferret out with a dollar amount in a line-item kind of way. But, we know there is over $30 billion—not millions, but billions—in Federal dollars presently allocated to these 10 agencies for which domestic violence programs can compete. There is an additional $7 billion available in State money. This makes an existing present flow of $37 billion out there that domestic violence programs could presently possibly make a claim on and compete for.

This extends all the way from billions of dollars in Social Security Administration and AFDC, in medicaid, in emergency assistance, to programs under Office of Human Development in HEW, to public housing money in HUD of approximately $2 billion, to legal services money, the CETA money, food stamp money, and on and on.

Mr. Chairman, there are only 13 Federal programs which line-item the Federal dollars they expend for domestic violence programs. But of these 13 programs we find no less than a total of $11.5 million went for domestic violence program assistance in fiscal 1979.

Mr. Chairman, this chart I have brought up with me to the podium reflects the ongoing Federal programs already providing Federal domestic violence aid. We can see we have already established for ourselves, on the Federal level, quite a flow chart.

Presently, 6 of the 32 Federal programs in existence do provide money on some basis for shelter care. In addition, title XX, as amended by H.R. 3434, which is presently pending conference, would permit title XX funds to be utilized for emergency shelters. Title XX was funded at $2.5 billion in fiscal year 1979. So, the argument there is nothing available for shelter purposes, per se, is an overgeneralization and oversimplification that is simply not borne out by the statistical evidence.

In addition, Mr. Chairman, we have H.R. 5907 pending which would allow food stamps to be opened up only to people on AFDC, which presently indirectly provides money to income eligible victims of domestic violence but, in addition, to those people who are actually residing in shelters on an emergency basis.

There are only two States in the whole country today that provide no assistance whatsoever to domestic violence victims, and there are only four States in the country that do not have any shelters. There are 274 active operating shelters already established in the United States. There are 204 other service agencies operating some kind of domestic service specifically for domestic violence victims. Additionally the States are moving rapidly on their own initiatives to set up domestic violence programs with a kind of umbrella assistance that would provide the full gambit of services that some of these domestic violence victims truly need.

In addition, Mr. Chairman, let us see what the Federal Government has proposed in the way of initiatives, of recent vintage, to deal with the domestic violence problem. First an Office of Domestic Violence is already operating within HEW to provide a Federal focus for domestic violence programs, a Federal spoke on which the wheels of Federal domestic violence programs can spin around.

Second, a clearinghouse to collect domestic violence information has already been established by HEW. So, in many ways, all this bill really does, is, in fact, reinvent the wheel.

Third, the Interagency Domestic Violence Committee established by the President reported on November 30, with another January meeting scheduled, to consider the question of coalescing and making more efficient are Federal initiatives in the domestic violence area.

Fourth, Mr. Chairman, I would like to point out that this bill, even though it does not contain, by Federal standards, a tremendous amount of funding, is nevertheless inflationary. It does add to Government in times of budgetary crisis, and it does not relieve any of the crunch

and pressure so many of us have placed on the Federal budgetary process.

Mr. Chairman, I would point out we already have accumulated for fiscal year 1980, a projected deficit of some $45 billion. We have a $830 billion debt. And, though same of us differ philosophically on what causes the inflation in this country, there are many of us who feel, and I think more Americans increasingly so, that the 14-percent rate of inflation from which we suffer today largely comes as a result of the unrestrained spending policies of this Congress which have, indeed, created that $830 billion debt.

Mr. Chairman, in the last 6 weeks in this House alone we have taken steps, started initiatives, or will start initiatives, that will wind up in a $14.5 billion increase in authorization.

In the Higher Education Act, $2 billion.

In the Welfare Reform Act, $3 billion.

In the economic development assistance, $7.5 billion.

In CHAPS, $2 billion.

We all know these things are likely to become law, if not by the end of the year, certainly shortly thereafter. So, in just a very short period of time we in this House who have started preaching fiscal responsibility have yet to start practicing it.

Between 1968 and 1978 in welfare assistance, cash and noncash programs, we have quintupled spending from $16.1 billion to $83.6 billion. This bill does nothing but precipitate us on a continued course in the same wrong direction.

We have national priorities at stake. Although domestic violence is a problem, I think our primary responsibility is to attack inflation, energy, and our needs in national defense.

□ 1410

There simply never will be enough money to meet all the compelling requirements or demands that are placed upon this body. Therefore, at some point in time we simply must say, this is our limit. We cannot do all things for all people. There are just some problems in society that we are not capable of solving, and our continuing attempts to do so will literally wreak havoc with the rest of our society in terms of the inflation rate, in terms of budget deficits, and in terms of a government structure that the ordinary citizen is totally overwhelmed with.

Finally, I think that H.R. 2977 is jurisdictionally unwise. Family matters have traditionally been a matter of State concern. There is already in existence a tremendously large flow of untracked Federal dollars actually going out for domestic violence programs; so the remark cannot be made that the Federal Government is not involved in aiding domestic violence victims. But to put the Federal Government into domestic violence assistance as H.R. 2977 does simply will insure for all time that there is a Federal focus in coming to grips with the problems of domestic violence in this country.

Family matters, as I have indicated, have traditionally been rooted in State law. Victims turn to the local police, to local courts, and to local service agencies for help, not the Federal Government. States have taken the initiative.

We can see from the statistics that there is no lack of State programs. I have a list here for anyone who would care to see it about what kind of services are being offered today in each State of our country.

As I indicated before, there are only two States that show no services, and only four States that show the existence of no shelters.

For these reasons and many more it seems to me that it is ill advised to move forward on this program at the present time.

At the very least, we ought to be waiting until all the Federal results are in from all three studies that are presently being undertaken.

Yes; that would mean perhaps a delay of 1 year before a new Federal initiative on domestic violence is started. At least we would be assured if we are going to move forward in this area, that we would be going forward with the latest and most complete data possible which could be accumulated.

For those reasons, Mr. Chairman, I reluctantly ask the Members of this body to oppose this bill at this time. I do not think that the demand for a separate domestic violence program at the Federal level is justified, even though I think that there are those who certainly can make a logical argument that domestic violence is, indeed, a problem. It is simply not a problem that is going to be solved by this bill. It is not a problem which in terms of our national priorities, justifies the Federal focus being transferred from the State level to the Federal level on this issue.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Chairman, I thank the distinguished gentleman from California for yielding.

Mr. Chairman, violence in the home today is truly "the quiet epidemic" that our colleague from Maryland, BARBARA MIKULSKI, has termed it. Statistics tell us that—in at least one out of six American homes—a woman is abused by her spouse. Probably the true figure is much higher; who knows how many incidents of this sort never get reported?

During periods of high unemployment and economic hardship—such as many people in this country are facing today—the frustration and anger within families become even more intense. And within these violent families, there are shockingly high incidences of spouse abuse, child abuse, criminal activity, even murder. The FBI claims that one-fourth of all police killed in the line of duty are responding to domestic violence calls. And saddest of all, the violent behavior is passed from generation to generation. It is indeed a vicious cycle.

In my own congressional district, in Montgomery County, Md., we have a very constructive abused persons program which, in less than 3 years of operation, has helped several thousand victims of spouse abuse and their children. If any of you have any questions about the need for such a program, I urge you to visit the shelter in Bethesda and see for yourself. You will see the shocking physical abuse, the desperation, the human tragedy. I myself have done this, and can say from a very personal standpoint that I was moved by the experience, and that I came away comforted that such a shelter and such a program exist in my own community because the need is so clearly there. I came away determined to do whatever possible as a Member of Congress to see that this and other shelters exist to aid the persons who need them.

In an average month the Montgomery County program, which at this time is funded through the Montgomery County Department of Health, receives 100 crisis calls over the hotline, offers shelter to at least 65 persons—both women and their children—and will at any given time be servicing between 60 and 80 clients. These services include shelter for up to 3 weeks, information and referral either by phone or face to face, legal advice, counseling, support groups, financial assistance, emergency medical services, child care, even employment assistance. Where the abusive spouse is willing, individual or group marital counseling is offered to work on permanent behavioral changes.

Out of a compassionate and comprehensive program such as this, can come the changes that bring an end to the victim's suffering, sometimes even an end to the violence and the savings of a marriage and a family.

H.R. 2977 is specifically designed to help programs like this exist in communities around the country. The focus would be on the local level—where it belongs. Federal funds would be channeled through the States to local programs, and could not exceed 25 percent of any shelter's annual budget. No single program's grant could extend beyond 3 years, thus insuring that local initiative is maintained.

This legislation will enable the local programs that exist to be more secure; more importantly, it will encourage the establishment of programs in the many areas of the country where no programs now exist; it will coordinate and enhance the efforts at the Federal level. Its cost is modest. Its value in human terms is enormous.

Mr. KRAMER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, while I support this bill very strongly, I think it is important to stress that this bill is designed not to federalize this activity, but to enhance the State's role, to nurture initiatives by States and local government units and not for profit organizations, to protect victims and their dependents, victims of domestic violence.

We seem to be a culture of victims. I think the funding limitations are modest, if not minuscule. Twenty-five percent of an annual budget or $50,000 a year, whichever is less, is hardly a Federal takeover. This does not institutionalize a new Federal program. I submit it enhances the States and the local governments' role by simply providing guidance and seed money, direction and encour-

agement, to these local initiatives. Of course, there will never be enough money to do all the good things we want to do.

It is a question of priorities, but I think the law exists to protect the weak from the strong and to protect the vulnerable human beings in our society. Certainly domestic violence creates a whole class of vulnerable people who need immediate help. They need it immediately and it has to be skilled help.

If you have seen families where children have been molested, where women and children have been abused, it is an enormously traumatic event and skilled immediate help is necessary.

This is the kind of a program that gives encouragement and force and momentum to local initiatives to help meet this problem.

I would suggest, even in reading the dissenting views, it is admitted that there is a real need in the area of domestic violence protection and protective services. You can grow old and weary waiting for studies to come back and waiting for other people to do something about it. This is so modest, it does not even make a ripple in the budget and I strongly urge its support.

□ 1420

Mr. MILLER of California. Mr. Chairman, I yield 4 minutes to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Chairman, I rise in strong support of H.R. 2977. I strongly endorse the bill, its concept, and design. I feel that the time is right for passage of this legislation.

I would like to say to the gentleman who preceded me that the focus in Congress, in the last session of Congress, the fact that there was a national problem that demanded a Federal response was the reason that we were able to pass so much legislation and to have so many programs inaugurated in the Federal Government. These programs do help when they are coordinated properly to address the problems of family violence.

It was the emphasis in the Congress and the discussion with the Secretary of Health, Education, and Welfare concerning a domestic violence bill that led to the establishment of a director for these services within the Department. It was the suggestion of the need that led from the clearinghouse concept to the studies concept, and it was certainly the emphasis that was expressed here that led the White House and the President to recognize the problem.

Even though we have had this problem recognized at these levels, there is still a need for the legislation from this body. As a matter of fact, the President has written a letter in strong support of this legislation, saying that—

> Further action is necessary if we are to provide direct, immediate assistance to the victims of this growing national problem. This Act would provide that assistance, effectively and sensitively. I hope it will be passed by the Congress at the earliest possible date.

Mr. Chairman, the time is right, especially now, for this legislation, because the needs of battered spouses and their children and of aged family members are being clarified and understood more and more as victims are willing to share their problems and approach the solutions to them.

H.R. 2977 would provide funding, to be channeled through the States, for support and encouragement of local shelters and their related services. Existing community shelters across the country have developed the expertise which can be used as a model for new shelters and support projects. This bill speaks directly to the problem at hand—the victims of domestic violence.

Those involved are simply human beings faced with the threat of real, physical violence. Studies have found that, in most cases, the victim is female. She is rarely psychotic, alcoholic, or otherwise drug addicted. Threatened with violence, she needs a place to go. She needs a door she can walk through to safety; she needs a shelter, a place to sleep and to eat. With peer support and counseling, she can make a new start.

So, although grassroots shelter programs, such as those funded through religious groups or neighborhood coalitions, have developed expertise their limited resources cannot sustain enough shelters for the millions of victims nationwide. A problem of national proportion, such as this one, requires national support and Federal encouragement.

Because domestic violence is, at heart, a community problem, the legislation we have to consider today pitches a huge portion of its strength to the community levels. As has been pointed out, 90 percent of the funding in this bill applies to State programs. The thinking behind this allocation is that, although Federal dollars are badly needed, the States are much more aware of local needs, local differences in language, perhaps, or culture, and of population size and structure. Also, of course, family law and the responsibility for it is primarily a State responsibility. Therefore, it is up to the States to determine which local public agencies or nonprofit private groups will receive funding.

Many existing shelters, such as the House of Ruth here in Washington, are buttressed by community support. This may come in the form of dollars, or in volunteer aid, or in donations of food, furniture, and clothing. This community base must be held up by Federal funds if such shelters can continue serving people in need. With such additional help, it is possible that other, similar shelters could grow in the community to serve those who cannot be accommodated in a few small shelters.

We should all be encouraged by and thankful to all the people across the country who have determined the need for shelter services, and who have dedicated their time and their own money, in many instances, to assisting others who need immediate help. This is a tremendous sign of hope; that despite pressure to suppress the problem, or to refuse to deal with it in some towns and cities, counseling and shelter and encouragement exist and are struggling to continue in each of our districts.

We should acknowledge the fledgling efforts of small shelters, operating out of borrowed homes. We should acknowledge the year-long efforts of battered women's programs, such as the one coordinated by the YWCA in New Orleans, that bring together a vast network of existing resources—law enforcement agencies, counseling groups, volunteer helpers—to assist victims of domestic violence. And we should acknowledge and meet the need of the as yet unstarted shelters which need seed money and a boost.

Passage of H.R. 2977 would insure that the States would be able to supply existing shelters with support money and technical assistance, if necessary. States could provide these Federal dollars to new shelters, which would raise 75 percent of the needed funding. Existing Federal programs would be analyzed and duplication eliminated through a Federal interagency council, and the dissemination of the information from a national clearinghouse would educate citizens nationwide about the problems, their effects and possible solutions, and methods of prevention.

The complex problem of domestic violence entails many outlets for assistance. Those physically abused by their spouses need refuge, medical attention, counseling, legal advice, and referral to other community services. Emergency shelters are only a part of the projects to aid abused victims. Shelters are an excellent place for the husband or, more frequently, the abused wife to think about their problems and to make decisions about what they want to do.

Domestic violence affects all of us, for when someone is slapped, kicked, beaten, or stabbed each of us loses—loses a confident, healthy, dignified human being. Many times, due to death by violence in the home, our communities lose their citizens not only the warring family members but also oftentime the police officer who must respond to the disturbance. We must vote for H.R. 2977 and make sure that the Federal Government helps us to address this problem by committing funding and education; we must extend this funding to the States which will determine how moneys can best be used on community bases; and we must make sure that we all understand that beating will not go away without our help, and hard work, and concern.

Mr. KRAMER. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I am pleased to rise in support of this bill on domestic violence, as I have done before.

I want to speak briefly to the Members from my own experience as a law enforcement officer. I served 4 years as attorney general of the State of Vermont. Through this experience, I found that one of the most difficult areas for law enforcement people to handle lies in the area of domestic violence. In fact, oftentimes when the law enforcement officer becomes involved, his presence exascerbates the situation rather than making it better.

For this reason I support this bill as it is time we provide shelters to these people who are in need of more extensive services than the police are able to offer.

I support this bill as it allows us to not only provide these shelters, but equally importantly, to provide counseling and therapy to those involved. To me, if there is one area where we have a great chance of preventing crime, it is in the area of domestic violence.

Through my experience, studies have shown that in most cases, law enforcement officers have been involved in reconciling disputes or problems, prior to the time a real harmful event occurs. The problem families are thus identified, yet there are no available services to deal with these situations H.R. 2977 provides these services. The kinds of programs fostered by this bill, will enable those suffering from domestic violence to seek shelter without having to involve the law enforcement agencies.

Mr. Chairman, I think this is a good bill. It is a responsible one, and it will be very helpful in this area.

Mr. Chairman, I rise in support of Congressman MILLER's bill. The subject we are debating here today is not one that is readily admitted or discussed. For too long, domestic violence has been left a closed subject behind closed doors. Last year, when my distinguished colleague, Mr. MILLER, introduced similar legislation, national attention was drawn to this hidden crisis. I am sure we have all heard the figure as given by the National Institute of Mental Health that speak to the tune of one in every six families experiencing an incidence of domestic violence every year. While this clearly is an alarmingly high ratio, my question to you is: If we have data revealing one in every six families is affected—that is approximately 17 percent of all families—how many more incidences are there that are not reported? I fear the statistics reveal only the tip of the iceberg.

As a cosponsor and ranking member of the Subcommittee on Select Education last year, I rose in support of Congressman MILLER's bill despite some reservations I had. The bill before us today, however, has been greatly strengthened through the help of Members from both sides of the aisle. First, the expense of H.R. 2977 has been reduced by almost 50 percent. Last year's bill authorized $125 million for 5 years, this bill authorizes $65 million for 3 years. Secondly, the role of the State has been greatly expanded. A key example of this is in the channeling of funds. Rather than having HEW award the Federal grants directly to the local programs, this bill authorizes the grants to be given directly from HEW to the States. Ninety percent of the money authorized in the bill goes directly to the States. Each State applying for funds must designate a State agency to administer its programs. Also required from each State are annual reports to be directed to both the State legislature and HEW on the status of the domestic violence programs. The Federal Government is merely offering financial assistance—it is not removing the power from the State in the distribution, administration, maintenance, or evaluation of the program.

H.R. 2977 is fiscally responsible. Programs will be forced to seek additional sources of support, both local and Federal, as the grants awarded by the State are limited to $50,000 or 25 percent of an agency's annual budget. However, for a private nonprofit organization less than 1 year old with community support, grants may cover up to 50 percent. Fairness in the distribution of grants will be assured by the limits of the grants, and by the fact that each State will be entitled to a pool of at least $50,000 in grant funds available for that State. Many small States and rural areas suffer from the effects of domestic violence as much or more than do many urban areas. Moreover, fewer social services generally are available in rural areas, so that domestic violence programs can have a genuine impact. Some degree of local support will be assured by the fact that grants under this bill will be limited to 25 percent of a program's budget.

The treatment programs supported by grants need not be limited to shelters which offer emergency services and housing to the victims of domestic violence, although shelters are currently the most common form of treatment program. Further use of the funds will be for preventive programs, for victims of domestic violence as well as their families.

It is the intent of this bill for the grants to be extended to the whole family. While spousal abuse is the most prevalent, nothing in this bill precludes an elderly parent or child from seeking help from services established within H.R. 2977. The victims of violence are provided with both shelter and counseling, but so too are those who witness the crime. The importance and real necessity of this kind of counseling cannot be underestimated. To provide only shelters in the absense of some kind of counseling or guidance would be a shortsighted mistake. We must not only treat the symptom, but must search the problem deeper to try and find the cause.

As the legislation supports, the State, as a smaller unit of government, is better equipped to distribute the grants for the family violence programs. The State is not only in direct contact with its communities, but is also more accessible. As such, the State is better able to more effectively assist the communities in dealing with the different needs of its constituencies.

The third major area of importance in this year's bill lies in the administrative provisions. No new bureaucracy is created. The bill before us mandates a Federal Interagency Council on Domestic Violence. The Council does not have any budget authority, rather its functions are to coordinate existing Federal programs, and develop program priorities. As the Council is represented by the Federal agencies and departments administering domestic violence programs, this Council to coordinate efforts is essential. If we are to provide services as cost effectively and efficiently as possible, each must know what the other is doing. Also represented on this Council are members of State and local governments, as well as members of the general public.

In a further measure to coordinate efforts, the bill requires HEW to establish an information clearinghouse in conjunction with the existing clearinghouse for child abuse. Under further provisions of this legislation, HEW is required to appoint a coordinator for domestic violence programs. This appointment could easily be coordinated with the Office of Domestic Violence recently created by President Carter as a result of this legislation's introduction.

Mr. Chairman, before closing, I would just like to stress the importance of encouraging further research on the subject of domestic violence. While H.R. 2977 does not authorize funds to be spent on research activities, the committee recognizes the importance of further research in this area. A special responsibility of the Council and the Secretary of HEW will, therefore, be to identify research opportunities throughout HEW. Full advantage must be taken of available research funds which might be used for domestic violence research.

The prevalence of domestic violence is only now beginning to emerge through the back door, yet the crisis has already reached epidemic proportions. When we start talking about 17 percent of all families affected, we have got to look deeper into the problem and find the cause. We must better understand the roots of the problem if we are to effectively combat the rising incidences of domestic violence. We can no longer sit idle. Congress must extend its help if this cancerous problem is to be arrested.

As society becomes more complex, the demands placed upon the family unit will only continue to grow. None of us are immune to domestic violence. It afflicts all members of society, regardless of race, economic standing, or geographic location. We must deal with this crisis in a realistic and forthright manner. We cannot turn our backs and expect the problem to disappear, for I assure you it will not. We must reach these people. Today we have the opportunity to make one of the most significant contributions toward the preservation of the American family. While some of my colleagues will argue that several other Federal agencies and departments already address the issue of domestic violence in one form or another—none, and I repeat—not one, has the authority to fund the operation of shelters or ongoing services for domestic violence victims. In my opinion, this is slanderous, especially when we are talking about a crisis that affects one in every six families. All levels of government must become involved if we are to save the very structure upon which our society is built.

The passage of this bill is imperative. We can no longer delay. I urge you all as Members of Congress, and members of your own families, to support Congressman MILLER's bill.

Mr. MILLER of Califorina. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, this country has built an unprecedented record of humane assistance to people all over the world who are in need. Our recent effort to supply food, medicine, and shelter to suffering Cambodians indicates that we are a caring people. Yet continuing to allow spouses and children in American homes to suffer as a result of domestic

violence is not something to be proud of. It is a shameful situation which must be corrected.

There are already a number of programs on hand, including Federal programs, designed to prevent domestic violence from occurring and to treat the victims of assault. Yet these programs are poorly coordinated. They are administered at various levels of government by agencies which do not necessarily consult about their parallel activities. They are administered so unevenly that a victim of domestic violence in one area may receive adequate support while somewhere else victims suffer in fear and shame because they have nowhere to turn. This inconsistent response to one of the most abhorrent of crimes must be remedied.

I support H.R. 2977, and I urge my colleagues to vote in favor of this bill, because it would coordinate Federal and local programs for victims of assault under an Interagency Council on Domestic Violence. I am especially encouraged by the focus of this legislation on prevention. The country is becoming more and more attuned to the fact that preventive programs are in every case ethically and economically superior to treatment. Domestic violence cases are no exception; it is clearly more humane to keep these cases from occurring than to treat victims of physical and emotional assault.

The fact that the proposed legislation will accomplish these goals without infringing on local jurisdictions is important. H.R. 2977 keeps the responsibility for operating domestic violence programs where it should be—at State and local levels. Adequate Federal funds will be provided so that Americans in every area of the country will have a place to turn if confronted with an intolerable home situation. Let us not turn our backs on these people who need our help.

Mr. Chairman, I take the well today to join in support of this legislation. It has broad-based support by Republicans and Democrats, and it is time for us to enact this domestic violence legislation to provide some seeds and catalysts out in the community to take the kinds of responsible actions we need, at the Federal and State and local levels that are necessary in providing help to those who suffer from domestic violence.

I am pleased to see my colleague, the gentleman from Illinois (Mr. HYDE), joining in support of this legislation. As one who stands on the other side of the Hyde amendment on the abortion issue, I think it is responsible for both sides to recognize that the whole question of domestic violence has a lot to do with the whole family structure.

I would like to focus my attention, as the gentleman from Vermont (Mr. JEFFORDS) did, on some personal experiences. From 1968 to 1972 I was a part of a group in the city of Philadelphia called the Police-Clergy Unit. While not serving in law enforcement, I would put on a clerical collar and ride with lieutenants of the police in North Philadelphia, one of the higher crime areas in the Nation. We would ride into gang fights and into taproom holdups and into other scary situations in housing project areas and other places around Philadelphia. It became very troubling and scary at times.

I can recall night after night, while riding with the police, the hesitation on the part of the officers and police lieutenants to go into domestic-related crimes and violence, and the number of calls for help were very high. Many of these policemen failed to really find any ground for enthusiasm in going into a situation where we needed to use all our psychological skills, all our sociological skills, and all our other skills in working with people at all levels.

It was in 1972, with the backdrop of that 4 years of experience, that I helped to open a very small center called the People's Emergency Center. This shelter was a shelter for women and families made homeless on weekends.

One of the things we discovered was that at 5 o'clock on Friday afternoon most social service agencies close, and they are not open again until 9 o'clock Monday morning. In the city of Philadelphia we had three shelters for vagrant males but not one shelter that would take a woman or a family. If there was a utility failure or an accident, or if, as in most cases, there was an argument or fight or some act of domestic violence that left women and families homeless on weekends, those women and families had nowhere to go. If they could not find a relative or friend or neighbor, they simply found themselves huddled in a corner in a police station, huddled in an accident ward, or simply walking the streets through the night or sitting in bus terminals and other places around the city of Philadelphia.

We had hoped that the people's emergency center, which was open only on weekends and which was located in an old, dilapidated church that we renovated to give shelter, clothing, and a little place of rest for women and families, could help 100 families during the course of a year. That shelter helped 2,000 families in the course of the first year.

That center is still open today. It is still open because the public government sector, at the city level, at the State level and at the Federal level, has not been able to use whatever State or local programs have been available today and put the necessary ingredients together to have ongoing programs such as those that would be funded by this legislation.

So, Mr. Chairman, in terms of my own personal experience, I urge my colleagues to support this legislation and recognize that we can make a contribution in the lives of women, in the lives of children, and in the lives of families throughout this Nation.

□ 1430

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I rise in support of H.R. 2977, the Domestic Violence Prevention and Services Act.

I am proud to say that I am an original sponsor.

Who are these people we are trying to help? Are they the "theys" of the world, faceless people?

They are people all around us, people that we may not even be aware of who have problems like these.

When I was in local government, I found, for instance, that the wife and children of one of our college professors, a professor at a university in this Metropolitan Washington area, lived in terror and would have to lock themselves in the bathroom at night in order to try to feel safe, and there was no place for them to go. No one would open their doors for these folks.

The Department of Labor statistics tell us that each year 1.8 million wives are severely beaten. In one-half of these families the children are also victims of abuse. Annually 60,000 to 100,000 children are victims of sexual abuse in a family. Those are pretty horrible statistics.

I might add to those the fact that 5,000 children die yearly from violent family abuse. This is the United States we are talking about; here in our country these things are happening.

We also have FBI statistics showing perhaps as many as 25 percent of the murders in the United States involve one family member killing another, and one-half of these involve the murder of spouses.

Obviously, domestic violence is a serious, a very serious problem.

Is this bill inflationary? Hardly. The $65 million cost, spread over 3 years, is, and I quote from the dissenting views of the committee report, "substantially lower than many other categorical programs."

The Congressional Budget Office reported to the committee that the inflationary aspects of this legislation, as a part of the Federal budget, would be negligible.

Congress has come under attack recently, as has the whole Federal Government, for enacting programs which are destroying the institution of the family, and in some instances legislation may very well have passed which unintentionally did this.

H.R. 2977, however, could have a very positive effect on families. Domestic violence services, which place an emphasis on family counseling, on outreach, could serve to keep families together.

Opponents of this bill tell us that the Federal Government already provides services in the area of domestic violence. This is only partially so. Certainly, there are some programs providing some necesssary services to victims of domestic violence. But, in a sense, that is the point. H.R. 2977 is needed because it mandates a definite program to combat this problem. It would provide grant moneys for the States to distribute to private and public agencies. It would coordinate Federal efforts in this area by establishment of a clearinghouse on domestic violence.

We all are aware that the administration is backing the measure, as I am sure most of you have received a letter from the President citing the need for direct, immediate assistance in the area

of domestic violence prevention and services.

Before I close, let me tell you a little about the Assisi Family Center in my congressional district. This private, nonprofit organization provides services for victims of domestic violence which include, shelter, counseling for women and their husbands, operation of a hotline, and job counseling and placement where necessary. A woman and her children may stay at the center no longer than 1 month, just until she has a chance to get on her feet, or until the domestic situation improves and she may return home.

The biggest problem facing victims of domestic violence is a lack of support which requires the victims stay in the home, instead of being able to be removed from the situation either temporarily or permanently. Over the years, the Assisi Family Center of Prince Georges County, Md., has provided countless victims of domestic violence with important services. It is an invaluable part of the social services in my district. With passage of this legislation similar centers can be established in other areas of the country. Do make this needed aid possible by voting for this bill.

Mr. KRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to just mention, in passing, in order to alert the body as to what will be coming up on this legislation when we enter into the 5-minute rule, there are some amendments that we will be offering which we feel will improve the legislation.

As I indicated during the debate on the rule, I thought that the legislation as it presently stood was indeed an improved piece of legislation from what it was when it had been originally introduced, that there were a number of amendments that were added at the committee level that did, I think, help to alleviate, or at least make less severe, some of the problems in the legislation. I think that there are some further amendments that would also be helpful if the committee deemed it appropriate to adopt them. I would just like to briefly mention what those three would be.

No. 1, one of the concerns that I have about this legislation is that, like most Federal grants, or often like Federal grants, especially those in my experience with LEAA, the Federal Government comes in for some period of time, provides the money to allow the programs to become operational, and then pulls out. At that point the choice is either dismantling the program or trying to find some funding source or funding initiative. Oftentimes both happen. I have seen programs disappear. But I have also seen programs being picked up by other funding, and what that other funding almost always entails is State legislative funding. In other words, those who are running the program say that "Federal funds are about to run out and you, State legislature, will have to come in at this point and pick up the pieces."

Because there is a 3-year time limit on this bill, one of two things will happen. Either this bill will continue to be reauthorized beyond the 3-year seed period, which I suspect will happen, or, if it does not occur, what will happen is State legislatures will be asked to pick up where the Federal Government left off. In that light, I think if the State legislatures are going to be asked to do that, in practice, they ought to be in on the funding decisions from the beginning. If they determine that they ought not to be in the position of funding the ongoing domestic violence shelter programs, and so forth, they ought to have that opportunity to express that view from the beginning, rather than being put in a situation where they are put up against the wall with the almost irresistible pressure that will be forthcoming at the time that Federal funding ceases.

In this regard, I would suggest that we add a State legislative veto provision to this legislation. In other words, a veto would be allowed by the State legislatures to terminate the Federal funding under this bill at any time.

The objection was made in committee—and I think a good objection—that State legislative approval prior to the fact would be perhaps somewhat difficult to make this program operational, as that would require a positive act on the part of the State legislature before such funding could be forthcoming. In order to obviate that problem, we have come up with this legislative veto which will allow the funding to move forward but at the same time will allow the State legislatures to say, "Look, we do not feel that this is a proper area for State government to be involved with, and we choose not to accept the Federal funds."

The second amendment that we will offer will require that those who receive the services under this legislation be either related by blood or by marriage. Perhaps the point could be made that for us to try and not have covered by this bill those who are living together and are not married is old fashioned and out of place in light of present day activities. Perhaps that argument indeed can be made. But I would feel that it would be a mistake for the Federal Government to go forward and in effect condone that situation and put its stamp of approval on it.

The way the bill is now structured it would do just that, because it does provide those services—and intentionally it was broadened to do that—for those who are not only married but for those who are living together. Obviously, I think that there are going to be instances where people living together get into combative situations. None of us could probably disagree with that. But where they do not have the bonds of marriage, the simple solution in such cases is really for one party to move, and that should be an acceptable solution. So our second amendment will ask that only those who are related by blood or marriage be included within the scope of coverage of this legislation.

Third, we are going to see if we cannot add some kind of licensure provision so that at least if we are going to have federally funded or Federal participation in shelters, at least they meet certain minimum standards of safety and health and that the people who are involved in providing services to those who are domestic violence victims have some minimal level of training or capability to deal with the problem. There are no provisions of this sort in the bill at the present time. Basically, there are no requirements for health and safety or for minimum capability or educational or some kind of competence level by the staff that will be staffing these shelters, and I think that it is reasonable that if Federal funds are being spent, they are spent in the most meaningful way possible.

□ 1440

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, and members of the committee, the legislation that we are debating today, H.R. 2977, is an effort to have a logical and yet limited response to the problems of family violence in the United States.

Previous witnesses have already spoken about the need in this country for this kind of response—to provide a shelter where an individual, who is in a life-threatening situation or is in danger of physical bodily harm in his or her relationship, can go to temporarily collect her thoughts and decide what alternatives are available to that family, to those children, and to the two married individuals involved.

I would also like to point out that it is not just in the individuals' districts who have spoken today where the demand for services far exceeds the programs available.

The first fully funded shelter in New Jersey opened its doors in 1978, and within several days was filled to capacity.

A shelter in Pittsburgh, Pa., has been receiving 100 calls a day from women seeking shelter from abusive and combative husbands.

A community-based shelter in Orlando, Fla., sheltered 149 women and children and answered 2,700 hotline calls in only a 2-month period in 1978.

I think those situations and the circumstances along those lines that have been described by my colleagues point out why the on-line police officers support this legislation, why the police chiefs' association supports this legislation. Groups such as these support the legislation because the demand for services for diversion of individuals involved in domestic arguments, or involved in violent activity within the family, is too great, and yet the ability to respond is so limited. I would hope that is what Members of the House would consider.

Now, a great deal has been made that there are other Federal programs which address this problem, and somehow the gentleman on the minority side came up with the idea that there is some $37 billion which is at the disposal of people for these programs. That just is not so. It just is not true.

Let us look in fact at what has happened. Certainly the Federal Government has tried to respond in a limited fashion.

I authored the amendment to H.R. 3434, which makes shelters available under title XX to adults as well as to children.

That legislation is yet to be enacted, but even if it were, no new moneys are provided in title XX for that purpose.

When the Department of HUD decided they would provide money for the purposes of renovating shelters, no new moneys were provided. In fact, what they are really saying is that those people who are concerned about battered women and children and husbands can scramble at the local level for the same amount of money that was available last year on all block grants. When they talk about State programs being available, let me tell my colleagues even in the State of California, where they have done a tremendous job to try to meet this problem, what they are really talking about is amending discriminatory laws. They are talking about giving the police more authority. They are talking about giving the courts more ability to prosecute.

What I am suggesting to this House is that by passage of this legislation we could provide the only program, outside of one limited demonstration program last year, for the operation and maintenance of shelters for victims of domestic violence. By the passage of this legislation, in fact, we can put the hub in the wheel of many spokes.

We can coordinate activities, and in fact LEAA can start talking to HUD, and HUD can start talking to CETA and VISTA and these various agencies that do have some resources can, under existing law, make them available; but the problem is today there is no solid, continuous, coordinated activity for those resources at the local level.

A recent audit of LEAA demonstration programs by the URSA Institute of San Francisco has shown exactly this. In its first year report, submitted to the Office of Juvenile Justice and Delinquency Prevention, the evaluators found that where you open shelters, where you provide coordinating services, in fact, they do respond to a community need. These programs provided unique and unduplicated services.

These programs can be run by local people and they do reduce trauma. They provide court alternatives. They provide the police alternatives to the old-fashioned manner of not reporting domestic violence and not responding in a proper way, not having resources to divert people from very dangerous situations. One of my colleagues pointed out that in those situations where homicides have taken place in the home, I think in over one-third of the cases, the police had been there three times or more, but the police did not report it. Thy did not have an alternative to get one of those people out of the home. What happened? A taking of a life.

I think this measure provides us the ability to deal with those problems to a limited extent on a local level. Let me point out to people who talk about this as a State problem, and they talk about not wanting to federalize the problem—let us really understand. We are saying in the limited sense that we will provide up to 25 percent of the shelter's budget not to exceed $50,000, but first they must in fact provide 75 percent of their ongoing support from either State or local governmental or private agencies. In fact, what we are doing is turning this into a local initiative and trying to provide that very limited support that will enable these shelters to take root, because I do not think in fact there are more than 300 shelters throughout the United States. They are not in every community. Every State does not have a program. That is rhetoric that does not hold up under scrutiny and matched against the facts.

The facts are that tens of thousands of individuals every day are finding themselves living in a traumatized situation, where in fact violence takes place between one individual in the family and another, where tens of thousands of children are required to watch it on an ongoing basis, day in and day out, and where tens of thousands of individuals remain in that situation because there is no an alternative for them to live in a safe and sanitary and well-run fashion so that they can make some decisions about their life.

I have spent, as I have told this House before, hours and hours riding with the police, visiting in shelters, talking to the victims of family violence in this country.

The only solution that we can pose to these people is the shelter, that is, a safe haven. If we do not do that, we cannot go back and rhetorically tell people how terribly concerned we are about family violence, about spousal abuse, about child abuse, because in fact, we have not provided that last tool to the law enforcement agencies of this country, to the courts of this country, to the social workers of this country, that enable us to deal with the solution to a problem that is consuming the families of this country.

I ask the members of the committee to support H.R. 2977, to oppose the weakening amendments which in fact will provide more red tape, more governmental intervention, and a greater Federal role than those of us who are seeking a legitimate local solution to this problem wish to have.

Mr. KRAMER. Mr. Chairman, I yield myself 3 minutes.

I would like to briefly respond to the comments of my colleague from California (Mr. MILLER).

He points out a couple of things in rebuttal. One of the reasons we ought to wait on this legislation is we ought to be in a position where we can call for less if we are going to have some Federal initiative, something that is efficient and makes sense.

We already have 32 programs involved in this. Although this bill provides for a coordinating council, it certainly does not in any way make for a legislatively mandated and cohesive Government policy on domestic violence.

If we are going to have one of those things, it seems to me that we ought to have one that is as efficient and has the least amount of possible duplication and wasteful spending as we can possibly have in it.

Second, I would disagree with my colleague when he says there are not other opportunities for shelter services other than that provided for in this bill in one other instance. We do have a chart which I would be happy to share with any of the Members. Time will not allow me to get into the specific Federal and State shares on all these listed, enumerated items.

□ 1450

But, in addition to the title XX money, and provisions for allowing that money to be used for emergency shelter, services have been provided in legislation that has passed both bodies of Congress. So I think one could infer that the area is, indeed, going to be opened up once that conference report has come back to us.

But, in addition, we have community development block grant money that is presently being used for shelters. We have the community action agencies and the Community Services Administration providing funds for shelters. We have VISTA volunteers involved in shelter work. We have Foster Grandparents involved in shelter work. We have block grants from LEAA. In addition, we have CETA workers who are presently working in shelter situations. So it is not, so to speak, that the Federal Government is not involved in any way in shelter activities.

Third, I would take issue that perhaps this does prevent the real issue with the statement from my colleague that there are many communities in this country that do not have shelters and, indeed, I would agree with that remark. But is the intention of this legislation ultimately to make sure that there is, indeed, a federally funded shelter in every community across the country? If that is not the intention, I would suggest that the $65 million that we are starting this bill out with is only the beginning. Where do we go from here? If that is, indeed, the intention, there is no question, I think, that this program will last beyond the original 3 years indicated for the program.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. KRAMER. Mr. Chairman, I yield myself 1 additional minute.

Finally, and lastly, I would make this point; yes, some of those areas that the gentleman from California alluded to do not contain new money and they have, in fact, opened up the existing pot to more available competition. I do not feel that is wrong. I feel that is the direction this Congress needs to be traveling in.

I think the problem with the fiscal policies of this Congress has been that over the years every time a good idea or meritorious cause came down the pike we simply funded it and, then, at the end of the year, we added up all of those meritorious causes. That was our budget, and that is the reason we now have $830 billion worth of debt, and that is the reason that we are going to be adding another $45 billion this year. That is why we need to have a mandatory requirement for a balanced budget and for

some spending limitations imposed upon this body, to make us choose between those hard priorities that we now can get off the hook by doing, by simply adding in another additional factor, and another additional expense on the debit sheet.

Mr. MILLER of California. Mr. Chairman, I yield myself 2 minutes.

First of all, I would just like to respond to the gentleman that, again, it is quite clear that CETA people are available for this program in shelters as the gentleman pointed out. VISTA volunteers are available. HUD money is available. But the fact is if we do not have a shelter, we have no place to send a CETA worker, and if we do not have a shelter we have no place to send a VISTA volunteer.

I would also remind the gentleman, through his efforts and other efforts, the CETA program has been cut back in this country; the VISTA program has been cut back in this country. I would suggest perhaps we will not be as successful there as we have been in the past.

Someday we have to quit misleading our constituents because it is not enough to say "I share your concern" when we have the ability to deal with the nub of the problem, and the nub of the problem is the shelters. It is fine to say, well, title XX funds will be available, but there are no new title XX funds. That is only a reimbursement. You have to have a shelter to go to before you can get reimbursed by title XX. Title XX, in fact, does not work.

So they are holding out a myth and apparently this is a new Republican response. They say we are open to everybody's problems, we are willing to pass legislation, and we just keep throwing more fish into the fishpond. Someday you have to add more matter or more plantlife, or make the pond larger so the fish can all survive. But if you can go home to your constituents and say, well, there are 32 other programs that will help you when, in reality, none of them will be able to help you, because you lack a key ingredient, then that is fine, you can go along with the response by some on the minority side on this legislation.

But if, in fact, you are truly concerned about battered women, about battered men, about battered children and, in fact, truly concerned about the American family and the ability to cope with this problem, then I suggest what you want to do is vote for this legislation to provide funding of shelters for these people in times of stress.

I urge passage of H.R. 2977.

Mr. KRAMER. Mr. Chairman, I yield myself 1 minute.

I would point out to my colleague from California, No. 1, I am speaking for myself and I am sure that there will be those on this side of the aisle, as many of the speakers on that side of the aisle have eloquently reported time after time, who hold a different view, and this bill does have some bipartisan support. So in enumerating arguments, it is not pitting one party against the other, it is pitting some Members' beliefs against other Members' beliefs.

But I think the important problem in this country is inflation right now on the domestic level, inflation and energy. I think that is where we ought to be directing our attention. And although it is a small ripple, it is a combination of all of these small ripples, the $65 million here and $70 million there, that add up into the torrent that has wreaked a 14-percent rate of inflation in this country. Somewhere, somehow, we have to say "enough" to all of the meritorious causes that are going to be presented to us.

● Mr. DUNCAN of Oregon. Mr. Chairman, I voted for the rule and intend to support H.R. 2977, the Domestic Violence Prevention and Services Act. I do so in spite of the very valid questions that have been raised about the proper allocation of responsibility for economic assistance between Federal, State and local governments.

H.R. 2977 is carefully drafted, however, so that the responsibility for much of the funding is left with the Federal Government. It is designed, more particularly, in the nature of a stimulus to State and local governments to address a problem which is very real and which has only recently received prominence. Lack of prominence, however, should not be mistaken for absence of a problem. The problem of domestic violence has been with us since the beginning of time, but for various reasons has remained largely hidden. As a smalltown lawyer with a mix of cases, some involving domestic violence, I have been aware of the problem for a long time. It was the reason why I sought a solution to this and other domestic relations problems through an interstate compact when serving as speaker of the Oregon House.

It is certainly true that domestic relations have been and should continue to be the proper responsibility of State and local governments, and I do not believe it wise for the Federal Government to intervene substantially in domestic relations situations. We have little evidence that we could effectively do so even were we to try.

H.R. 2977 will provide a modestly funded national program of 3 years duration. The responsibility for programs will remain with the local and State governments, and both public and private efforts are recognized. In short, in my judgment, the bill is justified to focus attention and stimulate action at the local level on a problem which civilized society cannot fail to address.

The federalist system is a key ingredient of a free political system but it must not be used as a reason to refuse to address a problem when a reasonable solution is possible. Problems should be solved at the lowest level of government possible, but we must not be afraid to use the Federal Government when such is the appropriate level. Here we have an appropriate mix.●

Mr. MILLER of California. Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mrs. SPELLMAN) having assumed the chair, Mr. FAZIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2977) to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes, had come to no resolution thereon.

NEW YORK-NEW JERSEY PORT AUTHORITY COMPACT

Mr. DANIELSON. Madam Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4943) granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects, with a Senate amendment thereto, and disagree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 43, after line 18, insert:

SEC. 4. Solely for purposes of funding for the fiscal year ending September 30, 1980, the Office of Rail Public Counsel shall be considered to be an office in the Interstate Commerce Commission: *Provided, however,* That nothing in this section shall be construed to detract from the independent responsibility of the Office, pursuant to the provisions of section 1038(a) of title 49, United States Code, to represent the public interest in safe, efficient, reliable, and economical rail transportation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

□ 1500

CONFERENCE REPORT ON S. 241, JUSTICE SYSTEM IMPROVEMENT ACT OF 1979

Mr. KASTENMEIER submitted the following conference report and statement on the Senate bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96-695)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to

be inserted by the House amendment, insert the following:

That this Act may be cited as the "Justice System Improvement Act of 1979".

SEC. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"TITLE I—JUSTICE SYSTEM IMPROVEMENT

"TABLE OF CONTENTS

"Declaration and purpose.

"PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

"Sec. 101. Establishment of Law Enforcement Assistance Administration.
"Sec. 102. Duties and functions of Administrator.
"Sec. 103. Office of Community Anti-Crime Programs.

"PART B—NATIONAL INSTITUTE OF JUSTICE

"Sec. 201. National Institute of Justice.
"Sec. 202. Establishment, duties, and functions.
"Sec. 203. Authority for 100 per centum grants.
"Sec. 204. National Institute of Justice Advisory Board.

"PART C—BUREAU OF JUSTICE STATISTICS

"Sec. 301. Bureau of Justice Statistics.
"Sec. 302. Establishment, duties, and functions.
"Sec. 303. Authority for 100 per centum grants.
"Sec. 304. Bureau of Justice Statistics Advisory Board.
"Sec. 305. Use of data.

"PART D—FORMULA GRANTS

"Sec. 401. Description of program.
"Sec. 402. Eligibility.
"Sec. 403. Applications.
"Sec. 404. Review of applications.
"Sec. 405. Allocation and distribution of funds.

"PART E—NATIONAL PRIORITY GRANTS

"Sec. 501. Purpose.
"Sec. 502. Percentage of appropriation for national priority grant program.
"Sec. 503. Procedure for designating national priority programs.
"Sec. 504. Application requirements.
"Sec. 505. Criteria for award.

"PART F—DISCRETIONARY GRANTS

"Sec. 601. Purpose.
"Sec. 602. Percentage of appropriation for discretionary grant program.
"Sec. 603. Procedure for establishing discretionary programs.
"Sec. 604. Application requirements.
"Sec. 605. Criteria for award.
"Sec. 606. Period of award.

"PART G—TRAINING AND MANPOWER DEVELOPMENT

"Sec. 701. Purpose.
"Sec. 702. Training of prosecuting attorneys.
"Sec. 703. Training State and local criminal justice personnel.
"Sec. 704. FBI training of State and local criminal justice personnel.
"Sec. 705. Criminal justice education program.

"PART H—ADMISTRATIVE PROVISIONS

"Sec. 801. Establishment of Office of Justice Assistance, Research, and Statistics.
"Sec. 802. Consultation; establishment of rules and regulations.
"Sec. 803. Notice and opportunity for hearing on denial or termination of grant.
"Sec. 804. Finality of determinations.
"Sec. 805. Appellate court review.
"Sec. 806. Delegation of functions.
"Sec. 807. Subpena power; authority to hold hearings.
"Sec. 808. Compensation of Director of Office of Justice Assistance, Research, and Statistics.
"Sec. 809. Compensation of other Federal officers.
"Sec. 810. Employment of hearing officers.
"Sec. 811. Authority to use available services.
"Sec. 812. Consultation with other Federal, State, and local officials.
"Sec. 813. Reimbursement authority.
"Sec. 814. Services of experts and consultants; advisory committees.
"Sec. 815. Prohibition of Federal control over State and local criminal justice agencies.
"Sec. 816. Report to President and Congress.
"Sec. 817. Recordkeeping requirement.
"Sec. 818. Confidentiality of information.
"Sec. 819. Authority to accept voluntary services.
"Sec. 820. Administration of juvenile delinquency programs.
"Sec. 821. Prohibition on land acquisition.
"Sec. 822. Prohibition on use of CIA services.
"Sec. 823. Indian liability waiver.
"Sec. 824. District of Columbia matching fund source.
"Sec. 825. Limitation on civil justice matters.
"Sec. 826. Reimbursement for unused equipment.
"Sec. 827. Prison industry enhancement.

"PART I—DEFINITIONS

"Sec. 901. Definitions.

"PART J—FUNDING

"Sec. 1001. Authorization of appropriations.
"Sec. 1002. Maintenance of effort.
"Sec. 1003. Authorization of appropriations for Office of Community Anti-Crime Programs.

"PART K—CRIMINAL PENALTIES

"Sec. 1101. Misuse of Federal assistance.
"Sec. 1102. Falsification or concealment of facts.
"Sec. 1103. Conspiracy to commit offense against United States.

"PART L—PUBLIC SAFETY OFFICER'S DEATH BENEFITS

"Sec. 1201. Payments.
"Sec. 1202. Limitations.
"Sec. 1203. Definitions.
"Sec. 1204. Administrative provisions.

"PART M—TRANSITION—EFFECTIVE DATE—REPEALER

"Sec. 1301. Continuation of rules, authorities, and proceedings.

"DECLARATION AND PURPOSE

"The Congress finds and declares that the high incidence of crime in the United States is detrimental to the general welfare of the Nation and its citizens, and that criminal justice efforts must be better coordinated, intensified, and made more effective and equitable at all levels of government.

"Congress further finds that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency by developing and implementing effective programs to improve the quality of juvenile justice in the United States.

"Congress further finds that there is an urgent need to encourage basic and applied research, to gather and disseminate accurate and comprehensive justice statistics, and to evaluate methods of preventing and reducing crime.

"Congress further finds that although crime is essentially a local problem that must be dealt with by State and local governments, the financial and technical resources of the Federal Government should be made available to support such State and local efforts.

"Congress further finds that the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable and effective justice systems which require: (1) systematic and sustained action by Federal, State, and local governments; (2) greater continuity in the scope and level of Federal assistance; and (3) continuing efforts at all levels of government to streamline programs and upgrade the functioning of agencies responsible for planning, implementing and evaluating efforts to improve justice systems.

"It is therefore the declared policy of the Congress to aid State and local governments in strengthening and improving their systems of criminal justice by providing financial and technical assistance with maximum certainty and minimum delay. It is the purpose of this title to (1) authorize funds for the benefit of States and units of local government to be used to strengthen their criminal justice system; (2) develop and fund new methods and programs to enhance the effectiveness of criminal justice agencies; (3) support the development of city, county, and statewide priorities and programs to meet the problems confronting the justice system; (4) reduce court congestion and trial delay; (5) support community anticrime efforts; (6) improve and modernize the correctional system; (7) encourage the undertaking of innovative projects of recognized importance and effectiveness; (8) encourage the development of basic and applied research directed toward the improvement of civil and criminal justice systems and new methods for the prevention and reduction of crime and the detection, apprehension, and rehabilitation of criminals; (9) encourage the collection and analysis of statistical information concerning crime, juvenile delinquency, civil disputes, and the operation of justice systems; and (10) support manpower development and training efforts. It is further the policy of the Congress that the Federal assistance made available under this title not be utilized to reduce the amount of State and local financial support for criminal justice activities below the level of such support prior to the availability of such assistance.

"PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

"ESTABLISHMENT OF LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

"SEC. 101. There is hereby established within the Department of Justice under the general authority of the Attorney General, a Law Enforcement Assistance Administration (hereinafter referred to in this title as the 'Administration'). The Administration shall be under the direction of an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and such other Deputy Administrators as may be designated by the Attorney General. The Administrator shall have final authority over all grants, cooperative agreements, and contracts awarded by the Administration.

"DUTIES AND FUNCTIONS OF ADMINISTRATOR

"SEC. 102. The Administrator shall—

"(1) provide funds to eligible States and units of local government pursuant to part D;

"(2) recognize national criminal justice priorities established in accordance with parts E and F, inform States and units of local government concerning such priorities and award and allocate funds and technical assistance among the eligible States, units of local government, and public and private nonprofit organizations according to the criteria and on the terms and conditions determined by the Administration to be consistent with parts E and F;

"(3) publish and disseminate information on the condition and progress of the criminal justice system;

"(4) establish and carry on a specific and continuing program of cooperation with the States and units of local government de-

signed to encourage and promote consultation and coordination concerning decisions made by the Administration affecting State and local criminal justice priorities;

"(5) cooperate with and render technical assistance to States, units of local government, and other public and private organizations or international agencies involved in criminal justice activities;

"(6) cooperate with and render technical assistance to States, units of local government, and other public and private organizations or agencies involved in victim-witness assistance activities and the post-arrest identification and prosecution of career criminals;

"(7) provide funds and technical assistance to eligible jurisdictions under this title for the development of operational information and telecommunications systems;

"(8) exercise the powers and functions set out in part H; and

"(9) exercise such other powers and functions as may be vested in the Administrator pursuant to this title.

"OFFICE OF COMMUNITY ANTI-CRIME PROGRAMS

"SEC. 103. (a) There is established in the Law Enforcement Assistance Administration the Office of Community Anti-Crime Programs (hereinafter in this section referred to as the 'Office'). The Office shall be under the direction of the Administrator and shall—

"(1) provide appropriate technical assistance to community and citizens groups to enable such groups to—

"(A) apply for grants which encourage community and citizen participation in crime prevention and criminal justice activities;

"(B) participate in the formula grant application process pursuant to section 402(f) of this title;

"(C) provide program development and encouragement of neighborhood and community participation in crime prevention and public safety efforts; and

"(D) implement programs and projects assisted with grants under subsection (b).

"(2) coordinate its activities with other Federal agencies and programs, including the Community Relations Service of the Department of Justice, which are designed to encourage and assist citizen participation in criminal justice activities;

"(3) provide information on successful programs of citizen and community participation to citizen and community groups;

"(4) review, at its discretion, formula grant applications submitted under section 403 of this title in order to assure that the requirements for citizen, neighborhood, and community participation in the application process have been met; and

"(5) make recommendations, after consultation with citizen, neighborhood, and community organizations, for the designation of effective community anticrime programs for funding as national priority grants under part E and discretionary grants under part F.

"(b) The Administration is authorized to make grants to be administered by the Office of Community Anti-Crime Programs to community and citizens groups, which grants shall be used—

"(1) to enable the community to engage in a process leading to the identification of problems facing that community with respect to crime or conflicts, disputes, and other problems that might lead to crime;

"(2) to provide for the consideration by the community of plans to alleviate such problems with special attention to projects that—

"(A) have been successful in other communities in dealing with the same or similar problems;

"(B) provide alternatives to the criminal justice system in resolving conflicts and disputes and in repairing the injuries suffered;

"(C) promote increased citizen participation and confidence in the processes used to resolve conflicts and disputes; and

"(D) address the social and economic causes of crime.

"(3) to enable community and citizen groups to participate in assistance programs under this title, but no grant under this section may be used principally to seek technical assistance or a grant under this title;

"(4) to conduct training of community groups in the management of grants and such other skills as the Office determines are necessary to enhance the involvement of neighborhoods and citizens in community crime prevention and dispute resolution projects; and

"(5) to carry out projects determined to be likely to alleviate the community's crime problems as identified through the process set forth in this subsection.

"(c) In carrying out the functions under this part the Administrator shall make appropriate provisions for coordination among neighborhoods and for consultation with locally elected officials.

"PART B—NATIONAL INSTITUTE OF JUSTICE

"NATIONAL INSTITUTE OF JUSTICE

"SEC. 201. It is the purpose of this part to establish a National Institute of Justice, which shall provide for and encourage research and demonstration efforts for the purpose of—

"(1) improving Federal, State, and local criminal justice systems and related aspects of the civil justice system;

"(2) preventing and reducing crimes;

"(3) insuring citizen access to appropriate dispute-resolution forums;

"(4) improving efforts to detect, investigate, prosecute, and otherwise combat and prevent white-collar crime and public corruption; and

"(5) identifying programs of proven effectiveness, programs having a record of proven success, or programs which offer a high probability of improving the functioning of the criminal justice system.

The Institute shall have authority to engage in and encourage research and development to improve and strengthen the criminal justice system and related aspects of the civil justice system and to disseminate the results of such efforts to Federal, State, and local governments, to develop alternatives to judicial resolution of disputes, to evaluate the effectiveness of programs funded under this title, to develop new or improved approaches and techniques, to improve and strengthen the administration of justice, and to identify programs or projects carried out under this title which have demonstrated success in improving the quality of justice systems and which offer the likelihood of success if continued or repeated. In carrying out the provisions of this part, the Institute shall give primary emphasis to the problems of State and local justice systems and shall insure that there is a balance between basic and applied research.

"ESTABLISHMENT, DUTIES, AND FUNCTIONS

"SEC. 202. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a National Institute of Justice (hereinafter referred to in this part as the 'Institute').

"(b) The Institute shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Director shall have had experience in justice research. The Director shall have final authority over all grants, cooperative agreements, and contracts awarded by the Institute. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Institute makes any contract or other arrangement under this title.

"(c) The Institute is authorized to—

"(1) make grants to, or enter into cooperative agreements or contracts with, public agencies, institutions of higher education, private organizations, or individuals to conduct research, demonstrations, or special projects pertaining to the purposes described in this part, and provide technical assistance and training in support of tests, demonstrations, and special projects;

"(2) conduct or authorize multiyear and short-term research and development concerning the criminal and civil justice systems in an effort—

"(A) to identify alternative programs for achieving system goals, including programs authorized by section 103 of this title;

"(B) to provide more accurate information on the causes and correlates of crime;

"(C) to analyze the correlates of crime and juvenile delinquency and provide more accurate information on the causes and correlates of crime and juvenile delinquency;

"(D) to improve the functioning of the criminal justice system;

"(E) to develop new methods for the prevention and reduction of crime, the prevention and reduction of parental kidnaping, including the development of programs to facilitate cooperation among the States and units of local government, the detection and apprehension of criminals, the expeditious, efficient, and fair disposition of criminal and juvenile delinquency cases, the improvement of police and minority relations, the conduct of research into the problems of victims and witnesses of crime, the feasibility and consequences of allowing victims to participate in criminal justice decisionmaking, the feasibility and desirability of adopting procedures and programs which increase the victim's participation in the criminal justice process, the reduction in the need to seek court resolution of civil disputes, and the development of adequate corrections facilities and effective programs of correction; and

"(F) to develop programs and projects to improve and expand the capacity of States and units of local government and combinations of such units, to detect, investigate, prosecute, and otherwise combat and prevent white-collar crime and public corruption, to improve and expand cooperation among the Federal Government, States, and units of local government in order to enhance the overall criminal justice system response to white-collar crime and public corruption, and to foster the creation and implementation of a comprehensive national strategy to prevent and combat white-collar crime and public corruption.

In carrying out the provisions of this subsection the Institute may request the assistance of both public and private research agencies;

"(3) evaluate the effectiveness of projects or programs carried out under this part;

"(4) evaluate, where the Institute deems appropriate, the programs and projects carried out under other parts of this title to determine their impact upon the quality of criminal and civil justice systems and the extent to which they have met or failed to meet the purposes and policies of this title, and disseminate such information to State agencies and, upon request, to units of local government and other public and private organizations and individuals;

"(5) make recommendations for action which can be taken by Federal, State, and local governments and by private persons and organizations to improve and strengthen criminal and civil justice systems;

"(6) provide research fellowships and clinical internships and carry out programs of training and special workshops for the presentation and dissemination of information resulting from research, demonstrations, and

special projects including those authorized by this part;

"(7) collect and disseminate information obtained by the Institute or other Federal agencies, public agencies, institutions of higher education, and private organizations relating to the purposes of this part;

"(8) serve as a national and international clearinghouse for the exchange of information with respect to the purposes of this part;

"(9) submit a biennial report to the President and Congress on the state of justice research. This report shall describe significant achievements and identify areas needing further study. Other Federal agencies involved in justice research shall assist, upon request, in the preparation of this report;

"(10) after consultation with appropriate agencies and officials of States and units of local government, make recommendations for the designation of programs or projects which will be effective in improving the functioning of the criminal justice system, for funding as national priority grants under part E and discretionary grants under part F; and

"(11) encourage, assist, and serve in a consulting capacity to Federal, State, and local justice system agencies in the development, maintenance, and coordination of criminal and civil justice programs and services.

"(d) To insure that all criminal and civil justice research is carried out in a coordinated manner, the Director is authorized to—

"(1) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

"(2) confer with and avail itself of the cooperation, services, records, and facilities of State or of municipal or other local agencies;

"(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this section, and the agencies shall provide such information to the Institute as required to carry out the purposes of this part;

"(4) seek the cooperation of the judicial branches of Federal and State Government in coordinating civil and criminal justice research and development; and

"(5) exercise the powers and functions set out in part H.

"AUTHORITY FOR 100 PER CENTUM GRANTS

"SEC. 203. A grant authorized under this part may be up to 100 per centum of the total cost of each project for which such grant is made. The Institute shall require, whenever feasible, as a condition of approval of a grant under this part, that the recipient contribute money, facilities, or services to carry out the purposes for which the grant is sought.

"NATIONAL INSTITUTE OF JUSTICE ADVISORY BOARD

"SEC. 204. (a) There is hereby established a National Institute of Justice Advisory Board (hereinafter in this section referred to as the 'Board'). The Board shall consist of twenty-one members who shall be appointed by the President. The members shall represent the public interest and should be experienced in the criminal or civil justice systems, including representatives of States and units of local government, representatives of police, prosecutors, defense attorneys, courts, corrections, experts in the area of victim and witness assistance and other components of the justice system at all levels of government, representatives of professional organizations, representatives of the academic and research community, members of the business community, officials of neighborhood and community organizations, and the general public. A majority of the members of the Board, including the Chairman and Vice Chairman, shall not be full-time employees of Federal, State, or local governments. The Board, by majority vote, shall elect from among its members a Chairman and Vice Chairman. The Vice Chairman is authorized to sit and act in the place of the Chairman in the absence of the Chairman. The Director shall also be a nonvoting member of the Board and shall not serve as Chairman or Vice Chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The Chairman shall be provided by the Institute with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Bureau of Justice Statistics shall serve as nonvoting ex officio members of the Board and shall be ineligible to serve as Chairman or Vice Chairman. Except as otherwise provided herein, no more than one additional full-time Federal officer or employee shall serve as a member of the Board.

"(b) The Board after appropriate consultation with representatives of State and local governments may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

"(c) The term of office of each member of the Board appointed under subsection (a) shall be three years except the first composition of the Board which shall have one-third of these members appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; and any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. Such members shall be appointed within ninety days after the date of enactment of the Justice System Improvement Act of 1979. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay then payable in the General Schedule of section 5332(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No voting member shall serve for more than two consecutive terms.

"(d) The Board shall—

"(1) recommend the policies and priorities of the Institute;

"(2) create, where necessary, formal peer review procedures over selected categories of grants, cooperative agreements, and contracts;

"(3) recommend to the President at least three candidates for the position of Director of the Institute in the event of a vacancy; and

"(4) undertake such additional related tasks as the Board may deem necessary.

"(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

"PART C—BUREAU OF JUSTICE STATISTICS

"BUREAU OF JUSTICE STATISTICS

"SEC. 301. It is the purpose of this part to provide for and encourage the collection and analysis of statistical information concerning crime (including white-collar crime and public corruption), juvenile delinquency, and the operation of the criminal justice system and related aspects of the civil justice system and to support the development of information and statistical systems at the Federal, State, and local levels to improve the efforts of these levels of government to measure and understand the levels of crime (including crimes against the elderly, white-collar crime, and public corruption), juvenile delinquency, and the operation of the criminal justice system and related aspects of the civil justice system. The Bureau shall utilize to the maximum extent feasible State governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics. In carrying out the provisions of this part, the Bureau shall give primary emphasis to the problems of State and local justice systems.

"ESTABLISHMENT, DUTIES, AND FUNCTIONS

"SEC. 302. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a Bureau of Justice Statistics (hereinafter referred to in this part as 'Bureau').

"(b) The Bureau shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Director shall have had experience in statistical programs. The Director shall have final authority for all grants, cooperative agreements, and contracts awarded by the Bureau. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Bureau makes any contract or other arrangement under this Act.

"(c) The Bureau is authorized to—

"(1) make grants to, or enter into cooperative agreements or contracts with public agencies, institutions of higher education, private organizations, or private individuals for purposes related to this part; grants shall be made subject to continuing compliance with standards for gathering justice statistics set forth in rules and regulations promulgated by the Director;

"(2) collect and analyze information concerning criminal victimization, including crimes against the elderly, and civil disputes;

"(3) collect and analyze data that will serve as a continuous and comparable national social indication of the prevalence, incidence, rates, extent, distribution, and attributes of crime, juvenile delinquency, civil disputes, and other statistical factors related to crime, civil disputes, and juvenile delinquency, in support of national, State, and local justice policy and decisionmaking;

"(4) collect and analyze statistical information, concerning the operations of the criminal justice system at the Federal, State, and local levels;

"(5) collect and analyze statistical information concerning the prevalence, incidence, rates, extent, distribution, and attributes of crime, and juvenile delinquency, at the Federal, State, and local levels;

"(6) analyze the correlates of crime, civil disputes and juvenile delinquency, by the use of statistical information, about criminal and civil justice systems at the Federal, State, and local levels, and about the extent, distribution and attributes of crime, and juvenile delinquency, in the Nation and at the Federal, State, and local levels;

"(7) compile, collate, analyze, publish, and disseminate uniform national statistics concerning all aspects of criminal justice and related aspects of civil justice, crime, including crimes against the elderly, juvenile delinquency, criminal offenders, juvenile delinquents, and civil disputes in the various States;

"(8) recommend national standards for justice statistics and for insuring the reliability and validity of justice statistics supplied pursuant to this title;

"(9) maintain liaison with the judicial branches of the Federal and State Governments in matters relating to justice statistics, and cooperate with the judicial branch

in assuring as much uniformity as feasible in statistical systems of the executive and judicial branches;

"(10) provide information to the President, the Congress, the judiciary, State and local governments, and the general public on justice statistics;

"(11) establish or assist in the establishment of a system to provide State and local governments with access to Federal informational resources useful in the planning, implementation, and evaluation of programs under this Act;

"(12) conduct or support research relating to methods of gathering or analyzing justice statistics;

"(13) provide financial and technical assistance to the States and units of local government relating to collection, analysis, or dissemination of justice statistics;

"(14) maintain liaison with State and local governments and governments of other nations concerning justice statistics;

"(15) cooperate in and participate with national and international organizations in the development of uniform justice statistics;

"(16) insure conformance with security and privacy regulations issued pursuant to section 818; and

"(17) exercise the powers and functions set out in part H.

"(d) To insure that all justice statistical collection, analysis, and dissemination is carried out in a coordinated manner, the Director is authorized to—

"(1) utilize, with their consent, the services, equipment, records, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

"(2) confer and cooperate with State, municipal, and other local agencies;

"(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this title; and

"(4) seek the cooperation of the judicial branch of the Federal Government in gathering data from criminal justice records.

"(e) Federal agencies requested to furnish information, data, or reports pursuant to subsection (d)(3) shall provide such information to the Bureau as is required to carry out the purposes of this section.

"(f) In recommending standards for gathering justice statistics under this section, the Director shall consult with representatives of State and local government, including, where appropriate, representatives of the judiciary.

"AUTHORITY FOR 100 PER CENTUM GRANTS

"SEC. 303. A grant authorized under this part may be up to 100 per centum of the total cost of each project for which such grant is made. The Bureau shall require, whenever feasible as a condition of approval of a grant under this part, that the recipient contribute money, facilities, or services to carry out the purposes for which the grant is sought.

"BUREAU OF JUSTICE STATISTICS ADVISORY BOARD

"SEC. 304. (a) There is hereby established a Bureau of Justice Statistics Advisory Board (hereinafter referred to in this section as the 'Board'). The Board shall consist of twenty-one members who shall be appointed by the Attorney General. The members should include representatives of States and units of local government, representatives of police, prosecutors, defense attorneys, courts, corrections, experts in the area of victim and witness assistance, and other components of the justice system at all levels of government, representatives of professional organizations, members of the academic, research, and statistics community, officials of neighborhood and community organizations, members of the business community, and the general public. The Board, by majority vote, shall elect from among its members a Chairman and Vice Chairman. The Vice Chairman is authorized to sit and act in the place of the Chairman in the absence of the Chairman. The Director shall also be a non-voting member of the Board and shall not serve as Chairman or Vice Chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The Chairman shall be provided by the Bureau with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics shall serve as non-voting ex officio members of the Board but shall be ineligible to serve as Chairman or Vice Chairman. Except as otherwise provided herein, no more than one additional full-time Federal officer or employee shall serve as a member of the Board.

"(b) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

"(c) The term of office of each member of the Board appointed under subsection (a) shall be three years except the first composition of the Board which shall have one-third of these members appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; and any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay then payable under the General Schedule of section 5332 (a) of title 5 United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No voting member shall serve for more than two consecutive terms.

"(d) The Board shall—

"(1) review and make recommendations to the Bureau on activities undertaken by the Bureau and formulate and recommend to the Director policies and priorities for the Bureau;

"(2) recommend to the President at least three candidates for the position of Director of the Bureau in the event of a vacancy; and

"(3) carry out such additional related functions as the Board may deem necessary.

"(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

"USE OF DATA

"SEC. 305. Data collected by the Bureau shall be used only for statistical or research purposes, and shall be gathered in a manner that precludes their use for law enforcement or any purpose relating to a particular individual other than statistical or research purposes.

"PART D—FORMULA GRANTS

"DESCRIPTION OF PROGRAM

"SEC. 401. (a) It is the purpose of this part to assist States and units of local government in carrying out specific innovative programs which are of proven effectiveness, have a record of proven success, or which offer a high probability of improving the functioning of the criminal justice system. The Administration is authorized to make grants under this part to States and units of local government for the purpose of—

"(1) establishing or expanding community and neighborhood programs that enable citizens to undertake initiatives to deal with crime and delinquency;

"(2) improving and strengthening law enforcement agencies, as measured by arrest rates, incidence rates, victimization rates, the number of reported crimes, clearance rates, the number of patrol or investigative hours per uniformed officer, or any other appropriate objective measure;

"(3) improving the police utilization of community resources through support of joint police-community projects designed to prevent or control neighborhood crime;

"(4) disrupting illicit commerce in stolen goods and property and training of special investigative and prosecuting personnel, and the development of systems for collecting, storing, and disseminating information relating to the control of organized crime;

"(5) combating arson;

"(6) developing investigations and prosecutions of white-collar crime, organized crime, public-corruption-related offenses, and fraud against the government;

"(7) reducing the time between arrest or indictment and disposition of trial;

"(8) implementing court reforms;

"(9) increasing the use and development of alternatives to the prosecution of selected offenders;

"(10) increasing the development and use of alternatives to pretrial detention that assure return to court and a minimization of the risk of danger;

"(11) increasing the rate at which prosecutors obtain convictions against habitual, nonstatus offenders;

"(12) developing and implementing programs which provide assistance to victims, witnesses, and jurors, including restitution by the offender, programs encouraging victim and witness participation in the criminal justice system, and programs designed to prevent retribution against or intimidation of witnesses by persons charged with or convicted of crimes;

"(13) providing competent defense counsel for indigent and eligible low-income persons accused of criminal offenses;

"(14) developing projects to identify and meet the needs of drug dependent offenders;

"(15) increasing the availability and use of alternatives to maximum-security confinement of convicted offenders who pose no threat to public safety;

"(16) reducing the rates of violence among inmates in places of detention and confinement;

"(17) improving conditions of detention and confinement in adult and juvenile correctional institutions, as measured by the number of such institutions administering programs meeting accepted standards;

"(18) training criminal justice personnel in programs meeting standards recognized by the Administrator;

"(19) revision and recodification by States and units of local government of criminal statutes, rules, and procedures and revision of statutes, rules, and regulations governing State and local criminal justice agencies;

"(20) coordinating the various components of the criminal justice system to improve the overall operation of the system, establishing criminal justice information systems, and supporting and training of criminal justice personnel;

"(21) developing statistical and evaluative systems in States and units of local government which assist the measurement of indicators in each of the areas described in paragraphs (1) through (20);

"(22) encouraging the development of pilot and demonstration projects for prison industry programs at the State level with particular emphasis on involving private sector enterprise either as a direct participant in such programs, or as purchasers of goods produced through such programs, and aimed at making inmates self-sufficient, to the extent practicable, in a realistic working environment; and

"(23) any other innovative program which is of proven effectiveness, has a record of proven success, or which offers a high probability of improving the functioning of the criminal justice system.

"(b)(1) Except with respect to allocations under subsection (c)—

"(A) for the fiscal year ending September 30, 1980, the Federal portion of any grant made under this part may be up to 100 per centum of the cost of the program or project specified in the application for such grant; and

"(B) for any later fiscal period, that portion of a Federal grant made under this section may be up to 90 per centum of the cost of the program or project specified in the application for such grant unless the Administrator determines that State or local budgetary restraints prevent the recipient from providing the remaining portion.

"(2)(A) The non-Federal portion of the cost of such program or project shall be in cash.

"(B) In the case of a grant to an Indian tribe or other aboriginal group, the Administration may increase the Federal portion of the cost of such program to the extent the Administration deems necessary, if the Administration determines that the tribe or group does not have sufficient funds available to meet the non-Federal portion of such cost.

"(3) Except with respect to allocations under subsection (c), a grant recipient shall assume the cost of a program or project funded under this part after a reasonable period of Federal assistance unless the Administrator determines that the recipient is unable to assume such cost because of State or local budgetary restraints.

"(c)(1) The Administration shall allocate from the grant provided for in subsection (a) $200,000 to each of the States for the purposes of administering grants received under this title for operating criminal justice councils, judicial coordinating committees, and local offices pursuant to part D, and an additional amount of at least $50,000 shall be made available by the Administration for allocation by the State to the judicial coordinating committee. These foregoing sums shall be available without a requirement for match. The Administration shall allocate additional funds from the grant to a State for use by the State and its units of local government in an amount that is 7½ per centum of the total grant of such State. Any of the additional funds shall be matched in an amount equal to any such expended or obligated amount. An amount equal to at least 7½ per centum of the allocation of an eligible jurisdiction as defined in section 402(a) (2), (3), or (4), or of a judicial coordinating committee, must be made available by the State to each such jurisdiction or judicial coordinating committee from these additional funds for purposes set out above. The eligible jurisdiction or combination thereof shall match the amounts passed through in an amount equal to any such amount expended or obligated by the eligible jurisdiction or combination thereof for the purposes set forth above for all Federal funds in excess of $25,000 for each eligible jurisdiction.

"(2) Any funds allocated to States or units of local government and unexpended by such States or units of local government for the purposes set forth above shall be available to such States or units of local government for expenditure in accordance with subsection (a).

"(3) The State may allocate at its discretion to units of local government or combinations of such units which are not eligible jurisdictions as defined in section 402(a) (2), (3), and (4) funds provided under this subsection.

"ELIGIBILITY

"SEC. 402. (a) The Administration is authorized to make financial assistance under this part available to an eligible jurisdiction to enable it to carry out all or a substantial part of a program or project submitted and approved in accordance with the provisions of this title. An eligible jurisdiction shall be—

"(1) a State;

"(2) a municipality which has no less than 0.15 per centum of total State and local criminal justice expenditures, and which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such municipality would receive at least $50,000 for the applicable year under section 405;

"(3) a county which has no less than 0.15 per centum of total State and local criminal justice expenditures, and which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such county would receive at least $50,000 for the applicable year under section 405;

"(4) any combination of contiguous units of local government, whether or not situated in more than one State, or any combination of units of local government all in the same county, which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such combination would receive at least $50,000 for the applicable year under section 405;

"(5) a unit of local government, or any combination of such contiguous units without regard to population, which are otherwise ineligible under the other paragraphs of this subsection.

"(b)(1) Each State shall establish or designate and maintain a criminal justice council (hereinafter referred to in this title as the 'council') for the purpose of—

"(A) analyzing the criminal justice problems within the State based on input and data from all eligible jurisdictions, State agencies, and the judicial coordinating committee and establishing priorities based on the analysis and assuring that these priorities are published and made available to affected criminal justice agencies prior to the time required for application submission;

"(B) preparing a comprehensive State application reflecting the statewide goals, objectives, priorities, and projected grant programs;

"(C)(i) receiving, reviewing, and approving (or disapproving) applications or amendments submitted by State agencies, the judicial coordinating committee, and units of local government, or combinations thereof, as defined in subsection (a)(5), pursuant to section 405(a)(5) of this title; and

"(ii) providing financial assistance to these agencies and units according to the criteria of this title and on the terms and conditions established by such council at its discretion;

"(D) receiving, coordinating, reviewing, and monitoring all applications or amendments submitted by State agencies, the judicial coordinating committee, units of local government, and combinations of such units pursuant to section 403 of this title, recommending ways to improve the effectiveness of the programs or projects referred to in said applications, assuring compliance of said applications with Federal requirements and State law and integrating said applications into the comprehensive State application;

"(E) preparing an annual report for the chief executive of the State and the State legislature containing an assessment of the criminal justice problems and priorities within the State; the adequacy of existing State and local agencies, programs, and resources to meet these problems and priorities; the distribution and use of funds allocated pursuant to this part and the relationship of these funds to State and local resources allocated to crime and justice system problems; and the major policy and legislative initiatives that are recommended to be undertaken on a statewide basis;

"(F) assisting the chief executive of the State, the State legislature, and units of local government upon request in developing new or improved approaches, policies, or legislation designed to improve criminal justice in the State;

"(G) developing and publishing information concerning criminal justice in the State;

"(H) providing technical assistance upon request to State agencies, community-based crime prevention programs, the judicial coordinating committee, and units of local government in matters relating to improving criminal justice in the State; and

"(I) assuring fund accounting, auditing, and evaluation of programs and projects funded under this part to assure compliance with Federal requirements and State law.

"(2) The council shall be created or designated by State law and shall be subject to the jurisdiction of the chief executive of the State who shall appoint the members of the council, designate the chairman, and provide professional, technical, and clerical staff to serve the council. The council shall be broadly representative and include among its membership—

"(A) representatives of eligible jurisdictions as defined in subsection (a) (2), (3), and (4) who shall comprise at least one-third of the membership of the council where there are such eligible jurisdictions in the State and where they submit applications pursuant to this part;

"(B) representatives of the smaller units of local government defined in subsection (a)(5);

"(C) representatives of the various components of the criminal justice system, including representatives of agencies directly related to the prevention and control of juvenile delinquency and representatives of police, courts, corrections, prosecutors, and defense attorneys;

"(D) representatives of the general public including representatives of neighborhood and community-based, business, and professional organizations of the communities to be served under this part; and

"(E) representatives of the judiciary including, at a minimum, the chief judicial officer or other officer of the court of last resort, the chief judicial administrative officer or other appropriate judicial administrative officer of the State, and a local trial court judicial officer; if the chief judicial officer or chief judicial administrative officer cannot or does not choose to serve, the other judicial members and the local trial court judicial officer shall be selected by the chief executive of the State from a list of no less than three nominees for each position submitted by the chief judicial officer of the court of last resort within thirty days after the occurrence of any vacancy in the judicial membership, additional judicial members of the council as may be required by the Administration shall be appointed by the chief executive of the State from the membership of the judicial coordinating committee or, in the ab-

sence of a judicial coordinating committee, from a list of no less than three nominees for each position submitted by the chief judicial officer of the court of last resort.

Individual representatives may fulfill the requirements of more than one functional area or geographical area where appropriate to the background and expertise of the individual.

"(3)(A) Applications from eligible jurisdictions as defined in subsection (a) (2), (3), and (4) may, at the discretion of such eligible jurisdiction, be in the form of a single application to the State for inclusion in the comprehensive State application. Applications or amendments should conform to the overall priorities, unless the eligible jurisdiction's analysis of its criminal justice system demonstrates that such recommended priorities are inconsistent with their needs. Applications or amendments should conform to uniform administrative requirements for submission of applications. Such requirements shall be consistent with guidelines issued by the Administration. Such application or amendments shall be deemed approved unless the council, within ninety days of the receipt of such application or amendment, finds that the application or amendment—

"(i) does not comply with Federal requirements or with State law or regulations;

"(ii) is inconsistent with priorities and fails to establish, under guidelines issued by the Administration, good cause for such inconsistency;

"(iii) conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State, or local supported programs or applications; or

"(iv) proposes a program or project that is substantially identical to or is a continuation of a program or project which has been evaluated and found to be ineffective under section 404(c)(4).

Where the council finds such noncompliance, inconsistency, conflict, or duplication, it shall notify the applicant in writing and set forth its reasons for the finding.

"(B) The applicant may, within thirty days of receipt of written findings of the council pursuant to subparagraph (A) submit to the council a revised application or state in writing the applicant's reasons for disagreeing with the council's findings.

"(C) A revised application submitted under subparagraph (B) shall be treated as an original application except that the council shall act on such application within thirty days.

"(D) If an applicant states in writing a disagreement with the council's written findings as specified in subparagraph (A), the findings shall be considered appealed. The appeal shall be in accordance with a procedure developed by the council and reviewed and agreed to by the eligible jurisdiction. If any eligible jurisdiction in a State fails to agree with the council appeal process prior to application submission to the council, the appeal shall be in accordance with procedures developed by the Administration. The Administration appeal procedures shall provide that if the council's action is not supported by clear and convincing evidence or if the council acted arbitrarily or capriciously, the council shall be directed to reconsider or approve the application or amendment.

"(E) Approval of the application of such eligible local jurisdiction shall result in the award of funds to such eligible jurisdiction without requirement for further application or review by the council.

"(4) Applications from State agencies and eligible jurisdictions as defined in subsection (a)(5) must be in the manner and form proscribed by the council. Where the council determines under paragraph (1) (C) and (D) that an application or amendment from a State agency or an eligible jurisdiction as defined in subsection (a)(5)—

"(A) does not comply with Federal requirements or with State law or regulation;

"(B) is inconsistent with priorities, policy, organizational, or procedural arrangements, or the crime analysis;

"(C) conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State, or local supported programs or applications; or

"(D) proposes a program or project that is substantially identical to or is a continuation of a program or project which has been evaluated and found to be ineffective;

the council shall notify the applicant in writing of the finding and the reasons for the finding and may deny funding or recommend appropriate changes. Appeal of the council's action shall be in accordance with procedures established by the council for such matters.

"(c) The chief executive(s) of an eligible jurisdiction as defined in subsection (a) (2), (3), and (4) shall create or designate an office for the purpose of preparing and developing the jurisdiction's application and assuring that such application complies with Federal requirements, State law, fund accounting, auditing and the evaluation of programs and projects to be funded under the application to be submitted to the council pursuant to section 403 of this title. Each eligible jurisdiction shall establish or designate a local criminal justice advisory board (hereinafter referred to in this section as the 'board') for the purpose of—

"(1) analyzing the criminal justice problems within the eligible jurisdiction and advising the council of the eligible jurisdiction on priorities;

"(2) advising the chief executive of the eligible jurisdiction pursuant to this title;

"(3) advising on applications or amendments by the eligible jurisdiction;

"(4) assuring that there is an adequate allocation of funds for court programs based upon that proportion of the eligible jurisdiction's expenditures for correction programs which contributes to the jurisdiction's eligibility for funds and which take into account the court priorities recommended by the judicial coordinating committee; and

"(5) assuring that there is an adequate allocation of funds for correction programs based on that portion of the eligible jurisdiction's expenditures for correction programs which contributes to the jurisdiction's eligibility for funds.

Such board shall be established or designated by the chief executive of the eligible jurisdiction and shall be subject to the jurisdiction of the chief executive who shall appoint the members and designate the chairman. Such board shall be broadly representative of the various components of the criminal justice system and shall include among its membership representatives of neighborhood, community-based and professional organizations. In the case of an eligible jurisdiction as defined in subsection (a)(4), the membership of the board shall be jointly appointed in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Decisions made by the board pursuant to this subsection may be reviewed and either be accepted or rejected by the chief executive of the eligible subgrant jurisdiction, or in the case of an eligible jurisdiction as defined in subsection (a)(4) in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Where an eligible jurisdiction as defined in subsection (a) (2) or (3) chooses not to combine pursuant to section 402(a)(4) and chooses not to exercise the powers of this subsection, it shall be treated as an eligible jurisdiction under subsection (a)(5).

"(d) The court of last resort of each State may establish or designate a judicial coordinating committee (hereinafter referred to in this title as the 'committee') for the preparation, development, and revision of a three-year application or amendments thereto reflecting the needs and priorities of the courts of the State. For those States where there is a judicial agency which is authorized by State law on the date of enactment of this subsection to perform this function and which has a statutory membership of a majority of court officials (including judges and court administrators), the judicial agency may establish or designate the judicial coordinating committee. The committee shall—

"(1) establish priorities for the improvement of the various courts of the State;

"(2) define, develop, and coordinate programs and projects for the improvement of the courts of the State; and

"(3) develop, in accordance with part D, an application for the funding of programs and projects designed to improve the functioning of the courts and judicial agencies of the State.

The committee shall submit its three-year application or amendments to the council. The committee shall review for consistency with the court priorities, applications, or amendments from any jurisdiction which has incurred expenditures for court services from its own sources or from any other jurisdiction which is applying for funds for court services. The committee shall report to the council and the applicant its findings of consistency and inconsistency. The council shall approve and incorporate into its application in whole or in part the application or amendments of the committee unless the council determines that such committee application or amendments are not in accordance with this title, are not in conformance with, or consistent with, their own application made pursuant to section 403 of this title, or do not conform with the fiscal accountability standards of this title.

"(e)(1) The council will provide for procedures that will insure that all applications or amendments by units of local government or combinations thereof or judicial coordinating committees shall be acted upon no later than ninety days after being first received by the council. Final action by the council which results in the return of any application or amendments to an application must contain specific reasons for such action within ninety days of receipt of the application. Any part of such application or amendments which is not acted upon shall be deemed approved for submission to the Administration. Action by the council on any application or part thereof shall not preclude the resubmission of such application or part thereof to the council at a later date.

"(2) The council, the judicial coordinating committee, and local boards, established pursuant to subsection (c), shall meet at such times and in such places as they deem necessary and shall hold each meeting open to the public, giving public notice of the time and place of such meeting, and the nature of the business to be transacted if final action is to be taken at the meeting on the State application or any application for funds or any amendment thereto. The council, the judicial coordinating committee, and local boards, pursuant to subsection (c), shall provide for public access to all records relating to their functions under this title, except such records as are required to be kept confidential by any other provision of local, State, or Federal law.

"(3) The council shall, at a time designated in regulations promulgated by the Administration, submit its application made pursuant to this part to the Administration for approval. Its application shall include funding allocations or applications which were submitted by State agencies, the judicial coordinating committee, and units of local government, or combinations thereof

and which were first reviewed and approved by the council pursuant to subsection (b)(3), (b)(4), or (d), as appropriate.

"(f) To be eligible for funds under this part all eligible jurisdictions shall assure the participation of citizens, and neighborhood and community organizations, in the application process. No grant may be made pursuant to this part unless the eligible jurisdiction has provided satisfactory assurances to the Administration that the applicant has—

"(1) provided citizens and neighborhood and community organizations with adequate information concerning the amounts of funds available for proposed programs or projects under this title, the range of activities that may be undertaken, and other important program requirements;

"(2) provided citizens and neighborhood and community organizations an opportunity to consider and comment on priorities set forth in the application or amendments;

"(3) provided for full and adequate participation of units of local government in the performance of the analysis and the establishment of priorities required by subsection (b)(1)(A); and

"(4) provided an opportunity for all affected criminal justice agencies to consider and comment on the proposed programs to be set forth in the application or amendments.

The Administrator, in cooperation with the Office of Community Anti-Crime Programs, may establish such rules, regulations, and procedures as are necessary to assure that citizens and neighborhood and community organizations will be assured an opportunity to participate in the application process.

"APPLICATIONS

"SEC. 403. (a) No grant may be made by the Administration to a State, or by a State to an eligible recipient pursuant to part D, unless the application sets forth criminal justice programs covering a three-year period which meet the objectives of section 401 of this title. This application must be amended annually if new programs are to be added to the application or if the programs contained in the original application are not implemented. The application must include—

"(1) an analysis of the crime problems and criminal justice needs within the relevant jurisdiction and a description of the services to be provided and performance goals and priorities, including a specific statement of how the programs are expected to advance the objectives of section 401 of this title and meet the identified crime problems and criminal justice needs of the jurisdiction;

"(2) an indication of how the programs relate to other similar State or local programs directed at the same or similar problems;

"(3) an assurance that following the first fiscal year covered by an application and each fiscal year thereafter, the applicant shall submit to the Administration, where the applicant is a State, and to the council where the applicant is a State agency, the judicial coordinating committees, a nongovernmental grantee, or a unit or combination of units of local government—

"(A) a performance report concerning the activities carried out pursuant to this title; and

"(B) an assessment by the applicant of the impact of those activities on the objectives of this title and the needs and objectives identified in the applicant's statement;

"(4) a certification that Federal funds made available under this title will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for criminal justice activities;

"(5) an assurance where the applicant is a State or unit or combination of units of local government that there is an adequate share of funds for courts and for corrections, police, prosecution, and defense programs;

"(6) a provision for fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records as the Administration shall prescribe to assure fiscal control, proper management, and efficient disbursement of funds received under this title;

"(7) a provision for the maintenance of such data and information and for the submission of such reports in such form, at such times, and containing such data and information as the Administration may reasonably require to administer other provisions of this title;

"(8) a certification that its programs meet all the requirements of this section, that all the information contained in the application is correct, that there has been appropriate coordination with affected agencies, and that the applicant will comply with all provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration and shall be executed by the chief executive officer or other officer of the applicant qualified under regulations promulgated by the Administration; and

"(9) satisfactory assurances that equipment, whose purchase was previously made in connection with a program or project in such State assisted under this title and whose cost in the aggregate was $100,000 or more, has been put into use not later than one year after the date set at the time of purchase for the commencement of such use and has continued in use during its useful life.

"(b) Applications from judicial coordinating committees, State agencies, and other nongovernmental grantees do not have to include the crime analysis required by subsection (a)(1) but may rely on the crime analysis prepared by the council.

"REVIEW OF APPLICATIONS

"SEC. 404. (a) The Administration shall provide financial assistance to each State applicant under this part to carry out the programs or projects submitted by such applicant upon determining that—

"(1) the application or amendment thereof is consistent with the requirements of this title;

"(2) the application or amendment thereof was made public prior to submission to the Administration and an opportunity to comment thereon was provided to citizens and neighborhood and community groups; and

"(3) prior to the approval of the application or amendment thereof the Administration has made an affirmative finding in writing that the program or project is likely to contribute effectively to the achievement of the objectives of section 401 of this title.

Each application or amendment made and submitted for approval to the Administration pursuant to section 403 of this title shall be deemed approved, in whole or in part, by the Administration within ninety days after first received unless the Administration informs the applicant of specific reasons for disapproval.

"(b) The Administration shall suspend funding for an approved application in whole or in part if such application contains a program or project which has failed to conform to the requirements or statutory objectives of this Act as evidenced by—

"(1) the annual performance reports submitted to the Administration by the applicant pursuant to section 802(b) of this title;

"(2) the failure of the applicant to submit annual performance reports pursuant to section 403 of this title;

"(3) evaluations conducted pursuant to section 802(b);

"(4) evaluations and other information provided by the National Institute of Justice.

The Administration may make appropriate adjustments in the amounts of grants in accordance with its findings pursuant to this subsection.

"(c) Grant funds awarded under part D shall not be used for—

"(1) the purchase of equipment or hardware except as provided in section 102(7), or the payment of personnel costs, unless the cost of such purchases or payments is incurred as an incidental and necessary part of a program of proven effectiveness, a program having a record of proven success, or a program offering high probability of improving the functioning of the criminal justice system (including bulletproof vests). In determining whether to apply this limitation, consideration must be given to the extent of prior funding from any sources in that jurisdiction for substantially similar activities;

"(2) programs which have as their primary purpose general salary payments for employees or classes of employees within an eligible jurisdiction, except for the compensation of personnel for time engaged in conducting or undergoing training programs or the compensation of personnel engaged in research, development, demonstration, or short-term programs;

"(3) construction projects; or

"(4) programs or projects which, based upon evaluations by the National Institute of Justice, Law Enforcement Assistance Administration, Bureau of Justice Statistics, State or local agencies, and other public or private organizations, have been demonstrated to offer a low probability of improving the functioning of the criminal justice system. Such programs must be formally identified by a notice in the Federal Register after opportunity for comment.

"(d) The Administration shall not finally disapprove any application submitted to the Administrator under this part, or any amendments thereof, without first affording the applicant reasonable notice and opportunity for a hearing and appeal pursuant to section 803 of this title.

"ALLOCATION AND DISTRIBUTION OF FUNDS

"SEC. 405. (a) Of the total amount appropriated for parts D, E, and F in any fiscal year, 80 per centum shall be set aside for part D and allocated to States, units of local government, and combinations of such units as follows:

"(1) The sum of $300,000 to each of the participating States as defined in section 402(a)(1) and the balance according to one of the following two formulas, whichever formula results in the larger amount:

"(A) Of the remaining amount to be allocated pursuant to this part:

"(i) 25 per centum shall be allocated in proportion to the relative population within the State as compared to the population in all States;

"(ii) 25 per centum shall be allocated in proportion to the relative number of index crimes (as documented by the Department of Justice) reported within the State as compared to such numbers in all States;

"(iii) 25 per centum shall be allocated in proportion to the relative amount of total State and local criminal justice expenditures within the State as compared to such amounts in all States; and

"(iv) 25 per centum shall be allocated in proportion to the relative population within the State, weighted by the share of State personal income paid in State and local taxes, as compared to such weighted populations in all States; or

"(B) The remaining amount to be allocated pursuant to this part shall be allocated in proportion to the relative popula-

tion within the State as compared to the population, in all States;

except that no State which receives financial assistance pursuant to subparagraph (A) shall receive an amount in excess of 110 per centum of that amount available to a State pursuant to subparagraph (B). Formula allocations under this section shall utilize relative population data only for the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(2) If the fund allocation to each of the States pursuant to paragraph (1) results in a total amount in excess of the amount appropriated for the purposes of this part, additional funds shall be allocated by the Administration from part E or F to the States for purposes consistent with those parts so that the total amount equals the total amount allocated under paragraph (1). No State shall receive an allocation pursuant to paragraph (1) which is less than the block grant allocation received by such State for fiscal year 1979 pursuant to parts C and E, except that if the total amount appropriated for part D for any fiscal year subsequent to fiscal year 1979 is less than the total block grant appropriation for parts C and E during fiscal year 1979, the States shall receive an allocation in accordance with paragraph (1)(B).

"(3) From the amount made available to each State pursuant to paragraphs (1) and (2), the Administration shall determine basic allocations to be made available to the State, to eligible jurisdictions as defined in section 402(a) (2), (3), or (4) and to eligible jurisdictions as defined in section 402(a)(5). Such allocations shall be determined—

"(A) by distributing 70 per centum of available funds allocated under paragraphs (1) and (2) to the State and those eligible units of local government within the State as defined in section 402(a) in a proportion equal to their own respective share of total State and local criminal justice expenditures; and

"(B) by dividing the remaining 30 per centum of available funds allocated under paragraphs (1) and (2) and distributing to the State and to those eligible units of local government within the State as defined in section 402(a), in four equal shares in amounts determined as follows:

"(i) for combating crime as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for police services from all sources;

"(ii) for improving court administration as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for judicial, legal, and prosecutive, and public defense services from all sources;

"(iii) for improving correctional services as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for correctional services from all sources; and

"(iv) for devising effective alternatives to the criminal justice system as specified in section 401(a) a proportion of the available funds equal to their own respective share of total State and local expenditures from all sources.

"(4) All allocations under paragraph (3) shall be based upon the most accurate and complete data available for such fiscal year or for the most recent fiscal year for which accurate data are available. Eligible jurisdictions as defined in section 402(a)(4) may not receive an allocation based upon the population of eligible cities and counties as defined in section 402(a) (2), (3), and (5) unless such cities and counties participate in activities under this title as part of a combination of units of local government as defined in section 402(a)(4). In determining allocations for the eligible units as defined in section 402(a), an aggregate allocation may be utilized where eligible jurisdictions as defined in section 402(a) combine to meet the population requirements of section 402(a)(4).

"(5) The amount made available pursuant to paragraph (3) to eligible units of local government within each State, as defined in section 402(a)(5), and to eligible jurisdictions, as defined in section 402(a) (2), (3), or (5) which choose not to combine pursuant to section 402(a)(4) and choose not to exercise the powers of section 402(c), shall be reserved and set aside in a special discretionary fund for use by the council pursuant to section 402 of this title, in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to such units of local government or combinations thereof. The council shall allocate such funds among such local units of government or combinations thereof which make application pursuant to section 403 of this title, according to the criteria of this title and on the terms and conditions established by such council at its discretion. If in a particular State, there are no eligible units of local government, as defined in section 402(a)(2), (3), or (4) of this part, the amount otherwise reserved and set aside in the special discretionary fund shall consist of the entire amount made available to local units of government, pursuant to this section.

"(b) At the request of the State legislature while in session or a body designated to act while the legislature is not in session, general goals, priorities, and policies of the council shall be submitted to the legislature for an advisory review prior to its implementation by the council. In this review the general criminal justice goals, priorities, and policies that have been developed pursuant to this part shall be considered. If the legislature or the interim body has not reviewed such matters forty-five days after receipt, such matters shall then be deemed reviewed.

"(c) No award of funds that are allocated to the States, units of local government, or combinations thereof under this part shall be made with respect to a program other than a program contained in an approved application.

"(d) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State, unit of local government, or combination thereof for that fiscal year will not be required or that the State, unit of local government, or combination thereof will be unable to qualify or receive funds under the requirements of this part, such funds shall be available for reallocation to the States, or other units of local government and combinations thereof within such State, as the Administration may determine in its discretion, but all States shall be considered equally for reallocated funds.

"(e) A State may award funds from the State allocation to private nonprofit organizations. Eligible jurisdictions as defined in section 402(a)(2) through (5) may utilize the services of private nonprofit organizations for purposes consistent with this title.

"(f) In order to receive formula grants under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, a State shall submit a plan for carrying out the purposes of that Act in accordance with the provisions of this title and section 223 of that Act. Such plan may at the direction of the Administrator be incorporated into the State application to be submitted under this part.

"(g) Eligible jurisdictions which choose to utilize regional planning units may utilize the boundaries and organization of existing general purpose regional planning bodies within the State.

"PART E—NATIONAL PRIORITY GRANTS

"PURPOSE

"SEC. 501. It is the purpose of this part, through the provision of additional Federal financial aid and assistance, to encourage States and units of local government to carry out programs which, on the basis of research, demonstration, or evaluations by the National Institute of Justice, Bureau of Justice Statistics, Law Enforcement Assistance Administration, State or local governments, or other Federal, State, local, or private organizations or agencies, have been shown to meet the criteria of section 503(a).

"PERCENTAGE OF APPROPRIATION FOR NATIONAL PRIORITY GRANT PROGRAM

"SEC. 502. Of the total amount appropriated for parts D, E, and F in any fiscal year, 10 per centum shall be reserved and set aside pursuant to this part as funding incentives for use by the Administration in making national priority grants (in addition to any other grants which may be made under this title to the same entities or for the same purpose) to States, units of local government, and combinations of such units.

"PROCEDURE FOR DESIGNATING NATIONAL PRIORITY PROGRAMS

"SEC. 503. (a) The Director of the Office of Justice Assistance, Research, and Statistics and the Administrator of the Law Enforcement Assistance Administration shall periodically and jointly designate national priority programs and projects which through research, demonstration, or evaluation have been shown to be effective or innovative and to have a likely beneficial impact on criminal justice. Such national priorities may include programs and projects designated to improve the comprehensive planning and coordination of State and local criminal justice activities. Priorities established under this subsection shall be considered priorities for a period of time determined by such Director and Administrator jointly but not to exceed three years from the time of such determination except in cases of recipients for which State or local budgetary restraints prevent assumption of costs of priority projects. Such priorities shall be designated according to such criteria, and on such terms and conditions, as such Director and such Administrator jointly may determine.

"(b) Such Director and such Administrator shall jointly annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other appropriate public and private agencies to suggest national priority programs and projects. Such Director and such Administrator shall jointly then, pursuant to regulations such Director and such Administrator jointly promulgate annually, publish proposed national priority programs and projects pursuant to this part and invite and encourage public comment concerning such priorities. Such priority programs and projects shall not be established or modified until such Director and such Administrator jointly have provided at least sixty days advance notice for public comment and shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time, such Director and such Administrator jointly shall establish priority programs and projects for that year (and determine whether existing priority programs and projects should be modified). Such Director and such Administrator shall jointly publish in the Federal Register the priority programs and projects established

pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year thereafter for which appropriations will be available to carry out the program. In the event of a disagreement by such Director and such Administrator as to the exercise of joint functions under this section, the Attorney General shall resolve such disagreement.

"APPLICATION REQUIREMENTS

"SEC. 504. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

"(1) identifies the priority program to be funded and describes how funds allocated pursuant to this part and pursuant to part D will be expended to carry out the priority program;

"(2) describes specifically what percentages of funds allocated for the upcoming year pursuant to part D will be spent on priority programs and projects pursuant to this part;

"(3) describes specifically the priority programs and projects for which funds are to be allocated pursuant to part D for the upcoming fiscal year;

"(4) describes what percentage of part D funds were expended on national priority projects during the preceding fiscal year; and

"(5) describes specifically the priority programs and projects for which funds were allocated pursuant to part D during the preceding fiscal year and the amount of such allocation.

"(b) Each applicant for funds under the part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

"(c) Each application must be submitted for review to the criminal justice council in whose State the applicant is located. The council shall have thirty days to comment to the Administration upon the application. Any recommendation shall be accompanied by supporting rationale.

"(d) States and units of local government may utilize the services of private nonprofit organizations for purposes consistent with this part.

"CRITERIA FOR AWARD

"SEC. 505. (a) The Administration shall, after appropriate consultation with representatives of State and local governments and representatives of the various components of the justice system at all levels of government, establish reasonable requirements consistent with this part for the award of national priority grants. Procedures for awards of national priority grants shall be published in the Federal Register and no national priority grant shall be made in a manner inconsistent with these procedures. The Administration in determining whether to award a priority grant to an eligible jurisdiction shall give consideration to the criminal justice needs and efforts of eligible jurisdictions, to the need for continuing programs which would not otherwise be continued because of the lack of adequate part D funds, and to the degree to which an eligible jurisdiction has expanded or proposes to expend funds from part D or other sources of funds, including other Federal grants, for priority programs and projects. No jurisdiction shall be denied a priority grant solely on the basis of its population.

"(d) Grants under this part may be made in an amount equal to 50 per centum of the cost of the priority program or project for which such grant is made except allocations made pursuant to section 405(a)(2), which may be made in an amount equal to 100 per centum of the cost of the funded program. The remaining costs may be provided from part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction. The Administration may provide technical assistance to any priority program or project funded under this part. Technical assistance so provided may be funded in an amount equal to 100 per centum of its cost from funds set aside pursuant to this part.

"(c) Amounts reserved and set aside pursuant to this part in any fiscal year, but not used in such year, may be used by the Administration to provide additional financial assistance to priority programs or projects of demonstrated effectiveness in improving the functioning of the criminal justice system, notwithstanding the provisions of subsection (b).

"(d) The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system. A recipient shall assume the cost of any program assisted under this part after the period of Federal assistance unless the Administrator determines that the recipient is unable to assume such cost because of State or local budgetary restraints. The Administration shall assure that the problems and needs of all of the States are taken into account in distributing funds under this part among the States.

"PART F—DISCRETIONARY GRANTS

"PURPOSE

"SEC. 601. It is the purpose of this part, through the provision of additional Federal financial assistance, to encourage States, units of local government, combinations of such units, or private nonprofit organizations to—

"(1) undertake programs and projects, including educational programs, to improve and strengthen the criminal justice system;

"(2) improve the comprehensive planning and coordination of State and local criminal justice activities especially coordination between city and county jurisdictions;

"(3) provide for the equitable distribution of funds under this title among all segments and components of the criminal justice system;

"(4) develop and implement programs and projects to redirect resources so as to improve and expand the capacity of States and units of local government and combinations of such units, to detect, investigate, prosecute, and otherwise combat and prevent white-collar crime and public corruption, to improve and expand cooperation among the Federal Government, States, and units of local government in order to enhance the overall criminal justice system response to white-collar crime and public corruption, and to foster the creation and implementation of a comprehensive national strategy to prevent and combat white-collar crime and public corruption;

"(5) to support modernization and improvement of State and local court and corrections systems and programs;

'(6) to support organized crime programs, programs to prevent and reduce crime in public or private places and programs which are designed to disrupt illicit commerce in stolen goods and property; and

"(7) to support community and neighborhood anticrime efforts.

"PERCENTAGE OF APPROPRIATION FOR DISCRETIONARY GRANT PROGRAM

"SEC. 602. Of the total amount appropriated for parts D, E, and F in any fiscal year 10 per centum shall be reserved and set aside pursuant to this part in a special discretionary fund for use by the Administration in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to States, units of local government, combinations of such units, or private nonprofit organizations, for the purposes set forth in section 601 of this title. The Administrator shall assure that funds allocated under this subsection to private nonprofit organizations shall be used for the purpose of developing and conducting programs and projects which would not otherwise be undertaken pursuant to this title, including programs and projects—

"(1) to stimulate and encourage the improvement of justice and the modernization of State court operations by means of financial assistance to national nonprofit organizations operating in conjunction with and serving the judicial branches of State governments;

"(2) to provide national education and training programs for State and local prosecutors, defense personnel, judges and judicial personnel, and to disseminate and demonstrate new legal developments and methods by means of teaching, special projects, practice, and the publication of manuals and materials to improve the administration of criminal justice. Organizations supported under this paragraph shall assist State and local agencies in the education and training of personnel on a State and regional basis;

"(3) to support community and neighborhood anticrime programs;

"(4) to stimulate, improve, and support victim-witness assistance programs; and

"(5) to improve the administration of justice by encouraging and supporting the development, dissemination, implementation, evaluation, and revision of criminal justice standards and guidelines.

"PROCEDURE FOR ESTABLISHING DISCRETIONARY PROGRAMS

"SEC. 603. (a) The Director of the Office of Justice Assistance, Research, and Statistics and the Administrator of the Law Enforcement Assistance Administration shall periodically and jointly establish discretionary programs and projects for financial assistance under this part. Such programs and projects shall be considered priorities for a period of time not to exceed three years from the time of such determination.

"(b) Such Director and such Administrator shall jointly annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other appropriate public and private agencies to suggest discretionary programs and projects. Such Director and such Administrator shall jointly then, pursuant to regulations, annually publish the proposed priorities pursuant to this part and invite and encourage public comment concerning such priorities. Priorities shall not be established or modified until such Director and such Administrator jointly have provided at least sixty-days advance notice for such public comment and such Director and such Administrator jointly shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time and after consultation with appropriate agencies and officials of State and units of local government, such Director and such Administrator jointly shall determine whether existing established priorities should be modified. Such Director and such Administrator shall jointly publish in the Federal Register the priorities established pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year there-

after for which appropriations will be available to carry out the program.

"APPLICATION REQUIREMENTS

"SEC. 604. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

"(1) sets forth a program or project which is eligible for funding pursuant to this part;

"(2) describes the services to be provided, performance goals and the manner in which the program is to be carried out;

"(3) describes the method to be used to evaluate the program or project in order to determine its impact and effectiveness in achieving the stated goals and agrees to conduct such evaluation according to the procedures and terms established by the Administration; and

"(4) indicates, if it is a private nonprofit organization, that it has consulted with appropriate agencies and officials of the State and units of local government to be affected by the program and project.

"(b) Each applicant for funds under this part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

"CRITERIA FOR AWARD

"SEC. 605. The Administration shall, in its discretion and according to the criteria and on the terms and conditions it determines consistent with this part, provide financial assistance to those programs or projects which most clearly satisfy the priorities established under section 603. In providing such assistance pursuant to this part, the Administration shall consider whether certain segments and components of the criminal justice system have received a disproportionate allocation of financial aid and assistance pursuant to other parts of this title, and, if such a finding is made, shall assure the funding of such other segments and components of the criminal justice system as to correct inequities resulting from such disproportionate allocations. Federal funding under this part may be up to 100 per centum of the cost of the program. In distributing funds under this part among the States, the Administration shall assure that the problems and needs of all of the States are taken into account and shall fund some programs and projects responsive to each type of section 402 eligible jurisdiction.

"PERIOD FOR AWARD

"SEC. 606. The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if—

"(1) an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system; and

"(2) the State, unit of local government, or combination thereof and private nonprofit organizations within which the program or project has been conducted agrees to provide at least one-half of the total cost of such program or project from part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction. Funding for the management and the administration of national nonprofit organizations under section 602(1) of this part is not subject to the funding limitations of this section.

"PART G—TRAINING AND MANPOWER DEVELOPMENT PURPOSE

"SEC. 701. It is the purpose of this part to provide for and encourage training, manpower development, and new personnel practices for the purpose of improving the criminal justice system.

"TRAINING FOR PROSECUTING ATTORNEYS

"SEC. 702. (a) The Administration is authorized to establish and support a training program for prosecuting attorneys from State and local agencies engaged in the prosecution of white-collar and organized crime. The program shall be designed to develop new or improved approaches, techniques, systems, manuals, and devices to strengthen prosecutive capabilities against white-collar and organized crime.

"(b) While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"(c) The cost of training State and local personnel under this section shall be provided out of funds appropriated to the Administration for the purpose of such training.

"TRAINING STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL

"SEC. 703. (a) The Administration is authorized—

"(1) to assist in conducting local, regional, or national training programs for the training of State and local criminal justice personnel, including but not limited to those engaged in the investigation of crime and apprehension of criminals, community relations, the prosecution, defense, or adjudication of those charged with crime, corrections, rehabilitation, probation, and parole of offenders. Such training activities shall be designed to supplement and improve rather than supplant the training activities of the State and units of local government and shall not duplicate the training activities of the Federal Bureau of Investigation. While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service;

"(2) to carry out a program of planning, development, demonstration, and evaluation of training programs for State and local criminal justice personnel;

"(3) to assist in conducting programs relating to recruitment, selection, placement, and career development practices of State and local law enforcement and criminal justice personnel and to assist State and local governments in planning manpower programs for criminal justice; and

"(4) to carry out a program of planning, development, demonstration, and evaluation of recruitment, selection, and placement practices.

"(b)(1) The amount of a grant or contract under this section may be up to 100 per centum of the total cost of a program, but the total financial support may not exceed 80 per centum of the total operating budget of any funded institutions or programs.

"(2) Institutions funded under this section shall assure that to the maximum extent feasible efforts shall be made to increase the non-Federal share of the total operating budgets of such institutions or programs with the objective of becoming self-sustaining.

"(3) To the greatest extent possible funds appropriated for the purposes of this section shall not be utilized to provide per diem or subsistence for State and local officials receiving such training.

"FBI TRAINING OF STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL

"SEC. 704. (a) The Director of the Federal Bureau of Investigation is authorized to—

"(1) establish and conduct training programs at the Federal Bureau of Investigation National Academy at Quantico, Virginia, to provide, at the request of a State or unit of local government, training for State and local criminal justice personnel;

"(2) develop new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen criminal justice; and

"(3) assist in conducting, at the request of a State or unit of local government, local and regional training programs for the training of State and local criminal justice personnel engaged in the investigation of crime and the apprehension of criminals. Such training shall be provided only for persons actually employed as State police or highway patrol, police of a unit of local government, sheriffs, and their deputies, and other persons as the State or unit may nominate for police training while such persons are actually employed as officers of such State or unit.

"(b) In the exercise of the functions, powers, and duties established under this section the Director of the Federal Bureau of Investigation shall be under the general authority of the Attorney General.

"CRIMINAL JUSTICE EDUCATION PROGRAM

"SEC. 705. (a) Pursuant to the provisions of subsections (b) and (c), the Administration is authorized, after appropriate consultation with the Commissioner of Education, to carry out programs of academic educational assistance to improve and strengthen criminal justice.

"(b) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for loans, not exceeding $2,200 per academic year to any person, to persons enrolled on a full-time basis in undergraduate or graduate programs approved by the Administration and leading to degrees or certificates in areas directly related to criminal justice or suitable for persons employed in criminal justice, with special consideration to police or correctional personnel of States or units of local government on academic leave to earn such degrees or certificates. Loans to persons assisted under this subsection shall be made on such terms and conditions as the Administration and the institution offering such programs may determine, except that the total amount of any such loan, plus interest, shall be canceled for service as a full-time officer or employee of a criminal justice agency at the rate of 25 per centum of the total amount of such loan plus interest for each complete year of such service or its equivalent of such service, as determined under regulations of the Administration.

"(c) The Administration is authorized to enter into contracts to make and to make payments to institutions of higher education for tuition, books, and fees, not exceeding $250 per academic quarter or $400 per semester for any person, for officers of any publicly funded criminal justice agency enrolled on a full-time or part-time basis in courses included in an undergraduate or graduate program which is approved by the Administration and which leads to a degree or certificate in an area related to criminal justice or an area suitable for persons employed in criminal justice. Assistance under this subsection may be granted only on behalf of an applicant who enters into an agreement to remain in the service of a criminal justice agency

employing such applicant for a period of two years following completion of any course for which payments are provided under this subsection, and in the event such service is not completed, to repay the full amount of such payments on such terms and in such manner as the Administration may prescribe.

"(d) Full-time teachers or persons preparing for careers as full-time teachers of courses related to criminal justice or suitable for persons employed in criminal justice, in institutions of higher education which are eligible to receive funds under this section, shall be eligible to receive assistance under subsections (b) and (c) as determined under regulations of the Administration.

"(e) The Administration is authorized to make grants to or enter into contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects for the development or demonstration of improved methods of criminal justice education, including—

"(1) planning for the development or expansion of undergraduate or graduate programs in law enforcement and criminal justice, and for law enforcement related courses in public schools;

"(2) education and training of faculty members;

"(3) strengthening the criminal justice aspects of courses leading to an undergraduate, graduate, or professional degree; and

"(4) research into, and development of, methods of educating students or faculty, including the preparation of teaching materials and the planning of curriculums. The amount of a grant or contract may be up to 75 per centum of the total cost of programs and projects for which a grant or contract is made.

"(f) The Administration is authorized to enter into contracts to make and to make payments to institutions of higher education for grants not exceeding $65 per week to persons enrolled on a full-time basis in undergraduate or graduate degree programs who are accepted for and serve in full-time internships in criminal justice agencies for not less than eight weeks during any summer recess or for any entire quarter or semester on leave from the degree program.

"PART H—ADMINISTRATIVE PROVISIONS

"ESTABLISHMENT OF OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

"SEC. 801. (a) There is established within the Department of Justice, under the general authority and policy control of the Attorney General, an Office of Justice Assistance, Research, and Statistics. The chief officer of the Office of Justice Assistance, Research, and Statistics shall be a Director appointed by the President by and with the advice and consent of the Senate.

"(b) The Office of Justice Assistance, Research, and Statistics shall directly provide staff support to, and coordinate the activities of, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration.

"CONSULTATION; ESTABLISHING OF RULES AND REGULATIONS

"SEC. 802. (a) The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, and the National Institute of Justice are authorized, after appropriate consultation with representatives of States and units of local government, to establish such rules, regulations, and procedures as are necessary to the exercise of their functions, and as are consistent with the stated purpose of this title.

"(b) The Law Enforcement Assistance Administration shall, after consultation with the National Institute of Justice, the Bureau of Justice Statistics, State and local governments, and the appropriate public and private agencies, establish such rules and regulations as are necessary to assure the continuing evaluation of selected programs or projects conducted pursuant to parts D, E, and F, in order to determine—

"(1) whether such programs or projects have achieved the performance goals stated in the original application, are of proven effectiveness, have a record of proven success, or offer a high probability of improving the criminal justice system;

"(2) whether such programs or projects have contributed or are likely to contribute to the improvement of the criminal justice system and the reduction and prevention of crime;

"(3) their cost in relation to their effectiveness in achieving stated goals;

"(4) their impact on communities and participants; and

"(5) their implication for related programs.

Evaluations shall be in addition to the requirements of sections 403 and 404. In conducting the evaluations called for by this subsection, the Law Enforcement Assistance Administration shall, when practical, compare the effectiveness of programs conducted by similar applicants and different applicants, and shall compare the effectiveness of programs or projects conducted by States and units of local government pursuant to part D with similar programs carried out pursuant to parts E and F. The Law Enforcement Assistance Administration shall also require applicants under part D to submit an annual performance report concerning activities carried out pursuant to part D together with an assessment by the applicant of the effectiveness of those activities in achieving the objectives of section 401 of this title and the relationships of those activities to the needs and objectives specified by the applicant in the application submitted pursuant to section 403 of this title. The administration shall suspend funding for an approved application under part D if an applicant fails to submit such an annual performance report.

"(c) The procedures established to implement the provisions of this title shall minimize paperwork and prevent needless duplication and unnecessary delays in award and expenditure of funds at all levels of government.

"NOTICE AND HEARING ON DENIAL OR TERMINATION OF GRANT

"SEC. 803. (a) Whenever, after reasonable notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration finds that a recipient of their respective assistance under this title has failed to comply substantially with—

"(1) any provision of this title;

"(2) any regulations or guidelines promulgated under this title; or

"(3) any application submitted in accordance with the provisions of this title, or the provisions of any other applicable Federal Act;

they, until satisfied that there is no longer any such failure to comply, shall—

"(A) terminate payments to the recipient under this title;

"(B) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title; or

"(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(b) If a State grant application filed under part D or any grant application filed under any other part of this title has been rejected or if a State applicant under part D or an applicant under any other part of this title has been denied a grant or has had a grant, or any portion of a grant, discontinued, terminated or has been given a grant in a lesser amount that such applicant believes appropriate under the provisions of this title, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration, as appropriate, shall notify the applicant or grantee of its action and set forth the reason for the action taken. Whenever such an applicant or grantee requests a hearing, the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, or any authorized officer thereof, is authorized and directed to hold such hearings or investigations, including hearings on the record in accordance with section 554 of title 5, United States Code, at such times and places as necessary, following appropriate and adequate notice to such applicant; and the findings of fact and determinations made with respect thereto shall be final and conclusive, except as otherwise provided herein.

"(c) If such recipient is dissatisfied with the findings and determinations of the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, following notice and hearing provided for in subsection (a), a request may be made for rehearing, under such regulations and procedures as such Administration, Bureau, or Institute, as the case may be, may establish, and such recipient shall be afforded an opportunity to present such additional information as may be deemed appropriate and pertinent to the matter involved.

"FINALITY OF DETERMINATIONS

"SEC. 804. In carrying out the functions vested by this title in the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, their determinations, findings, and conclusions shall, after reasonable notice and opportunity for a hearing, be final and conclusive upon all applications, except as otherwise provided herein.

"APPELLATE COURT REVIEW

"SEC. 805. (a) If any applicant or recipient is dissatisfied with a final action with respect to section 803, 804, or 815(c)(2)(G) of this part, such applicant or recipient may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such applicant or recipient is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action. A copy of the petition shall forthwith be transmitted by the petitioner to the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate, and the Attorney General of the United States, who shall represent the Federal Government in the litigation. The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate, shall thereupon file in the court the record of the proceeding on which the action was based, as provided in section 2112 of title 28, United States Code. No objection to the action shall be considered by the court unless such objection has been urged before the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate.

"(b) The court shall have jurisdiction to

affirm or modify a final action or to set it aside in whole or in part. The findings of fact by the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics, to take additional evidence to be made part of the record. The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, may thereupon make new or modified findings of fact by reason of the new evidence so taken and filed with the court and shall file such modified or new findings along with any recommendations such entity may have for the modification or setting aside of such entity's original action. All new or modified findings shall be conclusive with respect to questions of fact if supported by substantial evidence when the record as a whole is considered.

"(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certifications as provided in section 1254 of title 28, United States Code.

"DELEGATION OF FUNCTIONS

"SEC. 806. The Attorney General, the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may delegate to any of their respective officers or employees such functions as they deem appropriate.

"SUBPENA POWER; AUTHORITY TO HOLD HEARINGS

"SEC. 807. In carrying out their functions, the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration, and upon authorization, any member thereof or any hearing examiner or administrative law judge assigned to or employed thereby shall have the power to hold hearings and issue subpenas, administer oaths, examine witnesses, and receive evidence at any place in the United States they may designate.

"COMPENSATION OF DIRECTOR OF OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

"SEC. 808. Section 5314 of title 5, United States Code, is amended—

"(1) by adding at the end thereof—

"'Director, Office of Justice Assistance, Research, and Statistics.'; and

"(2) by striking out—

"'Administrator of Law Enforcement Assistance.'.

"COMPENSATION OF OTHER FEDERAL OFFICERS

"SEC. 809. Section 5315 of title 5, United States Code, is amended—

"(1) by striking out—

"'Deputy Administrator for Policy Development of the Law Enforcement Assistance Administration.' and

"'Deputy Administrator for Administration of the Law Enforcement Assistance Administration.'; and

"(2) by adding at the end the following:

"'Administrator of Law Enforcement Assistance.

"'Director of the National Institute of Justice.

"'Director of the Bureau of Justice Statistics.'.

"EMPLOYMENT OF HEARING OFFICERS

"SEC. 810. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may appoint such officers and employees as shall be necessary to carry out their powers and duties under this title and may appoint such hearing examiners or administrative law judges or request the use of such administrative law judges selected by the Office of Personnel Management pursuant to section 3344 of title 5, United States Code, as shall be necessary to carry out their powers and duties under this title.

"AUTHORITY TO USE AVAILABLE SERVICES

"SEC. 811. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of Federal, State, and local agencies to the extent deemed appropriate after giving due consideration to the effectiveness of such existing services, equipment, personnel, and facilities.

"CONSULTATION WITH OTHER FEDERAL, STATE, AND LOCAL OFFICIALS

"SEC. 812. In carrying out the provisions of this title, including the issuance of regulations, the Attorney General, the Director of the Office of Justice Assistance, Research, and Statistics, the Administrator of the Law Enforcement Assistance Administration, and the Directors of the National Institute of Justice and the Bureau of Justice Statistics shall consult with other Federal departments and agencies and State and local officials.

"REIMBURSEMENT AUTHORITY

"SEC. 813. (a) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may arrange with and reimburse the heads of other Federal departments and agencies for the performance of any of their functions under this title.

"(b) The National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, and the Office of Justice Assistance, Research, and Statistics in carrying out their respective functions may use grants, contracts, or cooperative agreements in accordance with the standards established in the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.).

"SERVICES OF EXPERTS AND CONSULTANTS; ADVISORY COMMITTEES

"SEC. 814. (a) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates of compensation for individuals not to exceed the daily equivalent of the rate then payable for GS–18 by section 5332 of title 5, United States Code.

"(b) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to appoint, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, technical or other advisory committees to advise them with respect to the administration of this title as they deem necessary. Members of those committees not otherwise in the employ of the United States, while engaged in advising them or attending meetings of the committees, shall be compensated at rates to be fixed by the Offices but not to exceed the daily equivalent of the rate then payable for GS–18 by section 5332 of title 5, United States Code, and while away from home or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

"(c) Payments under this title may be made in installments, and in advance or by way of reimbursement, as may be determined by the Administration, and may be used to pay the transportation and subsistence expenses of persons attending conferences or other assemblages notwithstanding the provisions of the joint resolution entitled 'Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings', approved February 2, 1935 (31 U.S.C. 551).

"PROHIBITION OF FEDERAL CONTROL OVER STATE AND LOCAL CRIMINAL JUSTICE AGENCIES

"SEC. 815. (a) Nothing contained in this title or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over any police force or any other criminal justice agency of any State or any political subdivision thereof.

"(b) Notwithstanding any other provision of law, nothing contained in this title shall be construed to authorize the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration—

"(1) to require, or condition the availability or amount of a grant upon the adoption by an applicant or grantee under this title of a percentage ratio, quota system, or other program to achieve racial balance in any criminal justice agency; or

"(2) to deny or discontinue a grant because of the refusal of an applicant or grantee under this title to adopt such a ratio, system, or other program.

"(c)(1) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this title.

"(2)(A) Whenever there has been—

"(i) receipt of notice of a finding, after notice and opportunity for a hearing, by a Federal court (other than in an action brought by the Attorney General) or State court, or by a Federal or State administrative agency, to the effect that there has been a pattern or practice of discrimination in violation of paragraph (1); or

"(ii) a determination after an investigation by the Office of Justice Assistance, Research, and Statistics (prior to a hearing under subparagraph (F) but including an opportunity for the State government or unit of local government to make a documentary submission regarding the allegation of discrimination with respect to such program or activity, with funds made available under this title) that a State government or unit of local government is not in compliance with paragraph (1);

the Office of Justice Assistance, Research, and Statistics shall, within ten days after such occurrence, notify the chief executive of the affected State, or the State in which the affected unit of local government is located, and the chief executive of such unit of local government, that such program or activity has been so found or determined not to be in compliance with paragraph (1), and shall request each chief executive, noti-

fied under this subparagraph with respect to such violation, to secure compliance. For purposes of clause (i) a finding by a Federal or State administrative agency shall be deemed rendered after notice and opportunity for a hearing if it is rendered pursuant to procedures consistent with the provisions of subchapter II of chapter 5 of title 5, United States Code.

"(B) In the event the chief executive secures compliance after notice pursuant to subparagraph (A), the terms and conditions with which the affected State government or unit of local government agrees to comply shall be set forth in writing and signed by the chief executive of the State, by the chief executive of such unit (in the event of a violation by a unit of local government), and by the Office of Justice Assistance, Research, and Statistics. On or prior to the effective date of the agreement, the Office of Justice Assistance, Research, and Statistics shall send a copy of the agreement to each complainant, if any, with respect to such violation. The chief executive of the State, or the chief executive of the unit (in the event of a violation by a unit of local government) shall file semiannual reports with the Office of Justice Assistance, Research, and Statistics detailing the steps taken to comply with the agreement. These reports shall cease to be filed upon the determination of the Office of Justice Assistance, Research, and Statistics that compliance has been secured, or upon the determination by a Federal or State court that such State government or local governmental unit is in compliance with this section. Within fifteen days of receipt of such reports, the Office of Justice Assistance, Research, and Statistics shall send a copy thereof to each such complainant.

"(C) If, at the conclusion of ninety days after notification under subparagraph (A)—

"(i) compliance has not been secured by the chief executive of that State or the chief executive of that unit of local government; and

"(ii) an administrative law judge has not made a determination under subparagraph (F) that it is likely the State government or unit of local government will prevail on the merits; the Office of Justice Assistance, Research, and Statistics shall notify the Attorney General that compliance has not been secured and caused to have suspended further payment of any funds under this title to that program or activity. Such suspension shall be limited to the specific program or activity cited by the Office of Justice Assistance, Research, and Statistics in the notice under subparagraph (A). Such suspension shall be effective for a period of not more than one hundred and twenty days, or, if there is a hearing under subparagraph (G), not more than thirty days after the conclusion of such hearing, unless there has been an express finding by the Office of Justice Assistance, Research, and Statistics, after notice and opportunity for such a hearing, that the recipient is not in compliance with paragraph (1).

"(D) Payment of the suspended funds shall resume only if—

"(i) such State government or unit of local government enters into a compliance agreement approved by the Office of Justice Assistance, Research, and Statistics and the Attorney General in accordance with subparagraph (B);

"(ii) such State government or unit of local government complies fully with the final order or judgment of a Federal or State court, or of a Federal or State administrative agency if that order or judgment covers all the matters raised by the Office of Justice Assistance, Research, and Statistics in the notice pursuant to subparagraph (A), or is found to be in compliance with paragraph (1) by such court; or

"(iii) after a hearing the Office of Justice Assistance, Research, and Statistics pursuant to subparagraph (F) finds that noncompliance has not been demonstrated.

"(E) Whenever the Attorney General files a civil action alleging a pattern or practice of discriminatory conduct on the basis of race, color, religion, national origin, or sex in any program or activity of a State government or unit of local government which State government or unit of local government receives funds made available under this title, and the conduct allegedly violates the provisions of this section and neither party within forty-five days after such filing has been granted such preliminary relief with regard to the suspension or payment of funds as may be otherwise available by law, the Office of Justice Assistance, Research, and Statistics shall cause to have suspended further payment of any funds under this title to that specific program or activity alleged by the Attorney General to be in violation of the provisions of this subsection until such time as the court orders resumption of payment.

"(F) Prior to the suspension of funds under subparagraph (C), but within the ninety-day period after notification under subparagraph (C), the State government or unit of local government may request an expedited preliminary hearing on the record in accordance with section 554 of title 5, United States Code, in order to determine whether it is likely that the State government or unit of local government would, at a full hearing under suparagraph (G), prevail on the merits on the issue of the alleged noncompliance. A finding under this subparagraph by the administrative law judge in favor of the State government or unit of local government shall defer the suspension of funds under subparagraph (C) pending a finding of noncompliance at the conclusion of the hearing on the merits under subparagraph (G).

"(G)(i) At any time after notification under subparagraph (A), but before the conclusion of the one-hundred-and-twenty-day period referred to in subparagraph (C), a State government or unit of local government may request a hearing on the record in accordance with section 554 of title 5, United States Code, which the Office of Justice Assistance, Research, and Statistics shall initiate within sixty days of such request.

"(ii) Within thirty days after the conclusion of the hearing, or, in the absence of a hearing, at the conclusion of the one-hundred-and-twenty-day period referred to in subparagraph (C), the Office of Justice Assistance, Research, and Statistics shall make a finding of compliance or noncompliance. If the Office of Justice Assistance, Research, and Statistics makes a finding of noncompliance, the Office of Justice Assistance, Research, and Statistics shall notify the Attorney General in order that the Attorney General may institute a civil action under paragraph (3), cause to have terminated the payment of funds under this title, and, if appropriate, seek repayment of such funds.

"(iii) If the Office of Justice Assistance, Research, and Statistics makes a finding of compliance, payment of the suspended funds shall resume as provided in subparagraph (D).

"(H) Any State government or unit of local government aggrieved by a final determination of the Office of Justice Assistance, Research, and Statistics under subparagraph (G) may appeal such determination as provided in section 805 of this title.

"(3) Whenever the Attorney General has reason to believe that a State government or unit of local government has engaged in or is engaging in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in an appropriate United States district court. Such court may grant as relief any temporary restraining order, preliminary or permanent injunction, or other order, as necessary or appropriate to insure the full enjoyment of the rights described in this section, including the suspension, termination, or replacement of such funds made available under this title as the court may deem appropriate, or placing any further such funds in escrow pending the outcome of the litigation.

"(4)(A) Whenever a State government or unit of local government, or any officer or employee thereof acting in an official capacity, has engaged or is engaging in any act or practice prohibited by this subsection, a civil action may be instituted after exhaustion of administrative remedies by the person aggrieved in an appropriate United States district court or in a State court of general jurisdiction. Administrative remedies shall be deemed to be exhausted upon the expiration of sixty days after the date the administrative complaint was filed with the Office of Justice Assistance, Research, and Statistics or any other administrative enforcement agency, unless within such period there has been a determination by the Office of Justice Assistance, Research, and Statistics or the agency on the merits of the complaint, in which case such remedies shall be deemed exhausted at the time the determination becomes final.

"(B) In any civil action brought by a private person to enforce compliance with any provision of this subsection, the court may grant to a prevailing plaintiff reasonable attorney fees, unless the court determines that the lawsuit is frivolous, vexatious, brought for harassment purposes, or brought principally for the purpose of gaining attorney fees.

"(C) In any action instituted under this section to enforce compliance with paragraph (1), the Attorney General, or a specially designated assistant for or in the name of the United States, may intervene upon timely application if he certifies that the action is of general public importance. In such action the United States shall be entitled to the same relief as if it had instituted the action.

"REPORT TO PRESIDENT AND CONGRESS

"SEC. 816. (a) On or before March 31 of each year, the Administrator of the Law Enforcement Assistance Administration shall report to the President and to the Committees on the Judiciary of the Senate and House of Representatives on activities pursuant to parts D, E, F, and G during the preceding fiscal year. Such report shall include—

"(1) a description of the progress made in accomplishing the objectives of such parts;

"(2) a description of the national priority programs and projects established pursuant to part E;

"(3) the amounts obligated under parts D, E, and F for each of the components of the criminal justice system;

"(4) the nature and number of jurisdictions which expended funds under part D on national priority programs or projects established pursuant to part E, and the percentage of part D funds expended by such jurisdictions on such programs or projects;

"(5) a summary of the major innovative policies and programs for reducing and preventing crime recommended by the Administration during the preceding fiscal year in the course of providing technical and financial aid and assistance to State and local governments pursuant to this title;

"(6) a description of the procedures used to audit, monitor, and evaluate programs or projects to insure that all recipients have complied with this title and that the information contained in the applications was correct;

"(7) the number of part D applications or amendments approved by the Administration without recommending substantial changes;

"(8) the number of part D applications or amendments in which the Administration recommended substantial changes, and the disposition of such programs or projects;

"(9) the number of programs or projects under part D applications or amendments with respect to which a discontinuation, suspension, or termination of payments occurred together with the reasons for such discontinuation, suspension, or termination;

"(10) the number of programs or projects under part D applications or amendments which were subsequently discontinued by the jurisdiction following the termination of funding under this title; and

"(11) a description of equipment whose cost in the aggregate was $100,000 or more that was purchased in connection with each program or project assisted under part D, and the current use status of such equipment.

"(b) Not later than three years after the date of enactment of the Justice System Improvement Act of 1979, the Administrator of the Law Enforcement Assistance Administration, after consultation with the Director of the National Institute of Justice, the Director of the Bureau of Statistics, and the Administrator of the Office of Juvenile Justice and Delinquency Prevention, with respect to the receipt and compilation of evaluations, statistics, and performance reports required by this title, shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report. The report shall set forth comprehensive statistics which, together with the Administrator's analysis and findings, shall indicate whether grants made to States or units of local government under parts D, E, and F have made a reasonably expected contribution toward—

"(1) improving and strengthening law enforcement agencies, as measured by arrest rates, incidence rates, victimization rates, the number of reported crimes, clearance rates, the number of patrol or investigative hours per uniformed officer, or any other appropriate objective measure;

"(2) improving the police utilization of community resources through support of joint police-community projects designed to prevent or control neighborhood crime;

"(3) disrupting illicit commerce in stolen goods and property;

"(4) combating arson;

"(5) developing investigations and prosecutions of white-collar crime, organized crime, public-corruption-related offenses, and fraud against the government;

"(6) reducing the time between arrest or indictment and disposition of trial;

"(7) increasing the use and development of alternatives to the prosecution of selected offenders;

"(8) increasing the development and use of alternatives to pretrial detention that assure return to court and a minimization of the risk of danger;

"(9) increasing the rate at which prosecutors obtain convictions against habitual, nonstatus offenders;

"(10) developing and implementing programs which provide assistance to victims and witnesses, including restitution by the offender, programs encouraging victim and witness participation in the criminal justice system, and programs designed to prevent retribution against or intimidation of witnesses by persons charged with or convicted of crimes;

"(11) providing competent defense counsel for indigent and eligible low-income persons accused of criminal offenses;

"(12) developing projects to identify and meet the needs of drug dependent offenders;

"(13) increasing the availability and use of alternatives to maximum-security confinement of convicted offenders who pose no threat to public safety;

"(14) reducing the rates of violence among inmates in places of detention and confinement;

"(15) improving conditions of detention and confinement in adult and juvenile correctional institutions, as measured by the number of such institutions administering programs meeting accepted standards;

"(16) training criminal justice personnel in programs meeting standards recognized by the Administrator;

"(17) revision and recodification by States and units of local government of criminal statutes, rules, and procedures and revision of statutes, rules, and regulations governing State and local criminal justice agencies; and

"(18) developing statistical and evaluative systems in States and units of local government which assist the measurement of indicators in each of the areas described in paragraphs (1) through (17).

Such report shall identify separately, to the maximum practicable extent, such contribution according to the parts of this title under which such grants are authorized and made.

"(c) Not later than two hundred and seventy days after the date of enactment of the Justice System Improvement Act of 1979, the Administrator of the Law Enforcement Assistance Administration shall transmit to the Committees on the Judiciary of the Senate and the House of Representatives a plan for the collection, analysis, and evaluation of any data relevant to measure, as objectively as is practicable, progress in each of the areas described in subsection (b). In developing such plan, the Administrator of the Law Enforcement Assistance Administration shall consult with the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Committees on the Judiciary of the Senate and the House of Representatives. After such consultation and at any time prior to the submission of such plan as required by this subsection, the Administrator may recommend to such committees reporting areas in addition to those described in subsection (b). Such plans shall include the Administrator's recommended definitions of the terms 'comprehensive statistics' and 'reasonably expected contribution' as used in subsection (b), which take into account the total amount of funds available for distribution to States and units of local government under parts D, E, and F, as compared to the total amount of funds available for expenditure by States and units of local government for criminal justice purposes. Such plan shall be used by the Administrator in preparing the report required by subsection (b).

"(d) The report required by subsection (b) shall address whether a reasonably expected contribution has been attained in the areas described in subsection (b) and any area added by the Administrator under subsection (c).

"(e) To the maximum extent feasible, the Administrator shall minimize duplication in data collection requirements imposed on grantee agencies by this section.

"RECORDKEEPING REQUIREMENT

"SEC. 817. (a) Each recipient of funds under this title shall keep such records as the Office of Justice Assistance, Research, and Statistics shall prescribe, including records which fully disclose the amount and disposition by such recipient of the funds, the total cost of the project or undertaking for which such funds are used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Office of Justice Assistance, Research, and Statistics or any of its duly authorized representatives, shall have access for purpose of audit and examination of any books, documents, papers, and records of the recipients of funds under this title which in the opinion of the Office of Justice Assistance, Research, and Statistics may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to under this title.

"(c) The Comptroller General of the United States or any of his duly authorized representatives, shall, until the expiration of three years after the completion of the program or project with which the assistance is used, have access for the purpose of audit and examination to any books, documents, papers, and records of recipients of Federal funds under this title which in the opinion of the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to under this title.

"(d) Within one hundred and twenty days after the enactment of this subsection, the Office of Justice Assistance, Research, and Statistics shall review existing civil rights regulations and conform them to this title. Such regulations shall include—

"(1) reasonable and specific time limits for the Office of Justice Assistance, Research, and Statistics to respond to the filing of a complaint by any person alleging that a State government or unit of local government is in violation of the provisions of section 815(c) of this title, including reasonable time limits for instituting an investigation, making an appropriate determination with respect to the allegations, and advising the complainant of the status of the complaint; and

"(2) reasonable and specific time limits for the Office of Justice Assistance, Research, and Statistics to conduct independent audits and reviews of State governments and units of local government receiving funds pursuant to this title for compliance with the provisions of sections 815(c) of this title.

"(e) The provisions of this section shall apply to all recipients of assistance under this title, whether by direct grant, cooperative agreement, or contract under this title or by subgrant or subcontract from primary grantees or contractors under this title.

"(f) There is hereby established within the Law Enforcement Assistance Administration a revolving fund for the purpose of supporting projects that will acquire stolen goods and property in an effort to disrupt illicit commerce in such goods and property. Notwithstanding any other provision of law, any income or royalties generated from such projects together with income generated from any sale or use of such goods or property, where such goods or property are not claimed by their lawful owner, shall be paid into the revolving fund. Where a party establishes a legal right to such goods or property, the Administrator of the fund may in his discretion assert a claim against the property or goods in the amount of Federal funds used to purchase such goods or property. Proceeds from such claims shall be paid into the revolving fund. The Administrator is authorized to make disbursements by appropriate means, including grants, from the fund for the purpose of this section.

"CONFIDENTIALITY OF INFORMATION

"SEC. 818. (a) Except as provided by Federal law other than this title, no officer or employee of the Federal Government, and no recipient of assistance under the provisions of this title shall use or reveal any research or statistical information furnished under this title by any person and identifiable to any specific private person for any purpose other than the purpose for which

it was obtained in accordance with this title. Such information and copies thereof shall be immune from legal process, and shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial, legislative, or administrative proceedings.

"(b) All criminal history information collected, stored, or disseminated through support under this title shall contain, to the maximum extent feasible, disposition as well as arrest data where arrest data is included therein. The collection, storage, and dissemination of such information shall take place under procedures reasonably designed to insure that all such information is kept current therein; the Office of Justice Assistance, Research, and Statistics shall assure that the security and privacy of all information is adequately provided for and that information shall only be used for law enforcement and criminal justice and other lawful purposes. In addition, an individual who believes that criminal history information concerning him contained in an automated system is inaccurate, incomplete, or maintained in violation of this title, shall, upon satisfactory verification of his identity, be entitled to review such information and to obtain a copy of it for the purpose of challenge or correction.

"(c) All criminal intelligence systems operating through support under this title shall collect, maintain, and disseminate criminal intelligence information in conformance with policy standards which are prescribed by the Office of Justice Assistance, Research and Statistics and which are written to assure that the funding and operation of these systems furthers the purpose of this title and to assure that such systems are not utilized in violation of the privacy and constitutional rights of individuals.

"(d) Any person violating the provisions of this section, or of any rule, regulation, or order issued thereunder, shall be fined not to exceed $10,000, in addition to any other penalty imposed by law.

"AUTHORITY TO ACCEPT VOLUNTARY SERVICES

"SEC. 819. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to accept and employ, in carrying out the provisions of this title, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)). Such individuals shall not be considered Federal employees except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims.

"ADMINISTRATION OF JUVENILE DELINQUENCY PROGRAMS

"SEC. 820. (a) All programs concerned with juvenile delinquency and administered by the Administration shall be administered or subject to the policy direction of the office established by section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974.

"(b) The Director of the National Institute of Justice and the Director of the Bureau of Justice Statistics shall work closely with the Administrator of the Office of Juvenile Justice and Delinquency Prevention in developing and implementing programs in the juvenile justice and delinquency prevention field.

"PROHIBITION ON LAND ACQUISITION

"SEC. 821. No funds under this title shall be used for land acquisition.

"PROHIBITION ON USE OF CIA SERVICES

"SEC. 822. Notwithstanding any other provision of this title, no use will be made of services, facilities, or personnel of the Central Intelligence Agency.

"INDIAN LIABILITY WAIVER

"SEC. 823. Where a State does not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to waive State liability and may pursue such legal remedies as are necessary.

"DISTRICT OF COLUMBIA MATCHING FUND SOURCE

"SEC. 824. Funds appropriated by the Congress for the activities of any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia may be used to provide the non-Federal share of the cost of programs or projects funded under this title.

"LIMITATION ON CIVIL JUSTICE MATTERS

"SEC. 825. Authority of any entity established under this title shall extend to civil justice matters only to the extent that such civil justice matters bear directly and substantially upon criminal justice matters or are inextricably intertwined with criminal justice matters.

"REIMBURSEMENT FOR UNUSED EQUIPMENT

"SEC. 826. The Law Enforcement Assistance Administration may require a State council, a grantee, or other recipient of assistance under this title to reimburse the Administration for the federally assisted part of the cost of any equipment whose purchase was in connection with a program or project assisted by such Administration under this title and which cost in the aggregate $100,000, or more, if such equipment has not been placed in use one year after the date set at the time of purchase for the commencement of such use, or has not continued in use during its useful life. In lieu of requiring reimbursement under this section, such Administration may require that the State council, a grantee, or other recipient of assistance under this title take appropriate measures to put such equipment into use.

"PRISON INDUSTRY ENHANCEMENT

"SEC. 827. (a) Section 1716 of title 18, United States Code, is amended by adding thereto a new subsection (c) as follows—

"'(c) In addition to the exceptions set forth in subsection (b) of this section, this chapter shall also not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program of not more than seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration and who—

"'(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

"'(A) taxes (Federal, State, local);

"'(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

"'(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender;

"'(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

"'(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State Government to other individuals on the basis of their employment, such as workmen's compensation. However, such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

"'(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this section, and all other financial arrangements as a result of participation in such employment.'.

"(b) The first section of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding to the end of subsection (d) thereof, before '; and', the following: ', except that this section, or any other law or Executive order containing similar prohibitions against purchase of goods by the Federal Government, shall not apply to convict labor which satisfies the conditions of section 1761(c) of title 18, United States Code'.

"(c) The provisions of this section creating exemptions to Federal restrictions on marketability of prison made goods shall not apply unless—

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services.

"PART I—DEFINITIONS

"DEFINITIONS

"SEC. 901. (a) As used in this title—

"(1) 'criminal justice' means activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including, but not limited to, police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and programs relating to the prevention, control or reduction of narcotic addiction and juvenile delinquency;

"(2) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands;

"(3) 'unit of local government' means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia;

"(4) 'construction' means the erection, acquisition, or expansion of new or existing buildings or other physical facilities, and the acquisition or installation of initial equipment therefor but does not include renovation repairs or remodeling;

"(5) 'combination' as applied to States or units of local government means any grouping or joining together of such States or units for the purpose of preparing developing or implementing a criminal justice program or project;

"(6) 'public agency' means any State unit of local government combination of such States or units, or any department, agency, or instrumentality of any of the foregoing;

"(7) 'correctional institution or facility' means any place for the confinement or rehabilitation of offenders or individuals charged with or convicted of criminal offenses;

"(8) 'comprehensive', with respect to an application, means that the application must be based on a total and integrated analysis of the criminal justice problems, and that goals, priorities, and standards for methods, organization, and operation performance must be established in the application;

"(9) 'criminal history information' includes records and related data, contained in an automated or manual criminal justice informational system, compiled by law enforcement agencies for the purpose of identifying criminal offenders and alleged offenders and maintaining as to such persons records of arrests, the nature and disposition of criminal charges, sentencing, confinement, rehabilitation, and release;

"(10) 'evaluation' means the administration and conduct of studies and analyses to determine the impact and value of a project or program in accomplishing the statutory objectives of this title;

"(11) 'neighborhood or community-based organizations' means organizations which are representative of communities or significant segments of communities;

"(12) 'chief executive' means the highest official of a State or local jurisdiction;

"(13) 'municipality' means—

"(A) any unit of local government which is classified as a municipality by the United States Bureau of the Census; or

"(B) any other unit of local government which is a town or township and which, in the determination of the Administration—

"(i) possesses powers and performs functions comparable to those associated with municipalities;

"(ii) is closely settled; and

"(iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census;

"(14) 'population' means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time;

"(15) 'Attorney General' means the Attorney General of the United States or his designee;

"(16) 'court of last resort' means that State court having the highest and final appellate authority of the State. In States having two or more such courts, court of last resort shall mean that State court, if any, having highest and final appellate authority, as well as both administrative responsibility for the State's judicial system and the institutions of the State judicial branch and rulemaking authority. In other States having two or more courts with highest and final appellate authority, court of last resort shall mean the highest appellate court which also has either rulemaking authority or administrative responsibility for the State's judicial system and the institutions of the State judicial branch. Except as used in the definition of the term 'court of last resort' the term 'court' means a tribunal recognized as a part of the judicial branch of a State or of its local government units;

"(17) 'institution of higher education' means any such institution as defined by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), subject, however, to such modifications and extensions as the Administration may determine to be appropriate;

"(18) 'white-collar crime' means an illegal act or series of illegal acts committed by nonphysical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property, or to obtain business or personal advantage;

"(19) 'proven effectiveness' means that a program, project, approach, or practice has been shown by analysis of performance and results to make a significant contribution to the accomplishment of the objectives for which it was undertaken or to have a significant effect in improving the condition or problem it was undertaken to address;

"(20) 'record of proven success' means that a program, project, approach, or practice has been demonstrated by evaluation or by analysis of performance data and information to be successful in a number of jurisdictions or over a period of time in contributing to the accomplishment of objectives, or to improving conditions identified with the problem, to which it is addressed; and

"(21) 'high probability of improving the criminal justice system' means that a prudent assessment of the concepts and implementation plans included in a proposed program, project, approach, or practice, together with an assessment of the problem to which it is addressed and of data and information bearing on the problem, concept, and implementation plan, provides strong evidence that the proposed activities would result in identifiable improvements in the criminal justice system if implemented as proposed.

"(b) Where appropriate, the definitions in subsection (a) shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of such fiscal year. The Administration may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

"(c) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a State or a unit of local government to undertake a program or project in whole or in part.

"PART J—FUNDING

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1001. There is authorized to be appropriated to carry out the functions of the Bureau of Justice Statistics $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983. There is authorized to be appropriated to carry out the functions of the National Institute of Justice $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983. There is authorized to be appropriated for parts D, E, F, G, H, and J, for the purposes of carrying out the remaining functions of the Law Enforcement Assistance Administration, other than part L, $750,000,000 for the fiscal year ending September 30, 1980; $750,000,000 for the fiscal year ending September 30, 1981; $750,000,000 for the fiscal year ending September 30, 1982; and $750,000,000 for the fiscal year ending September 30, 1983. Funds appropriated for any fiscal year may remain available for obligation until expended. There is authorized to be appropriated in each fiscal year such sums as may be necessary to carry out the purposes of part L.

"MAINTENANCE OF EFFORT

"SEC. 1002. In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under this title, for juvenile delinquency programs, with primary emphasis on programs for juveniles convicted of criminal offenses or adjudicated delinquent on the basis of an act which would be a criminal offense if committed by an adult.

"AUTHORIZATION OF APPROPRIATIONS FOR OFFICE OF ANTI-CRIME PROGRAMS

"SEC. 1003. There are authorized to be appropriated for the purposes of carrying out the functions of the Office of Community Anti-Crime Programs $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983.

"PART K—CRIMINAL PENALTIES

"MISUSE OF FEDERAL ASSISTANCE

"SEC. 1101. Whoever embezzles, willfully misapplies, steals, or obtains by fraud or endeavors to embezzle, willfully misapply, steal, or obtain by fraud any funds, assets, or property which are the subject of a grant or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, the Bureau of Justice Statistics, or whoever receives, conceals, or retains such funds, assets or property with intent to convert such funds, assets or property to his use or gain, knowing such funds, assets, or property has been embezzled, willfully misapplied, stolen or obtained by fraud, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"FALSIFICATION OR CONCEALMENT OF FACTS

"SEC. 1102. Whoever knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in any application for assistance submitted pursuant to this title or in any records required to be maintained pursuant to this title shall be subject to prosecution under the provisions of section 1001 of title 18, United States Code.

"CONSPIRACY TO COMMIT OFFENSE AGAINST UNITED STATES

"SEC. 1103. Any law enforcement or criminal justice program or project underwritten, in whole or in part, by any grant, or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics shall be subject to the provisions of section 371 of title 18, United States Code.

"PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

"PAYMENTS

"SEC. 1201. (a) In any case in which the Administration determines, under regulations issued pursuant to this part, that a public safety officer has died as the direct and proximate result of a personal injury sustained in the line of duty, the Administration shall pay a benefit of $50,000 as follows:

"(1) if there is no surviving child of such officer, to the surviving spouse of such officer;

"(2) if there is a surviving child or children and a surviving spouse, one-half to the surviving child or children of such officer in equal shares and one-half to the surviving spouse;

"(3) if there is no surviving spouse, to the child or children of such officer in equal shares; or

"(4) if none of the above, to the dependent parent or parents of such officer in equal shares.

"(b) Whenever the Administration determines upon a showing of need and prior to taking final action, that the death of a public safety officer is one with respect to which a benefit will probably be paid, the Administration may make an interim benefit payment not exceeding $3,000 to the person entitled to receive a benefit under subsection (a) of this section.

"(c) The amount of an interim payment under subsection (b) shall be deducted from the amount of any final benefit paid to such person.

"(d) Where there is no final benefit paid, the recipient of any interim payment under subsection (b) shall be liable for repayment of such amount. The Administration may waive all or part of such repayment, considering for this purpose the hardship which would result from such repayment.

"(e) The benefit payable under this part shall be in addition to any other benefit that may be due from any other source, but shall be reduced by—

"(1) payments authorized by section 8191 of title 5, United States Code; or

"(2) payments authorized by section 12 (k) of the Act of September 1, 1916, as amended (D.C. Code, sec. 4–531(1)).

"(f) No benefit paid under this part shall be subject to execution or attachment.

"LIMITATIONS

"SEC. 1202. No benefit shall be paid under this part—

"(1) if the death was caused by the intentional misconduct of the public safety officer or by such officer's intention to bring about his death;

"(2) if voluntary intoxication of the public safety officer was the proximate cause of such officer's death; or

"(3) to any person who would otherwise be entitled to a benefit under this part if such person's actions were a substantial contributing factor to the death of the public safety officer.

"DEFINITIONS

"SEC. 1203. As used in this part—

"(1) 'child' means any natural, illegitimate, adopted, or post-humous child or stepchild of a deceased public safety officer who, at the time of the public safety officer's death, is—

"(i) eighteen years of age or under,

"(ii) over eighteen years of age and a student as defined in section 8101 of title 5, United States Code; or

"(iii) over eighteen years of age and incapable of self-support because of physical or mental disability;

"(2) 'dependent' means a person who was substantially reliant for support upon the income of the deceased public safety officer;

"(3) 'fireman' includes a person serving as an officially recognized or designated member of a legally organized volunteer fire department;

"(4) 'intoxication' means a disturbance of mental or physical faculties resulting from the introduction of alcohol, drugs, or other substances into the body;

"(5) 'law enforcement officer' means a person involved in crime and juvenile delinquency control or reduction, or enforcement of the criminal laws. This includes, but is not limited to, police, corrections, probation, parole, and judicial officers;

"(6) 'public agency' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States, or any unit of local government, combination of such States, or units, or any department, agency, or instrumentality of any of the foregoing; and

"(7) 'public safety officer' means a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or a fireman.

"ADMINISTRATIVE PROVISIONS

"SEC. 1204. (a) The Administration is authorized to establish such rules, regulations, and procedures as may be necessary to carry out the purposes of this part. Such rules, regulations, and procedures will be determinative of conflict of laws issues arising under this part. Rules, regulations, and procedures issued under this part may include regulations governing the recognition of agents or other persons representing claimants under this part before the Administration. The Administration may prescribe the maximum fees which may be charged for services performed in connection with any claim under this part before the Administration, and any agreement in violation of such rules and regulations shall be void.

"(b) In making determinations under section 1201, the Administration may utilize such administrative and investigative assistance as may be available from State and local agencies. Responsibility for making final determinations shall rest with the Administration.

"PART M—TRANSITION—EFFECTIVE DATE—REPEALER

"CONTINUATION OF RULES, AUTHORITIES, AND PROCEEDINGS

"SEC. 1301. (a) All orders, determinations, rules, regulations, and instructions of the Law Enforcement Assistance Administration which are in effect on the date of the enactment of the Justice System Improvement Act of 1979 shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President or the Attorney General, the Office of Justice Assistance, Research, and Statistics or the Director of the Bureau of Justice Statistics, the National Institute of Justice, or the Administrator of the Law Enforcement Assistance Administration with respect to their functions under this title or by operation of law.

"(b) The Director of the National Institute of Justice may award new grants, enter into new contracts or cooperative agreements, or otherwise obligate previously appropriated unused or reversionary funds for the continuation of research and development projects in accordance with the provisions of this title as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979, based upon applications received under this title before the date of the enactment of such Act or for purposes consistent with provisions of this title.

"(c) The Director of the Bureau of Justice Statistics may award new grants, enter into new contracts or cooperative agreements or otherwise obligate funds appropriated for fiscal years before 1980 for statistical projects to be expended in accordance with the provisions of this title, as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979, based upon applications received under this title before the date of the enactment of such Act or for purposes consistent with provisions of this title.

"(d) The Administrator of the Law Enforcement Assistance Administration may award new grants, enter into new contracts or cooperative agreements, approve comprehensive plans for the fiscal year beginning October 1, 1979, and otherwise obligate previously appropriated unused or reversionary funds or funds appropriated for the fiscal year beginning October 1, 1979, for the continuation of projects in accordance with the provisions of this title, as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979 or for purposes consistent with provisions of this title.

"(e) The amendments made to this title by the Justice System Improvement Act of 1979 shall not affect any suit, action, or other proceeding commenced by or against the Government before the date of the enactment of such Act.

"(f) Nothing in this title prevents the utilization of funds appropriated for purposes of this title for all activities necessary or appropriate for the review, audit, investigation, and judicial or administrative resolution of audit matters for those grants or contracts that were awarded under this title. The final disposition and dissemination of program and project accomplishments with respect to programs and projects approved in accordance with this title, as in effect before the date of the enactment of the Justice System Improvement Act of 1979, which continue in operation beyond the date of the enactment of such Act may be carried out with funds appropriated for purposes of this title.

"(g) Except as otherwise provided in this title, the personnel employed on the date of enactment of the Justice System Improvement Act of 1979 by the Law Enforcement Assistance Administration are transferred as appropriate to the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice or the Bureau of Justice Statistics, considering the function to be performed by these organizational units and the functions previously performed by the employee. Determinations as to specific positions to be filled in an acting capacity for a period of not more than ninety days by the Administrator and Deputy Adminstrators employed on the date of enactment of the Justice System Improvement Act of 1979 may be made by the Attorney General notwithstanding any other provision of law.

"(h) Any funds made available under parts B, C, and E of this title, as in effect before the date of the enactment of the Justice System Improvement Act of 1979, which are not obligated by a State or unit of local government, may be used to provide up to 100 per centum of the cost of any program or project.

"(i) Notwithstanding any other provision of this title, all provisions of this title, as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979, which are necessary to carry out the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974, remain in effect for the sole purpose of carrying out the Juvenile Justice and Delinquency Prevention Act of 1974, and the State criminal justice council established under this title shall serve as the State planning agency for the purposes of the Juvenile Justice and Delinquency Prevention Act of 1974.

"(j) The functions, powers, and duties specified in this title to be carried out by State criminal justice councils or by local offices may be carried out by agencies previously established or designated as State, regional, or local planning agencies, pursuant to this title, as in effect before the date of the enactment of the Justice System Improvement Act of 1979, if they meet the representation requirement of section 402 of this title within two years of the date of the enactment of the Justice System Improvement Act of 1979.

"(k) Notwithstanding the provisions of section 404(c)(3), any construction projects which were funded under this title, as in effect before the date of the enactment of the Justice System Improvement Act of 1979, and which were budgeted in anticipation of receiving additional Federal funding

for such construction may continue for two years to be funded under this title.".

And the House agree to the same.

PETER W. RODINO,
BOB KASTENMEIER,
GEORGE DANIELSON,
LAMAR GUDGER,
R. L. MAZZOLI,
SAM B. HALL,
ROBERT MCCLORY,
HENRY J. HYDE,
Managers on the Part of the House.

EDWARD KENNEDY,
JOSEPH R. BIDEN,
DENNIS DECONCINI,
MAX BAUCUS,
HOWELL HEFLIN,
STROM THURMOND,
PAUL LAXALT,
THAD COCHRAN.
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 241) to restructure the Law Enforcement Assistance Administration, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill proposed the short title "Law Enforcement Assistance Reform Act of 1979." The House bill proposed the title "Justice System Improvement Act of 1979." The conference substitute adopts the House title.

DECLARATION AND PURPOSE

The Senate bill made findings that victims of crime should be a more integral part of the criminal justice system; that crime is a community problem as well as a State and local problem; that assistance should be made available for community-based as well as State and local efforts; and that public law enforcement and the private security industry should be encouraged to coordinate their efforts. The Senate bill would also set forth the following purposes: support of victim/witness efforts; provision of financial assistance to survivors of public safety officers killed in the line of duty; support of total resource-oriented approaches to the problems of courts and the criminal justice systems; and encouragement of programs to educate the public in the areas of civil, criminal and juvenile law and criminal justice operation.

The House bill did not include these additional findings and purposes.

The conference substitute adopts the House position.

ESTABLISHMENT OF LEAA

The Senate bill required that the Law Enforcement Assistance Administration (LEAA) be established within the Department of Justice with the Administrator reporting to the Director of the Office of Justice Assistance, Research and Statistics (OJARS).

The House bill required that LEAA be established within the Department of Justice under the direct authority of the Attorney General.

The conference substitute provides that LEAA is to be under the authority of the Attorney General, and that OJARS will coordinate the activities of and provide direct staff support to LEAA, NIJ, and BJS.

LEAA AUTHORITY

The Senate bill specified that the provision of technical assistance is a function of LEAA.

The House bill contained no such specific reference to technical assistance.

The conference substitute adopts the Senate position.

The Senate bill authorized LEAA to cooperate with and render technical assistance to victim/witness assistance activities and career criminal programs.

The House bill did not include similar provisions.

The conference substitute adopts the Senate provisions.

The Senate bill specifically authorized technical assistance in connection with the development of operational informational and telecommunications system.

The House bill contained no specific reference to technical assistance.

The conference substitute adopts the Senate version.

The House bill authorized technical assistance for program development and community participation in crime prevention and public safety efforts and to implement programs and projects assisted with community anti-crime grants.

The Senate bill had no similar provision.

The conference substitute adopts the House provisions.

The Senate bill included authorization for the Administrator to make grants administered by the OCAC for: (1) The encouragement of neighborhood and community participation in crime prevention and public safety efforts and for program development and technical assistance; (2) the development of comprehensive and coordinated crime prevention programs; and (3) encouragement of neighborhood and community participation in crime prevention educational and public safety efforts.

The House bill included authorization for the OCAC to make grants: (1) To enable the community to identify problems it faces with respect to crime or conflicts, disputes and other problems that might lead to crime, for plans to alleviate community problems with special attention to: (*a*) projects successful in other communities; (*b*) providing alternatives to criminal justice systems in resolving conflicts and dispute; (*c*) promoting increased citizen participation; and (*d*) addressing social and economic causes of crime. The House bill provided that grants were to be used to conduct training of community groups in management of grants and to carry out projects which could alleviate the community's crime problem. The House bill prohibited a grant from being used principally to seek technical assistance or a grant.

The conference substitute adopts the Senate provision that the Administration is authorized to make grants to be administered by OCAC and adopts the House provision on all other differences.

PART B—NATIONAL INSTITUTE OF JUSTICE

Purpose

The Senate bill authorized the National Institute of Justice (NIJ) to encourage research to improve civil, administrative, regulatory, and legal education.

The House bill did not include this authorization and in section 825 excluded any involvement with the civil justice system, civil disputes, or civil matters.

The conference substitute authorizes research and development concerning the civil justice matters to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The Senate bill requires the Institute to give primary emphasis to problems of State and local justice systems and to balance applied and basic research.

The House bill did not include similar provisions.

The conference substitute adopts the Senate bill.

The Senate bill states as an express function of the National Institute of Justice the conduct of research to identify programs of proven effectiveness, programs with a record of proven success, and programs which have a high probability of improving the criminal justice system.

The House bill did not include a similar provision.

The conference substitute adopts the Senate provisions.

The House bill made one of the express functions of the Institute the conduct of research for the purpose of the improvement of efforts to detect, investigate, prosecute and otherwise combat and prevent white-collar crime and public corruption.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House position.

The Senate bill specifically authorized research into police-minority relations and problems of victims and witnesses.

The House bill had no such provisions.

The conference substitute adopts the Senate version.

The Senate bill excepted certain laws pertaining to official publications.

The House bill had no similar provisions.

The conference accepts the House position.

Establishment

The Senate bill established the Institute within the Department of Justice reporting to the Director of OJARS.

The House bill placed the Institute under the direct authority of the Attorney General.

The conference substitute provides that NIJ is to be under the authority of the Attorney General, and that OJARS will coordinate the activities of NIJ, LEAA, and BJS.

Authority

The Senate bill authorized the Institute to conduct research in civil, administrative, regulatory, and legal education matters; to identify alternative programs for achieving goals and analyze correlates of crime, and conduct research into improvement of police and community relations and into problems of victim/witnesses of crime, preconviction and postconviction of crime; and to evaluate, where the Institute deems appropriate, programs and projects and disseminate results to units of general local government and other public and private organizations and individuals.

The House bill did not include this authority but did include authority to conduct research to combat white-collar crime and public corruption, and to make recommendations to the Attorney General regarding National Priority grants and DF grants.

The conference substitute contains a compromise which authorizes research and development concerning the civil justice system, improvement of police community relations, and victim/witness problems. The conference substitute authorizes NIJ to make recommendations concerning National Priority grants and Discretionary grants.

The Senate bill required a biennial report to Congress. The House bill provided for an annual report.

The conference substitute will adopt the Senate position.

NATIONAL INSTITUTE OF JUSTICE BOARD

The Senate bill established an Advisory Board to NIJ appointed by the President.

The House bill established a Policy Board appointed by the Attorney General.

The conference substitute adopts the Senate provisions.

The Senate bill required the Board to be established within 90 days of the enactment of legislation. Non/voting membership was provided for the Directors of the NIJ and the Bureau of Justice Statistics (BJS), and the Administrators of LEAA, and the Office of Juvenile Justice and Delinquency Prevention (OJJDP). The Board would be initially established by making appointments one-third for one year, one-third for two years, and one-third for three years, with three-year appointments thereafter.

The House bill gave the LEAA, NIJ, BJS, and OJJDP members voting status and specified that no member serve more than two years. A non-specific staggered system of appointment was established.

The conference substitute adopts the Senate provisions.

The Senate bill specifies that Board membership should include experts in victim and witness matters, persons experienced in civil justice, regulatory and administrative law and legal education.

The House bill requires that the Board membership include representatives of professional organizations and the business community.

The conference substitute adopts both the House and Senate provisions except that Board membership need not include those experienced in regulatory law, administrative law, and legal education. However, it is not intended that professional organizations nominate such representatives for the Board.

The Senate bill provided that a majority of the Board, including the Chairman and Vice-Chairman, could not be full-time employees of Federal, State or local governments and limited the total number of full-time Federal employees who could serve on the Board.

The House bill did not contain similar provisions.

The conference substitute adopts the Senate provisions.

The Senate bill provided that the Board develop in conjunction with the Director the policies and priorities of the Institute.

The House bill provided that the Board recommend to the Director policies and priorities of the Institute and create where necessary formal peer review procedures over selected categories of grants.

The conference substitute adopts the House provisions.

PART C—BUREAU OF JUSTICE STATISTICS

The purpose of the Bureau of Justice Statistics

The Senate bill authorized the development of statistical systems to improve the operation of civil justice systems and to better understand the problems of civil disputes.

The House bill in Sections 825 and 305 excluded any involvement in the civil justice system, civil disputes, or other civil matters.

The conference substitute authorizes the BJS involvement in civil justice statistics, to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The House bill specifically authorized the collection of statistical information concerning white-collar crime, public corruption, and crime against the elderly.

The Senate bill did not contain a similar provision.

The conferees adopted the House provision.

The Senate bill required the Bureau of Justice Statistics to give primary emphasis to the problems of State and local justice systems and to utilize to the extent feasible, State criminal justice statistics gathering and analysis systems.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate provision.

Establishment of BJS

The Senate bill established BJS within the Department of Justice (DOJ) reporting to the Director of OJARS.

The House bill established BJS within the Department of Justice under the direct authority of the Attorney General.

The conference substitute establishes BJS under the general authority of the Attorney General, with OJARS having coordination authority over LEAA, NIJ, and BJS.

The conference substitute adopts the Senate position.

The Senate bill authorized BJS to collect statistics concerning impact of pre-conviction and post-conviction crimes on victims of crime and allowed publication without regard to 44 U.S.C. 111.

The House bill did not have similar provisions but authorized BJS to collect statistics on crime against the elderly and to establish a system to provide State and local governments with access to Federal informational resources.

The conference substitute adopts the House provisions.

The Senate bill provided that the BJS was to "establish" national standards for justice statistics.

The House bill used the verb "formulate".

The conference substitute provides that BJS "recommend" standards.

Bureau of Justice Statistics Advisory Board

The Senate bill included as members of the Board experts in victim/witness assistance.

The House bill included members of the business community and representatives of professional organizations.

The conference substitute adopts the Senate provision concerning experts in victim/witness assistance and the House provision concerning members of the business community and representatives of professional organizations. However, it is not intended that professional organizations nominate such representatives for the Board.

The Senate bill limited full-time Federal employee membership, and made the heads of NIJ, BJS, LEAA and OJJDP non-voting members of the Board. The bill provided for staggered appointments over the three-year period and limited voting members to no more than two terms.

The House bill placed no limits on full-time Federal employee membership, made the heads of NIJ, BJS, LEAA and OJJDP voting members of the Board and provided that no member could serve more than two terms.

The conference substitute adopts the Senate position.

Limitations on use of collected statistics

The House bill prohibited the use of statistical data collected by BJS for any purpose relating to a particular individual other than a statistical or research purpose.

The Senate bill did not have similar provision.

The conference substitute adopts the House position.

PART D—FORMULA GRANTS

The Senate bill limited funds to programs of proven effectiveness, programs which have a record of proven success or programs which offer a high probability of improving the functioning of the criminal justice system. The Senate bill identified 22 specific programs which could be funded.

The House bill was less restrictive in the range of programs which could be funded. Grants were authorized for: combating crime, improving court administration, prosecution and defense; victims of violent crime, victim/witness programs; effective alternatives to the criminal justice system; combating organized crime, arson, public corruption, white/collar crime, fraud against the government.

The conference substitute adopts the Senate provision as to the kinds of programs eligible for funding with the addition of qualifying language to the effect that the programs funded be "innovative".

The Senate bill allowed 100 percent funding but required an assumption of cost after a reasonable period of Federal assistance.

The House bill required a 10 per centum match and had no assumption of cost provision.

The conference substitute adopted the Senate "assumption of cost" provision and a compromise in which 100 percent funding was allowed for fiscal year 1980 and a 10 per centum cash match would be required thereafter, with provision for waiving the match requirement for Indian tribes and hardship cases.

Planning fund distribution

The Senate bill permitted administrative funds to be taken from the Part D award to each State.

The House bill had a separate allocation for administrative funds.

The conference substitute adopts the Senate provision providing funds for administrative costs to be made available from the State's Part D allocation. In doing so, it was intended that the use of the Federal anti-crime funds for administrative costs be minimized.

Section 401(c) provides that a total of $250,000 plus 7.5 percent of the State's total allocation may be used in the State for administrative costs. Of this amount, the State criminal justice council may use up to $200,000 on a match free basis, any additional amounts requiring a 50/50 match; the judicial coordinating committee is entitled to at least $50,000 on a match free basis plus at least 7.5 percent of this entitlement to be matched on a 50/50 basis; local jurisdictions which are receiving entitled funding may use up to 7.5 percent of their entitlement for administrative costs, $25,000 of which may be expended on a match free basis, any remaining amounts to be matched on a 50/50 basis.

It is the intent of the Conferees that funds used for administrative costs be made available from allocations that are made to State agencies and local governments under the distribution formula set forth in section 405(a)(3) of the legislation. Expenditures of the State criminal justice council, the judicial coordinating committee, and any regional planning units should be made available on a proportionate basis from the allocations to the State agencies and the nonentitled local jurisdictions. Funds for administrative costs expended by entitled jurisdictions should be made available from their own entitlements. The Conferees expect that the state will provide administrative services or support to non-entitlement local jurisdictions

Direct entitlement jurisdictions

The Senate bill would limit direct entitlement jurisdictions to counties and combinations with population of 250,000, or cities of 100,000. The House bill would increase entitlement counties and combinations to those of 100,000 population.

The House bill had a special eligibility provision for the largest city in any standard metropolitan statistical area, regardless of population.

The Senate bill provided that jurisdictions with less than 0.15 percent of total state and local criminal justice expenditures are not eligible, regardless of population.

The House bill provided that combinations must be contiguous if not located in the same county, and that contiguous units need not be in the same state; Senate bill does qualify the term "combination".

The conference substitute adopts the following provisions:

Accept the House 100,000 population threshold for all units and combinations, but limit mini-block participation to jurisdictions which will receive at least $50,000 formula funds in the year in question;

Delete the House provision relating to the largest SMSA cities;

Accept the Senate provision relating to a required minimum percentage of expenditures for eligibility; and

Accept the House provisions relating to which jurisdictions may form combinations.

Criminal Justice Councils

The Senate bill required that the Criminal Justice Councils (CJC's) provide funding incentives to units of local government which combine or coordinate activities with other units.

The House bill did not have a similar provision.

The conference substitute adopts the House position.

The Senate bill provided that Council membership include representatives nominated by entitlement jurisdictions.

The House bill only provided that the Council include representatives of entitlement jurisdictions and gave the authority to the Chief Executive of the State to select and appoint the representatives of the entitlement jurisdictions.

The conference substitute adopts the House position.

The Senate bill provided that the representatives of the entitlement jurisdictions should include law enforcement and correctional personnel exercising authority in the entitlement jurisdictions.

The House bill did not have a similar provision.

The conference substitute adopts the House provision.

Applications for funds

The Senate bill required that applications of localities conform to uniform administrative requirements established by the State and that applications from local entitlement jurisdictions be acted upon within 60 days.

The House bill provided that the Council act within 30 days and did not specify adherence to uniform administrative requirements.

The conference substitute adopts the Senate provision on uniform administrative requirements and the House provision for action within 30 days.

The Senate bill required a hearing and appeal process in accord with procedures developed by the Council. If procedures were not agreed to by an eligible jurisdiction, the Senate bill authorized an appeal in accordance with procedures developed by the Administration.

The House bill provided that a disagreement between the State Council and the entitlement jurisdiction be submitted to binding arbitration.

The conference substitute adopts the Senate provision.

The Senate bill provided that an eligible jurisdiction must make an adequate allocation of funds for correctional programs; that the Judicial Coordinating Council must review applications from any jurisdiction which is applying for funds for court services; and that the State Council would provide that at least $50,000 of Federal funds be made available to the JCC.

The House bill did not contain these provisions.

The conference substitute adopts the Senate provision.

The Senate bill throughout Section 403–405 used the term "program."

The House bill used the terms "program or project."

The conference substitute adopts the Senate provisions which better reflects the reduced application submission and review requirements of the new Part D.

The House bill required that equipment purchased for more than $100,000 must be in use no later than one year after purchase.

The Senate bill did not have a similar provision.

The conference substitute adopts the House provision.

The Senate bill did not require applications from judicial coordinating committees, State agencies and nongovernmental grantees to include a crime analysis, but allowed those applications to rely on the analysis prepared by the Council.

The House bill had no such provision.

The conference substitute adopts the Senate provision.

The House bill provided that subsequent to the approval of an application or an amendment, the amount of the grant may be adjusted by the Administration.

The Senate bill did not have a similar provision.

The conference substitute adopts the House provision.

Limitations on use of funds

The Senate bill permitted equipment, salary and construction projects to be funded without limitation in energy impact areas.

The House bill did not contain a similar provision.

The conference substitute adopts the House version.

The House bill would permit use of funds for bullet proof vests and information and telecommunications systems notwithstanding the equipment limitations.

The Senate bill did not contain a similiar provision.

The conference substitute adopts a modification of the House position.

The Senate bill authorized use of funds to construct prisons or jails where advanced techniques in design are used.

The House bill prohibited funding of construction programs.

The conference substitute adopts the House provision, but the managers note that the definition of construction in section 901(a)(4) of the conference substitute would allow the renovation of prisons and jails.

The Senate bill provided that programs which have demonstrated a low probability of improving the criminal justice system cannot be funded.

The House bill provided that ineffective programs cannot be funded.

The conference substitute adopts the Senate provision.

The Senate bill provides for the disapproval of applications by "mini-block" eligible jurisdictions for programs or projects which have been evaluated and found ineffective.

The House bill contains no similar provision.

The conference substitute adopts the Senate provision.

Fund distribution

The Senate bill allocated formula funds among the States by first allocating to each State $300,000 and then allocating the available balance according to one of two formulas. The Virgin Islands, Guam, American Samoa, Trust Territories of Pacific Islands, and Northern Mariana Islands were defined as States for allocation purposes. Allocation to these entities was based on population data only.

The House bill would immediately allocate all funds according to the two formulas except that prior to initial allocation to States no more than $300,000 would be allocated among American Samoa, Trust Territories of Pacific Islands, and Commonwealth of Northern Mariana Islands.

The conference substitute adopts the Senate provision.

The Senate bill had funds distributed in States according to the criminal justice expenditures of all jurisdictions.

The House bill distributed funds in States according to criminal justice expenditures of all jurisdictions from all sources.

The conference substitute adopts the Senate provision.

The Senate bill considered all States equally in the reallocation of unused funds.

The House bill did not contain similar language.

The conference substitute adopts the Senate position.

The Senate bill required that regional planning units use to the maximum extent feasible the boundaries of and organizations of existing general purpose regional units.

The House bill would permit such use but not require it.

The conference adopts the House position.

In Section 405(a)(3)(B), the House bill allocated the remaining 30 percent formula funds into four equal shares based on expenditures for police, courts, corrections and total expenditures to be used for police, courts, corrections, and alternatives to the criminal justice system, respectively.

The Senate bill provides only for the allocation into four equal shares, with no mention of the purposes for which the funds are made available.

The conference substitute adopts the House provision.

PART E—NATIONAL PRIORITY GRANTS

The Senate bill authorized funding of National Priority grants based on evaluations of programs by NIJ, BJS, LEAA, by State or local governments, or by other Federal, State or local organizations. In addition, National Priority programs must be programs shown to be effective or innovative and to have a likely beneficial impact on criminal justice.

The House bill had National Priorities based on evaluations by NIJ, by State or local governments or by other public or private organizations. In addition, National Priority programs must be programs shown to be effective in improving and strengthening the criminal justice system.

The conference substitute adopts the Senate version.

Under the Senate bill the Director of the Office of Justice Assistance, Research and Statistics was required to establish National Priority programs.

The House bill would require the Attorney General to establish National Priority programs.

The conference substitute provides for the joint establishment of priorities by the heads of OJARS and LEAA, with resolution of differences between them by the Attorney General.

The Senate bill provided that such programs would remain National Priorities for a reasonable period of time, after which recipients must assume costs of the program.

The House bill limited programs to three years of funding, with a two-year extension authorized for programs shown to be effective.

The conference substitute adopts the House version, with a modification permitting an extension of priority status and LEAA funding in hardship cases.

The Senate bill required that: (1) In establishing National Priorities, OJARS must give special emphasis to; correctional programs; organized crime programs; court programs; victim/witness programs; community anti-crime programs; career criminal programs; (2) The Director of OJARS must

furnish information for inclusion in Federal Assistance Program Retrieval System; and (3) National Priorities must include some programs responsive to each type of jurisdiction eligible to receive formula funds.

The House bill did not contain similar provisions.

The conference substitute adopts the House provisions.

The Senate bill authorized: (1) State CJC to comment on National Priority grant applications within 30 days; (2) State and local governments may use nonprofit organizations; (3) National Priority funds to pay 100 percent of costs of any additional funds given States under two-part formula grants.

The House bill did not contain similar provision.

The conference substitute adopts the Senate provisions.

The House bill authorizes "match free" technical assistance.

The Senate bill has no similar provision.

The conference substitute adopts the House provision.

PART F—DISCRETIONARY GRANTS

The Senate bill authorized discretionary grants to fund Sting projects, support community and neighborhood anti-crime efforts, and support victim/witness assistance programs.

The House bill did not contain similar provisions but authorized grants to support white-collar crime efforts and the development of criminal justice standards and guidelines.

The conference substitute adopts both the Senate and House positions on additional grant authority.

Under the Senate bill the Director of the Office of Justice Assistance, Research and Statistics was required to establish priorities for discretionary programs.

The House bill would require the Attorney General to establish such priorities.

The conference substitute provides that the priorities are to be established jointly by the Director of OJARS and the Administrator of LEAA with any disagreement between the two resolved by the Attorney General.

The Senate bill provided that discretionary grants may be up to 100 percent of program costs.

The House bill provided a maximum of 90 percent of costs.

The conference substitute adopts the Senate provision.

The Senate bill required that all discretionary grant applications be reviewed by the appropriate State criminal justice council.

The House bill had no such provision.

The conference substitute adopts the House version.

The Senate bill required the Director of OJARS to furnish information to the Federal Assistance Program Retrieval System.

The House bill did not have a similar provision.

The conference substitute adopts the House position.

The Senate bill provided that in distributing discretionary funds, needs of all States must be taken into account, that there must be programs or projects responsive to needs of all jurisdictions, and that time limitations in Section 606 do not apply to funding management and administration of national nonprofit organizations.

The House bill did not contain similar provisions.

The conference substitute adopts the Senate provisions.

PART G—TRAINING AND MANPOWER DEVELOPMENT

The House bill provided for the reauthorization of the Law Enforcement Education Program (LEEP). One of its provisions provided for the transfer of the program to the Department of Education.

The Senate bill contained authorization for LEEP within LEAA, but had no transfer provision.

The conference substitute adopts the Senate position.

A provision similar to the House transfer provision is contained in Section 305 of the Department of Education Authorization Act. (Public Law 96-88, approved October 17, 1979.) Section 305 provides for the transfer, upon the establishment of the Department of Education, of the programs "authorized by subsections (b), (c), and (f) of Section 406 of the Omnibus Crime Control and Safe Streets Act of 1968." These subsections are to be subsequently reenacted in Section 705 (b), (c), and (f) of the conference substitute. These provisions authorize the Administrator of LEAA to conduct these law enforcement education programs, and, upon enactment, the conference substitute will constitute legislative action subsequent to the Department of Education Authorization Act. The conferees are of the opinion that the cumulative effect of reenactment of the LEEP programs within LEAA and the deletion of any reference in this legislation to transfer of the programs will have the effect of retaining these LEEP programs within LEAA.

The House bill authorized the payment of travel and per diem expenses of State and local law enforcement personnel attending training programs at the FBI Academy.

The Senate bill had no such provision.

The conference adopts the House provision.

PART H—ADMINISTRATIVE PROVISIONS

The Senate bill established in the Department of Justice an Office of Justice Assistance, Research and Statistics under the general authority and policy control of the Attorney General. The Directors of the NIJ and BJS and the Administrator of LEAA are to report to the Director of this Office under the Senate bill and the Director of the Office is responsible for coordinating the activities of, setting broad policy guidelines, and providing staff support to NIJ, BJS and LEAA. The Office also had an Advisory Board.

The House bill does not provide for an Office of Justice Assistance, Research and Statistics. The House bill has the Directors of NIJ, BJS, and LEAA under the direct authority of the Attorney General. The House bill requires the Attorney General to select grant activities for funding under the National Priority Program and the Discretionary Grant Program.

The conference substitute establishes OJARS with responsibility to provide direct staff support to and authority to coordinate the activities of the LEAA, NIJ, and BJS. These three units are placed under the general authority of the Attorney General. Inasmuch as OJARS is to provide these support and coordination functions, and not policy direction and control, the conferees determined that no Advisory Board to OJARS is needed.

It is the intention of the conferees that, under this structure, policy setting for the LEAA, NIJ, and BJS will be the responsibility of the appropriate Director or Administrator of the program in question. The coordination authority of OJARS will include authority to resolve differences between the LEAA, NIJ, and BJS in carrying out their respective functions. The conferees also agreed that OJARS should be adequately staffed to provide these coordination and support functions. All are under the general authority of the Attorney General.

In view of the allocation of jurisdiction among these agencies, it is implicit that the Attorney General not exercise his delegation powers in a manner that would frustrate congressional intent in the allocation of such jurisdiction.

The Senate bill required submission within four years of a report by OJARS analyzing the contribution made by the LEAA programs in 18 specific areas. The report would be considered by the President and Congress in determining whether to continue the program.

The House bill did not contain a similar provision but would require LEAA to evaluate programs and projects under Parts D, E, and F.

The conference substitute adopts a modified 18-item report requirement, deleting specific reference to the significance of the report's findings in the continuation of the LEAA programs.

The intent of the conference is that LEAA itself will be responsible for an independent, data oriented analysis and evaluation of the effects, in the 18 specific areas, of LEAA funded programs. While the report will be based, in part, on comprehensive statistics submitted by State and local governments in support of the requirements of subsection (a) of this section and on other evaluations, it should not be merely a summation of these and other reports.

In order for this report to be a meaningful comparison and evaluation of LEAA funded programs throughout the country, the plan submitted 270 days after enactment of this Act by the Administrator of LEAA in accordance with subsection (c) of this section should set forth the types of data to be submitted by grant recipients in support of this report requirement and should provide uniform definitions for these types.

The conferees recognize that severe limitations exist on the capacity of these federal programs to show quantifiable contributions in the areas in question. One, the federal funding has dropped to the point where it represents only about 2 percent of total State and local criminal justice expenditures. Two, eighty percent of these funds are formula grant funds, over which LEAA has little control in the selection of projects to be funded. This federal control and influence will be even less under this new legislation. Three, improving the criminal justice system—which is the principle objective of this legislation—does not necessarily result in statistical improvements in crime control.

Nonetheless, the conferees believe that a realistic assessment of what can be expected of the LEAA program, and detailed evaluation over a number of years in achieving those objectives, is long overdue.

The Senate bill provided for final action without right to a hearing in all denials of applications except under Part D.

The House bill provided for full hearing and appeal rights.

The conference substitute adopts the House position.

The Senate bill would provide for an executive level position for the Director of OJARS.

The House bill contained no similar provision.

The conference substitute adopts the Senate position.

The Senate bill would waive 31 U.S.C. 551 re prohibiting expenditures for housing, transporting and subsistence expenses, and allow payment in advance or by reimbursement.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate position.

The Senate bill provided that the report to the President would include a description of all National Priority programs or projects providing financial or technical assistance to victims or witnesses.

The House bill had no similar provision but would require the inclusion in the report of description of equipment costing in the aggregate of $100,000 under Part D and current status of equipment.

The conference substitutes adopts the House provisions.

The Senate bill authorized the Director of OJARS to withhold funds payable under Part D in order to recover funds spent in violation of the Act or conditions of assistance.

The House bill did not contain a similar provision.

The conference substitute adopts the House position. The conferees are of the opinion that authority for such withholding is already provided by Section 803(a).

The Senate bill established a revolving fund for "Sting" projects.

The House bill did not have a similar provision.

The conference substitute adopts the Senate position.

The Senate bill contained language amending the Demonstration Cities Act.

The House bill did not contain a similar provision.

The conference substitute adopts the House position since this amendment has been codified in the Demonstration Cities and Metropolitan Development Act of 1966.

The House bill provided that intelligence systems funded through Part D of this Act require adherence to policy standards set by OJARS.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House position.

The House bill prohibited use of funds for lobbying State legislatures regarding any legislation or appropriation.

The Senate bill did not contain a similar provision.

The conference substitute adopts the Senate position.

The House bill prohibited any involvement with civil justice by any agency or entity established by Title I.

The Senate bill did not have a similar provision.

The conference substitute permits involvement in civil matters to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The conferees recognized that there are instances where civil and criminal justice improvement programs cannot be easily severed. Civil and criminal matters frequently do not involve two clearly separate systems with identifiable boundaries, rather there are common overlapping elements with research findings in the civil area frequently having applicability in the criminal area. The areas of dispute resolution, domestic violence, white collar violations, and court delay, all can impact on the criminal justice system in the manner required under this Section, and to the extent they and other similar activities do, are eligible program activities. In addition, general court improvements can be funded when they will lead to improvement in handling criminal matters and have the potential for freeing up resources to more effectively deal with criminal case loads.

The Senate bill requires NIC to coordinate activities with NIJ, BJS, and LEAA and prohibits the duplication of their efforts.

The House bill does not contain a similar provision.

The conference substitute adopts the House position.

The House bill authorized LEAA to require grantees to make reimbursement for equipment costing over $100,000 not put into use within one year.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House provision.

The Senate bill would establish seven pilot projects for prison industries.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate position.

PART I—DEFINITIONS

The Senate bill definitions of "criminal justice" "comprehensive," and "combination," differed from the House bill definitions. In addition, the Senate bill contains definitions of "proven effectiveness," "record of proven success," and "high probability of improving the criminal and juvenile justice system."

The House bill did not contain these definitions but did define "white-collar crime."

The conference substitute adopts the House definitions of "criminal justice" (to include juvenile justice) and "comprehensive", the Senate definition of "combination", and includes the additional definitions in both the Senate and House bills.

PART J—FUNDING

The Senate bill authorized a five-year program and authorized appropriation for NIJ of $28 million and for BJS of $27 million per year.

The House bill authorized a three-year program (except for Community Anti-crime, four years) and combined the authorization for NIJ/BJS at $50 million.

The conference substitute adopts a four-year authorization and $25 million per year for each of NIJ and BJS.

The Senate bill provided that 19.15 per centum of the total appropriation should be maintained for juvenile delinquency programs.

The House bill provided that such maintenance of effort shall be used for juvenile delinquency programs with primary emphasis on programs for juveniles convicted of criminal offenses.

The conference substitute adopts the House position.

PART L—PUBLIC SAFETY OFFICER'S DEATH BENEFITS

The Senate bill provided that PSOB payments are effective only to the extent provided for in advance by the Appropriation Acts.

The House bill did not have a similar provision but added rescue squad members as eligible Public Safety Officers.

The conference substitute adopts the House portion with regard to PSOB payments and the Senate position excluding survivors of rescue squad members from eligibility for benefits. The managers intend that payments will, however, be subject to the availability of appropriated funds.

PART M—TRANSITION

The Senate bill provided authority for the LEAA, BJS, and NIJ to award prior year funds in accordance with the provisions of the prior Act, or for purposes consistent with the present Act.

The House bill provided similar authority but different statutory language.

The conference substitute adopts the Senate language.

The Senate bill authorized the Attorney General to appoint current LEAA appointees to fill acting positions under the new Act.

The House bill did not contain a similar position but provided that transfer not cause employees to be separated or reduced in grade.

The conference substitute adopts the Senate position with regard to the transfer and authorizes the acting appointments for a period not to exceed 90 days.

The Senate bill authorized ongoing construction project funding to continue for two years.

The House bill did not contain a similar provision.

The conference substitute authorizes such continuation funding for previously funded construction projects which were budgeted in anticipation of additional federal funding.

PETER W. RODINO,
BOB KASTENMEIER,
GEORGE DANIELSON,
LAMAR GUDGER,
R. L. MAZZOLI,
SAM B. HALL,
ROBERT MCCLORY,
HENRY J. HYDE,
Managers on the Part of the House.

EDWARD KENNEDY,
JOSEPH R. BIDEN,
DENNIS DECONCINI,
MAX BAUCUS,
HOWELL HEFLIN,
STROM THURMOND,
PAUL LAXALT,
THAD COCHRAN,
Managers on the Part of the Senate.

THE NUCLEAR NAVY—ANSWER TO TURMOIL IN OIL

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I was most privileged on Saturday last to attend the launching of the nuclear attack submarine *Phoenix* in Groton, Conn.

Highlighting the launching of this nuclear vessel was a forceful and inspiring address by our distinguished minority leader, JOHN RHODES, who emphasized the essential importance of a first class U.S. defense capability, and of nuclear powered naval vessels, if we are to survive the military and economic forces arrayed against our country.

Mr. Speaker, JOHN RHODES is a great leader.

He is a man who knows from the experience of more than 27 years in the Congress that our Nation and the free world are in real trouble unless we stop cutting into the muscle of our defense budget, and unless we take every opportunity to utilize technological progress in the nuclear area.

His insights deserve to be read by all, and I would like to include his forceful remarks at dedication ceremonies for the nuclear attack submarine *Phoenix* at this point in the RECORD:

THE NUCLEAR NAVY: ANSWER TO TURMOIL IN OIL

(Remarks of Hon. JOHN J. RHODES)

It is, indeed, a signal honor for Betty and me to represent here today the City of Phoenix, and our great State of Arizona, as this vessel takes the first step toward joining the fleet.

The name Phoenix has a naval history as old as our Nation, beginning with a Continental packet in 1778. The light cruiser Phoenix served with distinction in World War II, especially in the operations off Leyte. We are proud that another Phoenix will carry on that tradition of service.

Much has occurred since the day two years and three months ago when we were last here at the keel-laying ceremonies. Certainly, the world has become a more perilous place. The issues have become more confused. The need for a strong defense should have become more obvious.

Since seventy-five percent of the world's surface is covered by oceans, our navy has become America's first line of defense. This applies not only to tactical military strate-

gies, but to our presence needed to keep the sea lanes open. We are dependent to an alarming degree on a very long, very thin line of oil tankers, that bring us eight million barrels of oil a day. We also are dependent on ocean commerce for a wide range of raw products, especially strategic minerals.

The launching of this attack submarine, at a time when our oil supplies appear in possible jeopardy, emphasizes the need for a nuclear navy.

When oil supply lines may be impossible to maintain, and shore bases subject to damage, our nuclear navy can patrol the seas, free from dependence on petroleum. Unfortunately, we are not alone in realizing this concept, and in fact, due to political manipulations, indecision, and general unawareness of the importance of a nuclear navy, there is doubt that we are any longer ahead.

I would like to take this opportunity to compliment the navy, General Dynamics, the skilled workers who have built this ship, and the top-notch crews who run the nuclear sector of our sea forces. At a time when civilian nuclear power is under attack, and has shown the need for further safeguards to operate with ultimate safety, the Navy has compiled a consistent record of safe and steady operation of nuclear-powered vessels. I congratulate you on this achievement.

Whenever debate in the Congress over construction of nuclear defenses comes up, whether for propulsion or weaponry it invariably focuses on cost. Technology never comes cheap. But, with oil prices escalating, and when the cost in effectiveness that a cutoff of oil supplies would create is factored in, a nuclear navy becomes eminently practical—as well as strategically necessary.

Perhaps one of the most quoted philosophies is that of George Santayana, who warned that "Those who disregard the past, are destined to repeat it." A more up-to-date version goes, "The only thing we learn from experience, is that we do not learn from experience."

So, it is not unexpected that in the Congress there is another fierce debate going on over defense expenditures. A few years of relative peace dulls the edge of national zeal for preparedness. The lessons of the past seem forgotten. History is replete with failures of nations, due to miscalculations. In olden times, there was a city-nation that believed it could avoid war by dis-arming. It believed that establishing trade relations with its powerful neighbor, making concessions, conducting negotiations, and unilaterally setting a peaceful example by beating its swords into pruning hooks, was the way to capitalize on peace, thus it avoided the budgetary drain of a military establishment. The sad fate of Carthage, which fell to Rome, should have shown us that weakness is a temptation to the aggressive-minded, not a deterrent to war.

Just yesterday, we observed the 38th anniversary of an event that pointed out our own failure to learn from history. Another great ship from my home State, the battleship Arizona, was sunk in the sneak attack on Pearl Harbor. Today it is a monument to unpreparedness, a reminder that diverting defense dollars to other programs can be a terribly costly venture, as long as there are warlike nations in the world.

Yet, that is the crux of the defense debate in the Congress today. Some see the defense budget as a kind of grab-bag, a bonanza that can be raided for more politically-rewarding income support programs, or housing projects, or any of a host of other federal projects. It would be tragic were we to attempt to substitute subsidy for security. The 1980 budget carries a presidental request for an increase. But, is it enough? Preliminary expenditure estimates were based on a a projected six percent inflation rate. Certainly with inflation running double that rate, and prospects for a precipitious decline being somewhere between zero and zilch, more money will be needed to close the inflationary gap. Nearly one dollar in ten will go to pay for past military service, some $10 billions in pensions.

Inflation mandates increased manpower costs, as the military must compete with the private sector, under the voluntary service approach. OPEC is forcing fuel prices onward and upward. Repairs and routine maintenance reflect escalating costs of services and equipment. The proposed increase may cover most of those expenses, but it will not leave much for new hardware. The navy shipbuilding program seems to have been one of the sacrifices made on the altar of inflation. Our Nation may well have cause to regret this lapse in future years.

In these days when we talk of nuclear weapons, lasers, satellites and other assorted technological wonders, it must be apparent that our margin for error has been drastically reduced. In World War II we recovered from attack, mobilized our economy, beefed up our military, and went on to win in Europe and Asia. Can anyone believe that we could have any such opportunity in the event of a nuclear Pearl Harbor?

Over the past two decades, our defense posture has been one of fits and starts. We have had weapons programs cancelled, or delayed. Allies have deprived us of bases and observation posts. Negotiations have necessitated reshuffling of priorities. During most of this time, we were the undisputed world's leader in nearly every aspect of military power. We could afford those setbacks, and still recoup our clout. Today, we enjoy no such luxury. Miscalculation now can do irreparable damage to our future military capabilities.

But what of our potential foe? The Soviet Union is steaming ahead, building a huge, well-equipped, largely nuclear-powered navy. While we negotiate the fine points of SALT II, they pour twice as much of their gross national product into military preparations as we do. While the Congress chips away at proposals for nuclear carriers, many regarding them as some kind of floating boondoggle, the United States Navy League estimates that the Russians will have eight carriers sea-ready in a little more than five years. It is clear that the Soviets have a high regard for naval forces, and intend to become the strongest power on the oceans of the world. We cannot, in safety, allow that to happen.

I am disturbed as I hear some of our national officials, past and present, solemnly declare that the American people have lost their will. They claim we are more interested in creature comforts, and federal largesse than in national security. There is evidence that this feeling does exist among misguided people. But I do not believe that patriotism is dead, nor that the demand for the strongest defenses in the world has been abandoned by the majority of the American people.

Despite the sophistry and seduction of the argument that conflict today is unthinkable, I believe most Americans realize that we are engaged in a world-wide struggle, the age-old fight between freedom and tyranny.

It may be natural to wish that it were not so, that talking things over could settle world differences. Reality, and experience tell us that it takes two honest sides to settle disputes by negotiation. As long as Communism regards treaties as weapons, and negotiations as a form of warfare—we cannot risk belief in the idea that they have abandoned their often-stated goal of installing their form of government everywhere.

It would be a mistake to regard the Soviet Union as a backward nation, because they do not have the consumer-oriented economy we enjoy in the United States. It would be equally wrong to regard them as being ten feet tall. What we must do as a Nation is to face the reality of their dedication to spreading totalitarianism, and to renew our own determination to keep the free world free.

Today, we are dedicating this submarine to preservation of our strength on and under seas, strength that will go a long way toward preserving peace. Betty and I are proud to be a part of this ceremony, and wish the Phoenix and her crew every success, and many happy voyages home.

HUMAN RIGHTS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MAGUIRE) is recognized for 60 minutes.

Mr. MAGUIRE. Mr. Speaker, December 10 marks the day for the worldwide celebration of human rights. This is a day which has been set aside annually, for the past 31 years, since the Declaration of Human Rights by the United Nations. This historic document elaborated special rights which each individual was entitled to enjoy regardless of the form of government under which he lived. The freedoms of speech, travel, immigration; the freedom to feel safe in the home; the rights to a fair trial and to just punishment, were all declared to be the universal inheritance of mankind.

Until recently, we Americans took these rights for granted. For us, the denial of human rights was all too often an abstraction. What we failed to realize was the possible ramifications for us of the violations which were taking place abroad. This has taken on a special meaning for Human Rights Day, and is also the 37th day of captivity for those 50 brave Americans held hostage in our Embassy in Tehran.

On this solemn occasion, Americans are asking why the concepts of diplomatic immunity and the protection against illegal detention seem to have been purged from the Persian vocabulary. These are questions which Americans will ask each day until we have won the freedom of our hostages. But, at that moment, these questions will not lose their relevance.

Thirty-one years after the Declaration of Human Rights, the violations in Iran are not isolated. Rather, they are a part of a pattern of abuses which occur daily in all four corners of the globe. Until the rights contained in that document are universally realized our inquiry into the condition of liberty in the world must never cease. For this reason, I have asked our colleagues to join with myself and BOB EDGAR of Pennsylvania, who has also asked for time under a special order, for a colloquium to observe this day.

As the great moral philosopher Reinhold Neibur said—

> Man's capacity for justice makes democracy possible, but man's inclination toward injustices makes democracy necessary.

That is why Congress has always sought to exert leadership in the area

of Human Rights; through legislation funding refugee assistance and through this kind of colloquium, to state without equivocation our commitment to the universal rights of man. We must remind the world of the shelter the recognition of Human Rights affords. As the keeper of these values, and as concerned men and women, we must remember the admonition in Romans XII:

Rejoice with those who rejoice; weep with those who weep; live in harmony with one another. If possible, as far as it depends on you, live peaceably with all.

This passage asks that men share in the burdens of the downtrodden. And so, through the direct ties of relation or through the bonds of affection, our colleagues have gathered here out of a feeling of kinship with particular peoples or regions of the world. Each Member who joins us in the colloquium today will doubtless focus on his or her areas of concern. To the extent that we can help, we would wish that our words would shine into dark prisons, remove the shackles from helpless hands, and deliver the deprived to havens of freedom. But, if we do not infuse our speech with specific policy actions, we will never restore these individuals to their inheritance: The realization of their human rights.

For my part, I would like to discuss some examples of how we have failed to make our policies match our rhetoric, where we have so far at least neglected opportunities to use our leverage on behalf of significant change. I plan to talk about Cambodia, about the Soviet Union, about South Africa, and some other areas.

Mr. Speaker, at this time I would be delighted and happy to yield to Members participating with us today.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding. The gentleman in the well, I think, has articulately described the reasons for celebrating a Human Rights Day. He points out the tenor of the times, given the fact that today is the 37th day of the captivity of 50 of our citizens being held hostage in Iran. The gentleman, I think, has lifted up a number of adequate quotes that describe our concern for human rights around the world, whether it is in Ireland, Iran, the Middle East, Cambodia, Vietnam, Laos, or other nations of the world.

I think it is difficult for those of us who have 2-year and 6-year mentalities to focus on some of the major pictures that we see in the world society. It is difficult for us to look up from our legislative agendas and see what in fact is happening in the world in the area of human rights. I think it is appropriate for us today to not only set forth examples as the gentleman intends to do, but to be ever vigilant every day and every way in whatever capacity we have here in Congress and in the world about us to search out those areas where there is repression, where there are violations of human dignity taking place.

I am particularly concerned about the problems that we face in Cambodia. The fact that 50,000 to 60,000 persons are dying each week of starvation; the need for 30,000 tons of food to be delivered to people who are in real need, who are caught in the political balance between the United States and Russia, between China and Vietnam, between opportunities to escape possibly over a border into a camp, or to take refuge in a boat out at sea. People are in need throughout the world for our concern and for our commitment.

I would hope that the State Department and the President of the United States would redouble their efforts to try to provide some aid to the hungry and starving in Cambodia, and maybe as a symbolic act prior to Christmas make some attempt to alleviate some of the immediate pain in that part of the world, and to realize that it will not go away overnight, but it is long term; but the starvation we see in Cambodia, while it is in other parts of the world, is strategic beyond dimension.

I know we have other colleagues who have taken the time to go and visit the camps and see the people and agonize over the lifeless forms that they have seen. I would just like to underscore my commendation for the gentleman in the well for drawing our attention today to Human Rights Day and to pledge my support to him and other colleagues who will say to the President, "Be vigilant." who will say to the United Nations, "Be vigilant." who will say to all people of good will throughout the world, "Notice the stains when people get spilled on, and recognize the admonition that is in the New Testament that what you have done to the least of these, my brethren, you have done unto me."

I think we try to do that in our daily work, but sometimes we forget. Hopefully, by today's recognition, the opportunities we have will help us never to forget that there are needs and there are people who are in dire straits today and in the future who need our care and our compassion.

Our prayers go out to the hostages; our prayers go out to the starving; our prayers go out to all people around the world who are suffering repression of any kind. I celebrate with the gentleman in the well this Human Rights Day.

Mr. MAGUIRE. I thank the gentleman for his words and for the extraordinary contribution that he has made and continues to make in this Congress and in our country in his advocacy and leadership on human rights issues.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I would be delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding. I, too, would like to commend our colleague for bringing this day to the attention of the House. Indeed, the Cambodian tragedy is very much in our minds. There we see one of the ugliest things of which mankind is capable—the lust for power, the desire so strong for power that nothing stops them, with no concern for who is going to suffer in this march toward power. That is their only concern.

There is a nation that has holed up in one area, the Cardamon Mountains, a despot still hoping to return to power, Pol Pot, and a very fanatic Communist despot he is.

There in the old capital of Phnom Penh is a puppet regime set up by an army of 200,000 Vietnamese soldiers marching across the country, mining the rice fields, forbidding the people to fish in the rivers, dropping poison gas from Russian Mig planes. The shells and mortars that they drop on the camps are clearly of Russian origin. What does the nation do in the face of such cruelty? The so-called government in Phnom Penh is perfectly happy to let those people die. They will not let that food go out under the distribution and supervision of foreigners because they want to control it.

The French are reporting that the food is being stored in warehouses in Phnom Penh while the people are starving in the countryside. Food, they say quite candidly, is a weapon of war, and they are determined to keep their seat of power and count on the Vietnamese Army to keep them there. Now with the dry season, a new offensive has begun. There may be another 300,000—some say 600,000—refugees pressed across the border into Thailand, which is a poor country and not able to support them. The Government of Thailand has to pay compensation to those farmers who are dispossessed for these enormous camps, and it is a great strain.

I would like to suggest to this House that we urge the establishment of a demilitarized zone within Cambodia itself under the supervision of the United Nations, a zone in which every refugee who comes without arms is to be fed and given medical care. If we do not, as Father Charlebois, who is head of Catholic Relief Services, has clearly stated, among those few children between 1 and 5 years old who survive we will have a generation of mental retardates deprived of proper food in the most important formative years of their very early childhood.

It cannot continue like this. There should be a demilitarized zone. I wish that were my idea. It is not. It was proposed by Dr. Jean E. Carlin, M.D., Ph. D., at the University of California at Irvine. I think it is one hopeful and concrete suggestion, because there is no use in believing that it is going to be easy to persuade the Vietnamese Army to withdraw, if all of Indochina is convinced they are on the march and wish to take over the whole of that peninsula.

We know it is not going to be easy to believe that we can persuade Russia to stop sending the Migs, the trucks, the shells, and the guns, or that we can persuade China—which some people suspect, and I am not sure it is true, is still supplying the Pol Pot regime in the Cardamon Mountains. Who else, if it is not China?

I think there is no hope except to have the United Nations move for some kind of demilitarized zone on Cambodian soil so that these people would not be in a foreign country and subject to some of the hostility which the poor peasants of Thailand are beginning to feel against these people for whom their fields have been taken, and sometimes homes, too.

It is a very difficult situation, and I do not see any way out of it except through the United Nations. I hope that our Government will move. I intend to go back to my office now—and I read this article only this morning—and call Mr. Palmyeri, who is the head of our refugee operation; now that Ambassador Clark has left, Ambassador Palmyeri has taken over—and perhaps also Mrs. Carter who has shown the most consistent and intelligent concern, I think, for this whole area which she also visited.

I thank my colleagues. I thank them for this opportunity. I am happy to join with those who are here in this expression of concern.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to commend the gentlewoman from New Jersey (Mrs. FENWICK) for her comments. I think that each day we should focus some attention on the issue of Cambodia. The gentlewoman from New Jersey has spent a great deal of time helping me and other colleagues to understand the human tragedy that is being played out in Cambodia. I commend her for her actions.

Mrs. FENWICK. If the gentleman from New Jersey (Mr. MAGUIRE) will yield further, I thank my colleague, the gentleman from Pennsylvania (Mr. EDGAR). I would like to say this, that just as we see in Cambodia the operation of the ugliest of all human ambitions that lust for power, so we see in those camps the finest exhibition of compassion and devotion that one could possibly want to see—volunteers from every nation and of every religious persuasion. It is a marvelous thing. Religion and race and creed and color have separated people, but how careless they are over all those superficial differences. We see the marvelous outpouring of the spirit, regardless of any of these emotions which have divided people in the past, and sometimes even caused bloodshed themselves.

Here now we see them from every nationality, these wonderful volunteers standing in that tremendous heat hour after hour. There was one volunteer who had, her boss told me, worked for 10 months with only 5 days off. That is the level of devotion that we see, with the sweat pouring down them in the terrible stench and heat and the terrible sorrow of these people.

I thank my colleague.

Mr. MAGUIRE. I thank the gentlewoman for her leadership.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Vermont.

Mr JEFFORDS. I thank the gentleman for yielding.

Mr. Speaker, I certainly want to commend the gentleman for having this special order today, and the speakers who have come before me previously.

I also would like to take a little bit different tack. We have been talking, and we should rightfully so, about the breaches of human rights which are in the headlines today. And we are talking about Iran and Cambodia. But I would also like to remind us that this day it is important also to remember those who have faded from the headlines and yet who are still in prison and whose rights have been jeopardized and taken away.

In particular I would like to remind the body that not too long ago the name of Ginzburg was in the headlines and world attention was focused on the plight of the family. A swap agreement was made between the Soviet Union and the United States for the exchange of people held in this country whereby the family of the Ginzburgs would be released.

Notwithstanding that agreement. Sergio, who is a foster child—still as innocent as he is and as unfit as he is to serve in the military service of the Soviet Union—was whisked away on a technicality up to the north reaches of Siberia where he still languishes. The family in desperation, the grandmother and mother and other children, are waiting and hoping to stay there, feeling by their presence in the Soviet Union they may somehow make it easier for their foster son to leave the Soviet Union with them.

□ 1520

I raise Sergio's problem as only a symbol of the thousands and millions of others who are not in the headlines, who we have a tendency to forget, who yet are suffering as much or worse than some of those we have mentioned today. I think it is just as important on Human Rights Day that we take time to remember them so that they are not forgotten, at least on this one day, as they have faded from the headlines, for it is they that we need more action on, probably today than those who are in the headlines.

I now would like to review the history of this day. In August 1975, leaders of 35 countries gathered in Helsinki for the Conference on Security and Cooperation in Europe and solemnly placed their signatures to a lengthy document, some 40,000 words in length, called the Final Act.

In October 1977, the Belgrade Conference was held to examine and conclude how much progress had been made in compliance with the Final Act.

In November 1980, in Madrid, another meeting will take place, demanding an accounting at that time of the compliance or noncompliance with the Final Act.

The issue of human rights represents the biggest gap between the ideals and practices of East and West.

In the world there are about 40 countries that are truly free, about 60 countries that, unfortunately are not free and about 50 countries that are partly free and partly not free.

The real test of commitment to human rights by a nation or an individual is not how strongly that nation or individual attacks the human rights transgressions of its adversaries, but how strongly that nation or individual seeks to correct the human rights transgressions of itself and its friends. A self-serving invocation of human rights is not a genuine concern at all.

We are convinced that there is a consensus taking form among the people of the world that the time has come for all of us to move toward the attainment of a common dignity, a commonsense of man's heritage, and a commonsense that the degradation of one human being degrades all humankind.

The doctrine of human rights is present in U.S. foreign policy because our Government and our people see no other way in which the community of nations can take form and be sustained. We seek to establish a common bond of understanding and respect upon which nations can find a new kind of relationship—a relationship in which the common goal is the cooperative pursuit of the betterment of the human condition, a better life for all people.

The concept of human rights is not of course an invention of President Carter; it has been an essential element of continuity in the policies and writings of our outstanding Presidents all the way back to Jefferson and Lincoln and carried into this century by Wilson, Roosevelt, Eisenhower, and Kennedy.

Over 100 years ago President Lincoln said "A nation cannot exist, part slave and part free." Under his leadership, America abolished the institution of slavery. A similar statement might well be made today with regard to the community of nations. A community of nations cannot exist, part respecting fundamental human rights and part denying them.

If human rights are to become universally accepted and universally applied, they must be defined. President Carter has said that they are—

> To speak without fear, to have a chance to express one's political belief, to seek different employment without interference by government, not to be dominated by officials who have power, not to be imprisoned without adequate charge and not to be tortured.

Secretary of State Vance has said—

> Man has a right to be free from government's violations of the integrity of the person, the right to the fulfillment of such vital needs as food, shelter, health care and education and the right to enjoy civil and political liberties.

Our strength as a nation, it seems to me, is rooted in the shared philosophy of the nature of humankind and the purpose of government which inspired our Founding Fathers in the creation of the Republic 200 years ago. These remarkable personalities asserted that the principles of self-government and human liberty are the birthright of "all people" everywhere.

Because we are free, we can never be indifferent to the fate of freedom elsewhere.

It is obvious that the United States cannot impose freedom by military force on the countries that are not true democracies. What we can do and we are doing is to try to use our influence—political, economic, and moral to persuade countries to grant more human rights to their citizens.

Our interest is global.

Today we need to focus sharp attention into the world's corners of repression.

Peace and security, economic and social development, and human rights are three interrelated and essential elements in the triangle of world order. In the absence of any one of these, the triangle is incomplete.

As Walter Lippmann once put it:

> The deepest issue of our time is whether the civilized people can maintain and develop a free society or whether they are to fall back into the ancient order of things, when the whole of men's experience, their consciences, their science, their arts, their labor, and their integrity as individuals were at the disposal of the state.

This is the central question that faces all of us, as nations and individuals.

Mr. MAGUIRE. I thank the gentleman for his significant contribution and for the leadership that he has given the Congress in these matters over the years.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. LELAND. Mr. Speaker, I really appreciate the opportunity the gentleman from New Jersey has given me to express myself. I think it is significant not only in the opportunity here, given by the gentleman, but I would also like to take this opportunity to thank the Speaker and the leadership of the House for facilitating an opportunity that is an historic opportunity in modern times for we who are Members of the U.S. Congress to stand up and express ourselves about things such as human rights in a body where, in many countries of the world, they are not allowed this opportunity.

Mr. Speaker, the United States views itself as a protector of human rights both at home and throughout the world. U.S. blacks are particularly aware of the importance of and struggles undertaken to realize these ideals. From the time of the U.S. Civil War on, we have continually fought for the ideals embodied in the U.S. Constitution. My own political involvement began with the civil rights struggles of the 1960's and the black's, brown's, and all poor people's efforts to obtain their rights to minimal standards for shelter, diet and employment opportunities. Yet, our ideals remain unrealized and unfulfilled.

It is supremely unjust that within this country which possesses such vast material wealth that the basic needs for so many remain unfulfilled. In some cities and rural areas of this country infant mortality surpasses that of many Third World countries. Unemployment in central cities is also greater than that of many so-called under-developed countries. Housing conditions for many are deplorable and many people's diets do not even achieve minimal standards. Our sense of justice and commitment to our own Constitution and the Universal Declaration of Human Rights require that we address and remedy these and other violations of basic human rights within our own country.

We must also realize that human rights' problems do not end at our borders. In every hemisphere, on every continent, individuals and groups continue to be persecuted and denied their political freedoms and economic rights. I would like to draw attention to only one case—that of Haiti—a special concern of mine and the other members of the Congressional Black Caucus.

Haiti is the poorest country in the Western Hemisphere and has rightfully received generous amounts of foreign aid from the United States and other sources. Yet, because of an extraordinarily repressive, intransigent political leadership, scarcely any of this aid has trickled down to the masses.

In spite of our good intentions at promoting basic human needs in Haiti, the vast majority of Haitians have been denied both political and economic human rights. Over 8,000 Haitians have been forced to flee their homeland in precarious boat trips analogous to the Indochinese refugees. Many seek refuge in the United States hoping to receive treatment equal to other refugees. While we have generously welcomed Indonesian, East European, Cuban, Nicaraguan, and other refugees, black Haitians are coldly turned away from our shores.

There is currently a claim to the inter-American Human Rights Commission against the United States for its treatment of Haitian refugees. I, and the other members of the Congressional Black Caucus, feel Haitian refugees should be extended the same human rights granted to other refugee groups fleeing political and economic persecution.

We must work toward not only an extension of rights to Haitian refugees, but also toward an increased respect for human rights within Haiti. The refugee problem can be best solved by extending political and economic rights to people in their own homeland. We must not fear that promoting rights abroad might damage diplomatic relationships. To the contrary, human rights issues in Cuba—the releasing of political prisoners and reuniting of families—are our best hope for normalizing relationships with what once was considered the greatest threat to U.S. interests in the Western Hemisphere.

I firmly believe that a commitment, and not simply a political posturing, toward universal human rights is in the self-interest of everyone—both within the United States and worldwide. Our human rights policy abroad profoundly affects domestic concerns in every congressional district in terms of everything from social programs to defense spending. As a black American I feel the United States needs to reaffirm its commitment to universal human rights. World peace is only conceivable once both political and economic rights are universally applied. I would hope that all of my colleagues and all Americans recognize the importance of universal human rights and take positive steps to achieve them at home and abroad.

Mr. MAGUIRE. I thank the gentleman for his very significant contribution and his leadership on this and other areas concerning human rights in this country and around the world.

Mr. Speaker, I yield to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. I thank the gentleman for yielding. I rise to compliment the gentleman from New Jersey on holding this special order, in perfect tradition of what the gentleman has always stood for. It certainly comes from the depths of his understanding, from his very splendid service in the United Nations where he was nurtured by our good and wonderful friend, Ambassador Goldberg.

Think of the excitement that surrounded the first Human Rights Day that we celebrated 31 years ago, where we really had the great hope that having a worldwide commitment to human rights, that we would be willing to work together as an interdependent world to bring about the rights of all human beings elsewhere.

Mr. Speaker, I hope that the gentleman's special order of this day and the remarks of all the people who will be included, will give us a spark of that same kind of enthusiasm to know that we can indeed, if we are gathered together with firm resolve and with great hope in the future, do something as compassionate and understanding people.

Mr. Speaker, I would also like to commend the gentleman for bringing forth this special order at this special time when so many of our Americans are being held hostage in Iran.

If I may be allowed a personal reference, I would like to tell you how encouraging it is when you have a loved one who is in an uncertain condition and you are so worried not only about their physical well-being but that indeed they may despair, which would be the worst of all curses, that you have the support of families and of other persons and particularly of the leaders of your country.

Mr. Speaker, I think that the gentleman in having these orders today, has extended that kind of encouragement to our American hostages and to their families. Believe me, in the long search for Hale and Nick Begich and their companions, it was the families of the POW's and the families of the missing in action who gathered around us to give us hope and sustenance.

It was the fact that our Government, our country, was doing everything in its power to find those persons and to make certain that they were well.

□ 1530

I do thank so much my good colleague, the gentleman from New Jersey, for having these orders and for saying to the people around the world who have families in positions where they are uncertain about their conditions that the gentleman is giving solace and comfort and encouragement and we are very grateful to the gentleman.

Mr. MAGUIRE. Well, Mr. Speaker, I want to express my deep gratitude for

the gentlewoman's moving contribution to the discussion and for her participation and leadership in these areas.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I apologize for taking the floor one more time, but as part of this day unfolds and each person takes a focus on a particular part of the human rights question that they want to analyze, I would like to share with my colleagues and ask unanimous consent to include in the body of the RECORD a document entitled, "Missing Or Dead in Argentina," which appeared in the New York Times magazine recently and provided a cataloging of some very serious human rights violations which I would like to share with the Members of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. The New York Times article is as follows:

MISSING OR DEAD IN ARGENTINA

(By Paul Heath Hoeffel and Juan Montalvo)

On the hot summer afternoon of Dec. 24, 1975, Dr. Laura Bonaparte, a psychologist in Buenos Aires, received an anonymous telephone call. She was told that her daughter Noni, 24, had been picked up by an army patrol in the slum area outside the city, where the young woman worked as a teacher. Dr. Bonaparte was alarmed because on the night before the army base of Monte Chingolo, near the same slum, had been attacked by urban guerrillas, and a fierce battle had taken place. News reports acknowledged that more than 100 persons had been killed.

Dr. Bonaparte went immediately to the slum, where frightened residents recognized her because of her strong resemblance to Noni. They described how soldiers in an army jeep had stopped Noni, apparently in a routine identity check, as she left a student's home. They decided to detain her.

Dr. Bonaparte then embarked on a Kafkaesque search for her daughter. She filed a writ of habeas corpus without results. She traveled each day from Buenos Aires to the provincial capital, La Plata, 35 miles south, to press the courts for news of her daughter. That failing, she enlisted the help of a national senator, also a family friend, who approached the army command directly. He was informed by a colonel that there was no possibility of discovering the whereabouts of Noni. She had become one of the desaparecidos.

Desaparecido is one of the more familiar terms of a new Argentine argot, a strange, forbidding vocabulary invented by an underworld of military and police personnel in their extralegal duties. The literal translation into English has a curiously passive sense to it: "to be disappeared." It disguises the ugly reality of clandestine abduction, torture and execution affecting tens of thousands of Argentines in recent years.

The desaparecidos are persons who, usually after being detained by teams of well-armed men, vanish without a trace into a world beyond all legal and human rights. They represent a broad cross section of Argentine society which opposes the right-wing military regime. The targeted victims are leftist extremists and their sympathizers, suspected of abetting the guerrilla violence against the regime. Others are innocent professionals, clergy, housewives, students and children unlucky enough to be caught up in a vast dragnet against subversion.

One of the most recent and visible examples of the ongoing terror is Jacobo Timerman, the 57-year-old newspaper publisher expelled from the country by the military junta last month. For many Americans, his plight dramatizes the issue of human rights in Argentina. Timerman, accused of subversion as editor of La Opinión, a Buenos Aires newspaper, suffered arrest, brutal torture and prolonged detention despite his acquittal by court investigators. Because of the complete breakdown of Argentina's judicial system in the area of human rights, only enormous international pressure—including appeals from President Carter and Secretary of State Cyrus R. Vance—saved him from the common fate of the desaparecidos.

Since the military government of Gen. Jorge Rafael Videla took power in March 1976, Argentine and international human-rights organizations have accused the Government of the disappearances of thousands of persons. Amnesty International estimates the number of desaparecidos at 15,000, a figure which high United States and Argentine Government officials acknowledge privately. Publicly, however, the Argentine Government denies any responsibility for the disappeared persons. Although in recent months it has acknowledged the existence of 5,000 such cases, it claims to know nothing about them.

What is the truth about the desaparecidos? Is it possible that the military government has an unwritten policy of eliminating its enemies, real or potential, simply by causing them to disappear? The Argentine Government is under growing domestic and international pressure to clarify the status of the disappeared persons. Because of its reluctance to do so, many observers now fear for the worst.

The summer of 1975 was the last for both Noni Bonaparte and the Government of 43-year-old Maria Estela Martinez de Perón, better known as Isabel. It marked yet another stage in the bitter struggle between Argentina's main seats of power: the armed forces and Peronism, which have taken turns abusing popular mandates almost continually for the last 35 years.

After an 18-year exile, the aging Juan Domingo Perón wrested power from a military dictatorship through national elections in 1973, sharing the Presidential ticket with his third wife, Isabel. Perón promised to continue his populist policies of state capitalism, introduced when he ruled with his charistmatic second wife, Eva Perón, Argentina's unofficial patron saint and the inspiration for his most progressive social and labor reforms.

When Perón died in 1974, Isabel became Latin America's first female chief of state. Her shrill efforts to duplicate Eva's popular appeal barely concealed the takeover by extreme right-wing Peronists in her Government. Government corruption and erratic economic policies quickly alienated all but the most fervent adherents to the working-class movement. The leftist Perónists, led by the Montonero guerrillas, who had harassed the previous military government for Perón's ill-fated return, resumed their attacks, this time directed at her increasingly violent regime.

Unable to control the nation by normal constitutional means, Mrs. Perón declared a state of siege in November 1974, handling over considerable power to the armed forces. Despite the growing temptation to restore order, the generals were in no hurry to take over the Government again. They had been humiliated by Perón's return and were determined to see the Government itself discredit Peronism once and for all.

The military also wanted to destroy the highly organized guerrilla groups, the leftist Peronist Montoneros and the Marxist People's Revolutionary Army, or E.R.P., largely inspired by the ideas of Ché Guevara, an Argentine who had gone elsewhere to make revolution. By this time, the insurgent groups were reeling from intelligence operations by the military. In an effort to demonstrate its continuing military capacity, the E.R.P. mounted a full-scale assault against the army base of Monte Chingolo. The guerrillas made their move after dark, but because of a leak to army intelligence, they were the ones caught by surprise. The rout went on much of the night. Helicopter gunships equipped with searchlights and rockets hovered over the nearby slum area where Noni Bonaparte was later picked up, while troops made house-to-house searches for fleeing guerrillas.

Though Dr. Bonaparte knew that many people had died at Monte Chingolo, there was no reason for her daughter to have been killed, especially since she had been picked up the day after the raid. Dr. Bonaparte continued her search. On Dec. 30th, through another army contact, she was told to check the cemetery of Avellaneda, a major industrial area nearby. "I started out to the cemetery to see if my daughter was on the list of dead, but I didn't dare go beyond three or four blocks of the cemetery because the stench of the bodies in decomposition was truly terrible. I couldn't continue. I was very scared and everything seemed so unbelievable and so horrendous."

On Jan. 8, a judge in La Plata told her that it would be necessary to sign a statement saying that Noni had died in the battle of Monte Chingolo. "I refused to sign it," Dr. Bonaparte remembers. "The judge told me that if I didn't, I wouldn't be able to retrieve my daughter's body. I demanded that they prove to me that she was dead. He told me that he had a paper with a number of a jar and that in that jar were the severed hands of my daughter, her identification."

At another point in her search, a local chief of police who had seen Noni's body told her: "But, Señora, you couldn't even call what was turned over to us a body." Finally he told her where Noni was: grave No. 28 in the Avellaneda cemetery, assuring her that all the dead were in individual coffins with crosses and identified by name. The following day she went to the cemetery with an armful of carnations. "It was horrifying what I saw. There were no crosses, no separate graves. There was an area about 18 feet square, the earth recently turned, covered with a pool of green water. I asked the undertaker: why the pool? He told me that it came from a depression made by the weight of the bodies, which had been brought in with power shovels and dumped there until the grave was dug. Then they were all thrown in at the same time. The undertaker wanted to count out 28 steps but only reached 16, stopped and said, 'Here it is.' I was shaken to see him walk over the grave. It was as if he were walking over my own body, as if I were buried underneath him, his steps hurt me so." Laura Bonaparte and her husband filed suit against the army for Noni's murder, a move which the authorities cautioned her against.

That March, the military moved to fill the vacuum of power created by Mrs. Perón. The economy was a shambles, with inflation out of control, reaching an annual rate of 330 percent. It was a long-awaited, bloodless, calculated coup. The military had considerable support to restore law and order. Order arrived—the law got lost in the shuffle. A few days before the military junta officially deposed Isabel Perón, Noni's husband, Adrian Saidon, also 24 years old, was gunned down in the street when he did not obey the command to halt. His body was never recovered.

Dr. Bonaparte decided to leave for Mexico. For her, the coup had brought no relief. In June, her husband, from whom she was separated, Dr. Santiago Bruchstein, 59, was abducted from his apartment in downtown Buenos Aires. A nurse who witnessed the raid told Dr. Bonaparte that the kidnappers were furious about the murder charges that the

Bonapartes had filed. "How could a rotten Jew dare accuse the military of assassination?" one abductor yelled at him. Dr. Bruchstein was taken to one of the vehicles used to cordon off the street for the raid. He has not been heard from since that day. The apartment, as is customary in such cases, was looted. The property of the *desaparecidos* is considered war booty, a considerable incentive in the abductors' work.

On May 11, Dr. Bonaparte learned in Mexico City that army personnel had made a predawn raid on her daughter Irene's apartment, where she lived with her husband, Mario, an architect, their daughter, Victorita, and Noni's orphaned son, Hugo. At 6 A.M. the security forces left with Irene and Mario. The two children were found in the lobby of the building with the address of their paternal grandparents pinned to their clothing. Irene and Mario have not been heard from again. Dr. Bonaparte continues to live in Mexico City without any word concerning her family's "disappearances."

Political violence during the Peronist period had reached unprecedented levels, yet in comparison with the past three years there was something curiously reassuring about it. The bloodletting between 1973 and 1976 was public, explicit and somehow comprehensible to most Argentines. Even the most sinister death squads, the Argentine Anti-Communist Alliance (A.A.A.), dedicated to the elimination of leftists, intellectuals and politicians, carried out their executions with chilling but open efficiency, often telephoning the news agencies to explain their actions. Bodies were dynamited, mutilated or *carbonizados*—burned beyond recognition. But there were funerals, there were mournings. The Government death squads' unmarked Ford Falcons parked in front of the presidential palace were a national disgrace, but everyone knew where they stood.

The Marxist guerrillas, the E.R.P., and the Montoneros, numbered perhaps 8,000 at their peak in 1975, with as many as 50,000 sympathizers drawn mostly from working-class and middle-class youth. They represented one of the largest guerrilla forces ever assembled in Latin America. Once on the defensive, their violence lost its theatrical quality and acquired a ghoulish edge of vengeance which finally degenerated into terrorist killing.

Toward the end of 1976 military clashes with the E.R.P. and the Montoneros had virtually ceased, while the number of reported disappearances had risen to an average of 15 a day. Soon it became clear that only the Government's security forces could carry out such flawless, elaborate operations.

The experience of 31-year-old Estrella Iglesias, a worker at the Squibb pharmaceutical plant outside Buenos Aires, is special because she is one of the disappeared who has reappeared after a year afuera de la sociedad, "outside of society," as it is put. Her release last May was a condition set by the Spanish Government for King Juan Carlos's state visit to Argentina earlier this year. Miss Iglesias, who had come to Argentina as an infant, technically remained a Spanish national. Aside from her release, her experience is typical of the desaparecidos.

In August 1978, 12 heavily armed men with a police dog came to her high-rise apartment and detained her for suspected connections with a small illegal Maoist group. Her abductors pushed her into one of several waiting cars. Familiar with the area through which they drove, Miss Iglesias realized that she was being taken to La Tablada Infantry Regiment, an army installation on the outskirts of Buenos Aires.

"When they took me from the car, they led me through a series of rooms until we reached one where, hitting and pushing me, they removed my clothes and tied me to a table. They began to torture me with applications of electric current to my genitals, breasts, toenails, mouth and gums; stretching my arms, mostly my right arm until they dislocated it; putting rats on my face and between my legs. All this was accompanied by questions as to my political activity, and my knowledge of other political groups and activists."

Torture and summary execution are policies which make "disappearances" necessary in the first place. Such activity must be untraceable, beginning with illegal abductions and the use of clandestine detention centers, usually at military installations.

Invariably, the clandestine centers described in scores of testimonies have torture areas, or, using the slang, quirófanos ("operating rooms"). The picana, or electric cattle prod, is the most common means of torture after beatings and psychological abuse. Another readily available method is the submarino—nearly drowning victims in vats of filthy water. The torture and the interrogation are methodically coordinated.

Prisoners are almost always chained and encapuchados, forced to wear tightly fitting hoods which serve the dual purpose of disorienting the prisoners and preventing them from identifying their surroundings and their torturers.

After three days of torture, Miss Iglesias lost track of time. Between session she, was taken to another building within the army base and shackled half-naked to a wall. She repeatedly witnessed uniformed officers in the area. The officer who took charge of her transfer from la izquierda a la derecha—from illegal detention to legal status in a Federal prison—was a lieutenant colonel in the army.

While Miss Iglesias "was disappeared," her family's writ of habeas corpus, filed on her behalf, was rejected by the courts. A letter from the Ministry of the Interior in response to their inquiries assured them that she was not being held in any state facility. Not until Miss Iglesias was transferred to a Federal prison was she put in touch with her family. Charges against her were then dismissed by a court martial of four air-force officers and she was flown out of the country last spring.

Confronting the charges that the military is directly responsible for the disappeared persons and their fate, spokesmen for the Videla Government claim that the few legitimate cases which do exist represent excesses by groups "beyond its control." As Gen. Roberto Viola, army commander in chief and intimate of President Videla, has repeatedly claimed to visting Americans, the human-rights organizations' lists of the disappeared largely comprise subversives killed in clashes with security forces who remain unidentified. Others on the lists, according to official explanations, are subversives killed as traitors by fellow guerrillas, and persons who have gone underground or who have slipped out of the country.

The lists compiled by human-rights groups, such as the Permanent Assembly for Human Rights in Argentina, Amnesty International and the Argentine Information Service Center in the United States, all politically independent organizations, are dismissed by the same Argentine officials as inflated and inaccurate. Yet, according to one Western diplomat who has carefully monitored the existing evidence: "The lists are assembled on the basis of different criteria—some are based on more concrete documentation than others. Whatever inaccuracies there are, they represent a tiny fraction of the total number of desaparecidos on the lists."

The Government's "out of control" hypothesis was widely accepted until well after the coup. The efficiency with which the E.R.P. and the Montoneros were brought under control, however, left little doubt that no unofficial group, left or right, remains capable of the type of paramilitary operations involved in thousands of disappearances.

The "out of control" theory, furthermore, presupposes a breakdown in the traditional military hierarchy where captains and colonels would exercise more authority than generals. Many observers reject this possibility as an intolerable situation which would pose a far greater threat to national security than any insurgent group might. According to the same diplomat cited above: "I think it would be more accurate to say that these groups are out of command, not out of control. Everyone is following orders there."

There is, however, evidence of a real breakdown in the traditional system of accountability in the Argentine military. The crisis is among the military commanders themselves rather than between senior and junior officers. Within the army, the central branch of the armed forces, the splits are between the so-called duros, or hard liners, and the blandos, those led by Videla and Viola, who recognize the limits of military power in Argentina. The duros, who maintain that subversion should be wiped out at any cost, see their more politically oriented peers as orchestrating their own demise.

The conflicts over command are reflected in the very structure of the Videla Government, which is considerably different from its numerous military predecessors. Notably absent is the traditional caudillo, the army commander with sufficient charisma to forge some unity within his government. President Videla is an upright officer with considerable political talents, but he is no caudillo. His overriding concern is to lend his Government some semblance of stability, particularly to investors abroad.

Videla's power as President ranks below that of the junta, whose power, also for the first time, is equally divided among the three branches of the armed forces. Today, the real power lies in the hands of the junta's commanders in chief, and especially in the four corps commanders of the army.

The disappearance of Héctor Hidalgo Solá illustrates how the power struggles within the junta have begun to overshadow the military campaign against the Argentine left. Ambassador Solá, one of the key financial backers of the centralist Radical Civic Union Party, was pressed by President Videla to accept the post of Argentina's Ambassador to Venezuela. In Caracas, Solá spoke frequently about Argentina's imminent return to democratic rule. He was instrumental in arranging President Videla's state visit to Venezuela in May 1977. It is said that a Venezuelan condition for Videla's image-boosting visit to one of the few democratic states left in South America was the release of an ex-Radical Party senator, Hipólito Solari Yrigoyen, a critic of the regime who had been disappeared by the army in August 1976. Villas, commander of the Fifth Army Corps in the Southern city of Bahía Blanca, Solari Yrigoyen was reluctantly returned to society.

In July 1977 Ambassador Solá returned to Buenos Aires for his daughter's wedding. On the morning of July 18, he was driving through the intersection of Libertador Avenue and Pueyrrdon Avenue, a fashionable area of the city, when armed men in several vehicles stopped his car and abducted him. The ensuing diplomatic uproar over Solá's disappearance caused considerable embarrassment to President Videla, as was intended. One hypothesis is that Solá's kidnapping was an action by the duros as a warning to President Videla for having obliged the security forces to release Solari Yrigoyen. Since the incident (Solá is presumed dead), neither the President nor other blandos in the Government have seriously challenged the duros over the release of disappeared persons.

A more recent disappearance of a diplomat caused considerable alarm among well-born

Argentines who thought that for the time being their problems were over. Forty-eight-year-old Elena Holmberg, who had recently returned from a diplomatic assignment in the Argentine Embassy in Paris, was driving her Fiat in Buenos Aires last Dec. 20 when a car with three men forced her off the road and abducted her at gunpoint. Miss Holmberg, a friend of President Videla's, had expected to dine that evening with Argentina's Ambassador to France.

On Jan. 11, Miss Holmberg's decomposed body was found floating in the Luján River. Unlike most of the 45 bodies which had washed up along the coast the month before, her body was identifiable because her head and arms had not been severed.

She had been an outspoken duro on the subject of wiping out subversion in Argentina. This fact fueled the concern of Government supporters that internal military fueds were deepening. Although Miss Holmberg's murder remains an official mystery, it is well known that she had denounced suspect financial dealings by naval officials who were working in Paris. More serious, she had reported the well-publicized meetings between navy strongman Adm. Emilio Massera and Montonero guerrilla leaders in Paris.

Aside from the economic headaches inherited by the junta, the disappeared person remains the central issue eroding the credibility and viability of military rule in Argentina. Since Government officials declared their total victory over armed insurgents nearly two years ago, popular pressure has steadily mounted for clarification of the status of the desaparecidos. As Patricia Derian, Assistant Secretary of State in charge of President Carter's human rights policy and central target of the Argentine junta's complaints against the United States, requested recently: "If only for humanitarian reasons, tell the families of the living where they are, tell the families of the dead what they need and deserve to know." The junta has remained silent.

The only military commander clever enough to get political mileage out of the issue is Adm. Emilio Massera, former chief of the navy and a member of the junta until last October. Massera, a duro turned blando, is precisely the man who would be caudillo had he chosen an army career. Ruggedly handsome, articulate, at ease in the labyrinthian world of Argentine politics, Massera has, since his retirement, stepped up contacts with the Peronists in an aggressive campaign to present himself as a populist Presidential candidate. His break with junta policies has earned him the enmity of anti-Peronist army officers, as well as more than one assassination attempt.

Admiral Massera took his campaign one dangerous step further by proposing to the junta that it make public the lists of the disappeared. He offered the navy's lists on the condition that the army and the air force submit theirs. His proposal, which found some echo among the blandos, was to end speculation about the disappeared once and for all, providing the next Government with a clean slate. "He sees the issue as a time bomb," explains a Massera intimate. "As the political situation gets more complicated, time is running out for the junta. Eventually the lists will surface and it's better for the military to release them now than have them fall into the wrong hands in several years."

Official rejection of the Massera proposal lent credence to many observers' worst suspicions—that the majority of the disappeared have been executed. The high cost of such an admission remains out of the question for much of the military. The same Massera intimate, when asked about the possibility of mass executions, responded: "There's no way you can hide 10,000 or 15,000 persons—even satellites would detect them. No, I wouldn't count on seeing them again."

In his Army Day speech last June, General Viola made an ominous reference to los ausentes para siempre—those who are gone forever—a term which was widely interpreted as a message about the disappeared. When human-rights groups requested a clarification of his term, Viola indicated that this was as far as the Government would go on the subject of the disappeared persons.

At the same time, word began to circulate in foreign embassies that those disappeared who had not already been eliminated by the duros were being executed in preparation for the investigation by the Organization of American States' Inter-American Committee on Human Rights, which arrived in September. A form of elimination repeatedly reported is the injection of curare into unsuspecting prisoners, causing death by suffocation. The bodies are then loaded onto aircraft and their bellies slit before being dumped into lakes or the ocean so they will sink permanently. Comida para los pescados—fishfood—is what they call the corpses.

When Bruce Alan Kiernan, the human-rights coordinator for the American Association for the Advancement of Science, visited Argentina last year, senior advisors to President Videla acknowledged the executions: "They told me that many persons in military custody were thrown out of helicopters into rivers and lakes, a tactic learned, they claimed, from the American experience in Vietnam."

A number of the more notorious torture centers have been closed down in recent months, causing more alarm as to the fate of their former inmates. The Navy Mechanics School in Buenos Aires, described in some detail in a number of testimonies, has been reconverted so that "even the Ping-Pong tables in the officers' lounge are back in place" according to one diplomatic source.

The visit last month by the O.A.S. mission is cited for this flurry of activity which reached a feverish pitch last summer. In August federal police raided the offices of four human-rights organizations including the Permanent Assembly the group working closely with the O.A.S. investigators.

Orville H. Schell attorney for Aleksandr Godunov and chairman of the New York City Bar Association's mission to Argentina last April characterized the break-ins as "a crude attempt by the Argentine Government to intimidate these groups from providing important information to the Human Rights Commission of the Organization of American States."

A State Department spokesman Tom Reston indicated that the American Embassy in Buenos Aires had been ordered to investigate charges of alleged secret detention centers and alleged execution of prisoners prior to the September O.A.S. investigation.

Shortly after the raids on human-rights offices the junta passed a law designed to relieve pressure around the issue of the disappeared without actually acknowledging it. It reduces to a few months the period of time necessary for a disappeared person to be declared legally dead. Those affected would be the disappeared persons formally reported by their families in the period between the declaration of a state of siege in 1974 and the promulgation of the law. Significantly the law empowers the Government to initiate this process thus short-circuiting the legal options of families in their search for disappeared relatives. The bill represents an indirect acknowledgement that the disappeared are indeed *ausentes para siempre*.

While recognized as a concrete improvement, the law remains a half measure.. Washington's Patricia Derian says: "Because it does not deal with the central problem—accounting for the disappeared—it is only a Band-Aid which will eventually generate even more legal problems." Former Federal District Court Judge Marvin Frankel, who was a member of the New York City Bar Association mission to Argentina last spring, maintains: "This law represents a ghoulish evasion of Government responsibility. The Government is manipulating the relatives and the courts to avoid facing the issue of the disappeared."

The terror which the disappearances have produced is at once calculated and incalcuable. The disappearance of a relative or friend has a different impact from that of a legal arrest or even an outright death. The families, often directly terrorized in the initial raid, live in fear that the abductors will return. Any protest, even the filing of a writ of habeas corpus, could destroy the chances of the disappeared person's release. Not only is the disappeared person taken fuera de la sciedad, but fear effectively neutralizes those close to the victim.

Alicia, a 34-year-old Argentine now living anonymously in New York with her 5-year-old son, fled Argentina two years after her husband, Daniel, was taken away and disappeared. She is still tormented by not knowing what happened to him: "My entire family has been paralyzed since Daniel was abducted. The authorities told us to wait, not to make any trouble. That would be the best insurance for his return."

While they are detained, there is clear effort to dehumanize the prisoners—in part to punish them, in part to break the societal bonds which control human exchange. A person who has been reduced to crazed incoherence by torture and deprivation makes continued neglect, abuse and eventual elimination much easier.

Evidence exists that the instillment of terror has not been completely effective in crushing the junta's opposition. The most dramatic example of the mobilization which the desaparecidos have inspired is the phenomenon of Las locas de Plaza de Mayo—the so-called Mad Women of Plaza de Mayo.

In April 1976, scarcely a month after the military coup, the mothers of disappeared persons began gathering every Thursday in the plaza in front of the Presidential palace. The women stood in silent vigil waiting for news of their children. The gathering soon became a defiantly public protest against the Government for its refusal to release names and information about the disappeared. Last October, Bruce Alan Kiernan asked the head of the Human Rights Working Group in the Argentine Foreign Ministry about the mothers. He was told, "Out of more than 200 mothers, only 25 are legitimate; the rest are crazy. They're mad women who don't even have children." Mr. Kiernan, however, reports, "Having personally interviewed about 70 women, I can categorically state that his assertion is not true. One cannot," he continues, "but feel insulted by these kinds of statements, which are such obvious distortions of the facts."

As the numbers of mothers grew (they have recently been nominated for a Nobel Peace Prize by the Spanish Socialist Party), so did Government harassment. On Dec. 8 and 9, 1977, 13 women and men, including two French nuns, were abducted during raids on meetings of mothers and supporters of desaparecidos. French reaction to the disappearances of 60-year-old Sister Léonie Duquet and Sister Alice Domon marked a turning point in international concern over the Argentine situation.

The nuns' abductors made a crude attempt to attribute the kidnappings to the Montonero guerrillas. A communiqué, supposedly from this organization, with a picture of Sister Alice and Sister Léonie sitting under their banner was sent to news agencies, only to be disclaimed by the Montoneros in a cable to United Press International a few

days later. Even personal inquiries by President Valéry Giscard d'Estaing could not effect the reappearance of the nuns or the mothers. Privately, Admiral Massera acknowledged to Emilio Mignone—of the Permanent Assembly for Human Rights and parent of a disappeared daughter—that the nuns had been executed. This, presumably, has also been the fate of the nine mothers and two men.

The unending police raids and the reports of new disappearances have been sufficient warning to Argentines that no immediate changes are in store. From the hard liners' point of view, the tactic of making people disappear has been too successful to abandon under pressure. They are willing to pay the relatively high price of becoming international pariahs, along with Chile and South Africa, in order to purge the nation of what they see as godless subversives. Their policies, however, may be counterproductive in the long run. By trying to eliminate the threat of subversion through these violent means, they may actually be encouraging it. Nobel Peace Laureate Mairead Corrigan's words may very well prove to be prophetic. "I am afraid," she said, "that with each disappearance the Government has planted the seeds for future violence."

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. BAILEY. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I want to add my compliments to the gentleman for organizing this special order.

I suppose to me as a person who has had occasion to spend time overseas and see firsthand, I think, the kind of tyranny which can arise from political differences, or at least as the result of one group of people who will sometimes try to impose by force their views on others, nothing has more concerned me than those things that we call human rights; although, I sometimes wonder and disagree with many Members of this body if we could not at some time perhaps come up with a specific definition of just what that term means.

To me, essentially, I suppose it means a finite and relatively small group of principles, most of which I think, many of which or all of which this Nation stands for, has stood for and I hope will continue to stand for, however imperfectly practiced.

It is very, very sad for me and it has been to listen to much of the rhetoric on the floor of the House from those who consider or call themselves liberals, I suppose, and become preoccupied with the totalitarianism of the right, and totalitarianism of the right is somehow separated from that authoritarianism which emanates from the left. The right gets up and those conservatives criticize the type of authoritarianism for some reason as if it is a little different, I suppose, when it comes down on someone's head, that we see, say in Cuba or in the Soviet Union or in Southeast Asia, while leftists have a tendency to concentrate on those problems as we see them practiced in Chile or in Argentina, or make frequent reference to rhetorical use of the history of Nazi Germany; but at some point there has got to be a common ground.

I would hope, and I have been meeting and intend to continue meeting with a group of people who I hope can realize that the Earth and our nations, especially the Western democracies, have got to take a new direction. That direction is, I hope, to begin an international involvement, political involvement, by persons who are interested in fundamental political freedoms and will make efforts to extend them in countries all around the world and to add to them, as the gentleman from Texas, I think, so rightfully and properly addressed the issues of other human needs, such as economic and social needs.

Mr. Speaker, again I would like to compliment the gentleman for organizing this special order and thank the gentleman once again for his efforts in that behalf.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman from Pennsylvania for his very important and appropriate remarks.

We are gathered here today to talk about human rights issues wherever they may arise, whether in regimes of the right or of the left or of the center or, indeed, as the gentleman from Texas has quite correctly pointed out, within the confines of our own country; so I thank the gentleman from Pennsylvania for his remarks.

Mr. Speaker, in early November, the gentleman from Pennsylvania (Mr. EDGAR) and I organized a meeting at the State Department with a number of our colleagues on the Cambodian matter. We wanted to know what kind of assistance the Cambodian refugees were receiving and what the United States was doing to speed its way and to quell the hunger and disease which afflict these starving people as a result of the brutal conflict and repression in that country.

We went to the State Department to demonstrate in no uncertain terms that we believed that the United States was obligated to assume leadership in the relief efforts. At that time we assured Under Secretary Christoper, and through him we promised the President of the United States, that we would actively support any supplemental request for assistance that the administration made; but we also pledged to monitor the adequacy with which the administration fulfills the commitments that it makes on behalf of these efforts.

In each of the 8 legislative days before this special order, I and 13 other Members from both sides of the aisle took to this well to report to the House on the status of the administration's relief efforts. While we admire and support the official commitment of nearly $100 million for hunger relief, we have been immensely troubled by the disarray that is readily apparent in our relief efforts. The various refugee relief efforts in Washington are in a shambles, reflecting uncertain lines of authority, overlooking bureaucratic constituencies, and sometimes unclear administration goals.

Representatives from Food for Peace, the State, Treasury and Agriculture Departments, even OMB are involved; but out of this clutter of activity no central figure has been named or has stepped forward to coordinate the operation. This vacuum has prevented us from making essential changes in our policy toward the government in Cambodia and building upon the successful efforts of private relief organizations.

Our reluctance to acknowledge the Vietnamese sponsored government and our persistence in clinging to the belief that Pol Pot is still ruling Kampuchea is preventing us from using the regime in power to distribute food, or at lease preventing us from doing that as effectively as possible.

This, despite the warm welcome which the American Friends Service Committee Operation California flight received when it landed in Kampuchea, our Government is still not directly coordinating an expanded airlift food and medical supplies to Phnom Penh.

This is particularly disturbing, because international relief organizations have indicated that of the 30,000 tons of rice needed to sustain the refugees, less than half that amount is getting through. This is weeks after we joined in a committed effort to make sure that those amounts would be significantly increased.

Surely, a nation which can sell 45 million tons of wheat to the Soviet Union can redouble its efforts to curb the hunger of those in Cambodia and the Cambodian refugees who have fled the country.

Obviously, the first order of business is for the administration to sort out who should be involved in the relief efforts and who is going to be empowered with the authority to direct them.

Second, as William Lewis, a senior associate with the Carnegie Endowment has suggested, we must take active steps in the world community to see our distribution efforts through.

At present, food shipments into Cambodia are being taxed by the Vietnamese. Food is being stockpiled in Phnom Penh, instead of being sent into the countryside.

As our colleague, the gentleman from New York (Mr. SOLOMON) pointed out in his "Dear Colleague" letter this morning, the Soviets must do their part to exert pressure on the Heng Samrin government to get this aid out.

The same type of efforts that Secretary Vance is pursuing with respect to the hostages in Iran can equally be applied here. Perhaps as Mr. Lewis suggests, an embargo on multilateral assistance ought to be applied to any rogue government which will not cooperate in the distribution of food to starving millions of people.

Unless the international community acts and acts more decisively than it has done thus far, we will lose the moral and legal initiative. We certainly must take a more activist approach to getting assistance to Cambodia.

Mr. Speaker, I would like to turn now to some comments on another place where we need to more actively use our leverage to achieve change—the Soviet Union.

What we are lacking is not a framework for transferring our knowledge about the human rights situation there

into an actual policy toward the Soviet Union, such a strategy seemed to emerge in the context of the Trade Act of 1974 with the discussions then of the Jackson-Vanik amendment.

□ 1540

We have tried to develop some kind of creative interplay between human rights issues and economic policy through a discussion of most-favored-nation trade status. But what has actually come to pass?

This year some 50,000 people were allowed to leave the Soviet Union. Thus the extension of MFN to the Soviets would certainly arise as an issue based on the recent record. But can we rely on these numbers as a true alteration in Soviet policy? I think not.

A careful analysis of the coincidence of political events with their emigration policies in the past has led me to believe that the number of visas issued related directly to the possibility that trade liberalizations might be imminent. It did not signal the kind of free emigration contemplated in the Helsinki Accords.

Negotiations on mutually granting MFN status began in 1971 and resulted in the signing of two agreements in 1972, both providing for reciprocal granting of MFN status. It was not known until late 1974 or early 1975 that the agreements would not enter into force.

Let us look at the emigration data. In 1971 emigration increased 40 percent over the entire previous decade's total. In 1972 it was up another 125 percent over the 1971 total. Yet in 1973, the year after the signing of the agreements on the MFN, the increase in emigration amounted to only 6.3 percent. In 1974 emigration decreased 38.2 percent. It certainly appears that the increases in visas issued by the Soviet Union signaled its desire to reach an accord on trade. Conversely, the decrease can only be explained by their misreading of the political scene here in 1974 that they need do no more since a trade agreement was at hand.

Thus we have allowed the lever of trade on the Soviet emigration policies to slip from our grasp. Instead, emigration is being used by the Soviet Union to manipulate us toward a negotiation for a liberalization of trade.

Now, with the issuance of 50,000 visas, we might run the risk of being deceived. I suggest that we should stand firm and continue to use the possibility of expanded trading status to bring about permanent changes in Soviet emigration policies and press the Soviet Union to recognize free emigration as a legal obligation they must respect as a matter of international law.

Mr. Speaker, South Africa is another place where we have done much less than we could have. From time to time we have given some thought to the value of tougher policies toward South Africa, but again we really have not followed through. U.S. policy for years has consisted almost exclusively of a willingness to condemn apartheid. There have been some modest changes along the way which should not be ignored. History does move.

There is an arms embargo in which we have participated. In the 1960's some U.S. citizens demonstrated in front of banks which made loans to South Africa, and now, nearly 20 years later, the Chase Manhattan Bank and the First National City Bank have decided not to increase their loan exposure in South Africa's government-owned corporations.

Some U.S. corporations have adopted the Sullivan principles which have proved only incrementally effective in raising salaries, opening middle-level supervisory positions and the like. Despite this movement, despite the commitments made by all other nations on Earth, South Africa has declared its position time and again. Three million whites will continue to rule 20 million blacks and coloreds harshly.

Our careful, patient efforts to encourage gradual movements from the "racial stone age" to an incipient renascence of greater equality have been rebuffed by intransigence. Do what we will, the world has been told, whites will not cease dominating blacks in South Africa.

In the summer of 1978, I traveled to South Africa, and the many moving personal experiences I encountered during this trip strongly reinforced my belief in the centrality of the day-to-day need for support for human rights in every aspect of American foreign policy.

During my visit, I talked with a boy who was perhaps 13 years old during the riots in Soweto. In a demonstration against the order that Afrikaans be used as the language of instruction in the nonwhite schools, a girl—and there were many others, by the way, by the time this was all over—was shot dead in the street by the police. Everyone in the crowd of several hundred ran, of course, but this boy remained. He was concerned about the body. He went to the police station to ask whether the body should be taken home or to the police station or what? He was thrown in jail and kept there for days.

He recounted the story to me of being taken out of his cell by a policeman whenever a new truckload of bodies had been brought in containing children who had been shot down by the police. He was told, "That's what white power does to black power."

I went to Crossroads just outside of Cape Town, where 20,000 people live in a squatter town because they are forbidden to live elsewhere. Under South African law the workers are supposed to live away from their families, who are supposed to remain in the remote, jobless Homelands.

Crossroads was the imaginative, self-created response of people who refused to accept this official policy of destruction of the family and segregation of the races. They have turned what started as a defiant collection of squatters into a true community with school and health facilities and a genuine mutual human commitment. To the South African authorities the community symbolized a threat to the repressive order of things. It declared the community illegal and stated that the people must be disbanded and the village itself destroyed.

In September 1978 the community faced imminent destruction. Bulldozers were deployed, ready to plow Crossroads under. At that time, 18 Congressmen joined together, both Democrats and Republicans, to call upon the South African Government to halt the destruction. It was a fairly unprecedented step because we were acting before a possible atrocity, not waiting to wring our hands afterwards.

But we will have to do more than stopgap measures to affect meaningful change in South Africa. The concurrent resolution we introduced may have delayed the destruction of Crossroads for awhile, but now it seems, scarcely 1 year later, that the Director of the Ministry of Cooperation and Development intends to uproot all or most of the residents.

Mr. Speaker, I see that the gentleman from Ohio (Mr. SEIBERLING) has joined us, and I wonder if he would like me to yield to him?

Mr. SEIBERLING. Yes, Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I certainly will yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I certainly would like to join in commending the gentleman from New Jersey (Mr. MAGUIRE) for having taken this time to call our attention again to the importance of human rights as an issue for the American people, for the Congress, and for the world.

It seems to me that a great many of the difficulties that we find ourselves in around the world, whether it be the fact that we now have and have had for 20 years a Communist dictatorship in Cuba, whether it be the terribly close shave we had in Nicaragua—and the outcome of that is not clear yet—whether it be the potential problems that we are experiencing in other parts of the world such as the Philippines, or whether it be recent experience with South Korea, are attributable in great measure to the fact that we have not always as a government insisted, in dealing with other countries, that they give some attention to basic principles of human liberty and decency in the treatment of other people.

It seems to me that when we are in alliance with another country or when we extend economic or military aid to another country, then we ought to use that leverage in order to obtain the minimum recognition of minimum norms of human decency and human liberty, or at least we ought to try to push the regimes in those countries in that direction. Instead, very often in the past, as in the case of Battista in Cuba, for example, or Somoza in Nicaragua, the people who administer our Government have found it all too convenient simply to deal with the existing regime and put no pressure on the people in that regime.

I think our troubles in Iran are another example of that syndrome. Had we begun very early in the game and continued thereafter to insist that the Shah, whom we helped bring back to

power in 1953, observe the minimum norms of civilized and humane conduct, we might not now be confronted with an uncivilized and inhumane response on the part of those whom the Shah for so many years oppressed, and oppressed using military and economic materials that we had supplied.

So, Mr. Speaker, it does seem to me that what the gentleman from New Jersey (Mr. MAGUIRE) is saying is very timely, and I am happy to take part with him in this very, very important debate.

Mr. Speaker, I have joined the gentleman, and I am sure he himself has joined many times, in letters to the rulers of the Soviet Union urging them to free certain refusniks or to cease persecuting people for their religion or their dedication to a measure of human freedom in the Soviet Union or to cease oppressing the Estonians or other occupied countries. It seems to me that, while that is very important, it is also very frustrating. Of course, we supply the Soviet Union, on a buyer-seller basis, with grain and some commercial products and technology, and we and the Soviet Union have a mutual interest in not destroying each other through nuclear war. But apart from that, we do not have any very strong, direct leverage over the Soviet Union. Nevertheless, it is absolutely right that we use what opportunities we have to continuously rub the noses of the leaders of the Soviet Union in the fact that they are not conforming to even the most elementary considerations of human decency in many, many respects.

But how much more do we have an obligation and duty to speak out and to use our influence where we are supporting various countries, where we are giving aid to their governments, where we are allied with them or are allowing our business interests to invest in their economies. These are countries like South Africa that have traditions and institutions of parliamentary democracy. How important it is that we say to them that they cannot, in Abraham Lincoln's words, remain half slave and half free. Either they will extend their democracy to all of the people within their borders or else the dominant groups will in the end be destroyed and all of their institutions along with them.

So I think that it is terribly important that we continue to do what the gentleman is doing and remind both our friends and our opponents that we all are brothers and sisters and we all must treat each other as such.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman from Ohio (Mr. SEIBERLING) for his comments and for his leadership in the field of human rights, and we appreciate his participation today in this special order.

□ 1550

Mr. LELAND. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Texas.

Mr. LELAND. Mr. Speaker, I would like to further impose on the time of the gentleman from New Jersey (Mr. MAGUIRE) to enter that it is important to note that every year in Houston at the Rothco Chapel under the aegis of the Menil Foundation and the leadership of Mrs. Dominique Menil, colloquia are held to celebrate the anniversary of the U.N. Declaration of Universal Human Rights. These colloquia serve as forums for discussions by renowned intellectuals in the world community versed in the various aspects of human concern.

I would like to encourage all Americans to join with all of us at this time each year to reflect on the many problems of human rights in the world community and pray for their solutions.

Mr. MAGUIRE. I thank the gentleman for his comments.

Mr. Speaker, I would like to conclude my remarks on South Africa by noting that at least 50 people have died while in police custody since 1963. The latest victim was a 17-year-old cousin of Zulu leader Gatsha Buthelezi who died in Durban last month. The government continues to deny responsibility for these deaths. In a case currently before the Supreme Court, the widow of Black Consciousness leader Mapetla Mohapi is contesting the police claim that Mohapi hung himself only hours after his arrest in August 1976. The police base their case on a suicide note scrawled on a piece of toilet paper which was suddenly produced 3 months after Mohapi's death. Experts have testified in court that the note is a forgery.

At this point in the RECORD I include some remarks that I made on the subject of the situation in South Africa and U.S. policy toward South Africa last March 2, at Amherst College:

REMARKS OF CONGRESSMAN ANDREW MAGUIRE AT AMHERST COLLEGE, MARCH 2, 1979

Over the past thirty years, South Africa has declared itself again and again. Three million whites mean to defy the rest of the world by ruling 20 million blacks and coloureds harshly. Our careful, patient attempts to encourage gradual movement from the racial stone age to incipient renascence have been rebuffed by intransigence and antagonism. "Do what you will," the world has been told, "Whites will not cease dominating blacks in South Africa."

Indeed, the measures of accommodation which were once promised by leading South Africans are no more in the perspective of today than what might be called the outriders of a continued repression. Mr. Vorster asked the world to give him six months, and we gave him twenty-four. Foreign Minister Botha promised Americans that South Africa would move away from discrimination with some deliberate speed. Instead, South Africa has moved backward to increased repression.

One of South Africa's leading prisoners thinks that the government is trying to kill blacks one by one. Certainly if that is not the case, it is the government's intention to annihilate all organized opposition. The brutal killing, and I use the word advisedly, in police custody of Steve Biko, South Africa's most charismatic young black moderate, shows how a police state operates at the individual level. Biko, of course, was not the first. He was the twenty-first black political detained to die in custody in eighteen months, and the forty-third in ten years, under conditions of detention without any recourse to a judicial process. And others have died since Biko died under circumstances which most generously can be described as extremely suspicious. Many have supposedly jumped from the upper floors of interrogation centers where the windows are usually barred and are supposed to be barred. Some have been said to have slipped on soap and plunged down stairs. Some have somehow managed to bang their heads on chairs and thus have committed suicide.

The catalog of human misery in South Africa is long and revolting, as I know you know. Through personal intimidation South Africa can extend its tyranny over blacks very cheaply. It does so through the daily inequities of the pass laws, blacks being arrested nightly for not having their identity documents in order. It does so by shipping Africans without urban jobs to the rural areas. It does so by leveling the shacks of the poor. It does so by segregation, by routine distinctions between who can eat, walk, sleep and dress in particular places. The best jobs are reserved legally for whites. No trade unions are effectively allowed for blacks, and certainly no black labor representatives have any real bargaining power. In a daily, as well as a monthly and yearly sense, South Africa is a police state as far as blacks are concerned. The rule of law in any way that we would understand it has for years not existed. There is no habeas corpus. About 700 Africans are being held in solitary confinement without bail. Most trials are but a mockery. For ordinary blacks South Africa is little better than the Haiti of Duvalier or the Uganda of Amin.

We hear talk once again—as we have so often in the past—of differences within the South African ruling elite, of moderating influences allegedly beginning to assert themselves. You will know that the "verligte" are supposed to be the enlightened ones and the "verkrampte" are supposed to be the hardliners within the Nationalist political establishment. I met with representatives of both mockery. For ordinary blacks South Africa is I have to report to you that apart from differences of style—the verligtes will tell you the same things with a smile that the verkramptes will tell you without one—there does not seem to be a penny's worth of difference in their views on the basic issues confronting South Africa. For all the talk about distinctions and moderation, South Africa has moved more dramatically into tyranny in even just the last 18 months.

In October 1977, the country's only widely read newspaper for blacks in English was banned and an editor, a smiling moderate who recently spent a year at Harvard, was detained without trial under provisions of the so-called Terrorism Act. Neither Percy Qoboza nor the sixty-nine other blacks detained at the same time, wrenched as they were from their houses and families in the night, are by any stretch of the imagination terrorists. At least ten had been trying for months to prevent anarchy in the one-million strong black city of Soweto, which abuts Johannesburg. And at the same time as these leading blacks were arrested, all of their important political, social, and cultural organizations were banned. Religious organizations were brought to heel as well. These were the bodies working for peaceful change. They were critical of the government but they were non-violent. Had the government listened, personal bridges of reconciliation might have been fashioned.

Now, I believe, all that is lost. Moreover, as you know, the government banned and therefore made into a non-person, confined to his house, Donald Woods, South Africa's most outspoken white newspaper editor, a

moderate in an increasingly immoderate situation. It also shut down groups like the lonely Christian Institute led by Beyers Naudé, a man who can only be described, I think, as an intellectual giant and a saintly Afrikaaner. Both black and white voices have therefore been lost, voices of charity capable of understanding the Afrikaaner dilemma. These were the voices that have long said that the road to reconciliation is not by violence. They have understood the fears of South Africa's white population, and this is terribly important to any resolution of South Africa's problems. Whites fear being swamped, fear that blacks will do unto them what they have done unto blacks for at least 100 years. So bridges of reconciliation across racial lines are hopeful, essential elements in change, but apparently the government decided this itself was to be feared.

For a year or so it looked as if the Nationalist government of South Africa might be moving, at least it was thought that they might be moving, however, glacially toward some kind of accommodation with the forces of change. They were not ready of course for one man, one vote, but all that Vice President Mondale and Ambassador Young requested in exchange for continued U. S. friendship was some evidence of movement in the right direction, hardly an unreasonable request. Almost any indication, no matter how incremental might have sufficed. Possibly we would have been content with the release of a few prisoners or the repeal of racially discriminatory legislation. What we wanted most of all however was the beginning of a dialogue between black and white over the country's future. That after all was all that people like Steve Biko, Percy Qoboza, Donald Woods, and Beyers Naude wanted. All of this promise has been destroyed by South Africa's draconian assault on human sensibility.

Regardless of our individual views on what we should be doing as individuals or as institutions or as a government about South Africa, I hope we can agree at least that these opening comments are an accurate description of the facts in South Africa.

What does all this repression mean in individual human lives? I visited South Africa this summer and talked with a young man, perhaps 13 or 14 years of age at the time of the Soweto uprising in 1976. He along with hundreds and hundreds of other students objected to the imposition upon their schools and their classrooms of Afrikaans as the medium of instruction. Not the teaching of Afrikaans as a language, mind you, but the use of Afrikaans as the medium of instruction for all other subjects. He was standing with some other children in the middle of this monstrous series of events. A girl standing next to him was shot down by the police, shot dead in the street. He was concerned about what to do about the body. Everybody ran of course, but he remained. He didn't know what to do so he went to the police station to ask whether the body should be taken home or to the police station or what. He was thrown into jail, was kept there for days. He recounted the story to me of being taken out of his cell by a policeman whenever a new truckload of bodies of children was brought in who had been shot down by the police and he was told "that's what white power does to black power."

I was present at the beginning of a trial last summer of 11 young people, representatives of the Soweto Student Representative Council, the group that had held meetings, elected officers, distributed leaflets against the government language policy. These were the ones who had been the leaders. What they had done would have been fully protected in the United States by our Bill of Rights, by our laws, by our traditions. Today, right as we are talking here, they are on trial. All of these kids were under 20, they were junior high school and high school students. They are on trial today for their very lives, for capital crimes. Their lives can be taken under cover of law for acts which are defined in the law as crimes because they might lead to racial hostility, or might embarrass the government. It is going to be the task of a courageous lawyer for these children to prove to the court and the state that nothing that they said or did could possibly have led to feelings of hostility or embarrassment. I ask you what kind of a chance have they got?

The Biko inquest was very instructive. There were some of us in Congress and many around the world who called upon the South African government to make a thorough investigation of the facts and circumstances surrounding Mr. Biko's death while in police custody. The result of that inquest was the finding that nobody was responsible. Outside observers from the United Kingdom and the United States, distinguished lawyers and jurors who attended the trial have written categorically that the evidence could lead to no other conclusion than that Mr. Biko was assaulted by the police while in custody between the hours of such-and-such and such-and-such and that he was killed by that assault.

I went to Crossroads, 20,000 people living in an area after they had been kicked out everywhere else, told by the local government to go to this place where they could live, where they could build their homes, where they could have their families. Crossroads was not destroyed by bulldozers by the end of last year, though the government had said it would be. But Crossroads' fate is still undetermined. We cannot take premature credit for keeping Crossroads in existence because the policy of that government still is that the whole western Cape is not an area in which people of this color will be permitted to live and work. Instead, these people are supposed to be living in some homeland hundreds and thousands of miles away. They are, therefore, illegal and the community will therefore be disbanded in some way at some time.

I talked with Percy Qoboza, with Bishop Mkatchwa, with Peter Randall, with Beyers Nandé, all newspaper and religious leaders who were either detained or banned. Peter Randall cannot even visit his kids at school because he can't be with more than one person at a time. Bishop Mkatchwa, one of South Africa's leading members of the clergy, cannot even leave his room at the mission.

I talked with people who had been recently tortured, who came out of confinement embittered; people who had been subjected to the kind of cruelty which you don't really want to hear me describe; people who had been told that they had the option of either talking or jumping out of the window; people who had been physically beaten, shocked with electric shocks, smothered by wet towels; people who when they were detained under these incredible circumstances couldn't even contact their family, let alone a lawyer. Nobody knew where they were. They were just picked up in the dead of night. Some were held for as long as a year, two years, under the Terrorism Act. These are people who had done nothing but share their ideas for the future of their country.

One detainee was very ingenius. He refused to sign a confession until finally the guard wrote out on a little piece of paper what he was supposed to write. Finally under tremendous physical duress, he wrote out what he was supposed to write but he managed to get his hand on the piece of paper on which the guard had written and he produced it in court later. He was then acquitted on the charge, but then immediately rearrested and subsequently convicted on a charge of stealing government property.

Now, that seems ridiculous, even laughable, but it is an illustration of the utter absurdity of the situation with which we are dealing.

I return to the point that South Africa has no rule of law as we would understand it. There is no rule of law in any sense other than that a law is a law, is a law because there is no social compact, there is no legitimacy, there is no independent judicial process, there are no reference points apart from what the legislature decides is the law that it wants to pass to do whatever it wishes with whatever persons in the population it wishes to do it to. And, of course, the legislature, which represents only a tiny fraction of the population in any case, is controlled from the top down by the Nationalist party and by a very small group of individuals within the Nationalist party who make the decisions.

So it is manifestly not anything like the struggle for civil rights in the United States and anyone who makes that analogy to the situation in South Africa, I think, is making a very misleading analogy. In the United States the effort was to bring reality into conformity with the laws and the Bill of Rights and the commitments in this country for equality within our democratic system. In South Africa the issue is not that at all. The issue is the distribution of political power—who makes the laws on the basis of what principles—and who is going to participate in what fashion in the political process.

There are those who say in Congress and in any discussion anyone ever has with anybody on the subject: "Why pick out South Africa?" Why, indeed. South Africa is the only nation on the face of the earth which institutionalizes racism in every element of the society. In that respect, it is unique and it is also so monstrous in its very nature and so fraught with dangerous implications not only for Africa but for the peace of the world that I believe it demands our attention. And to those who say, let us not provoke violence, let us not be unruly in South Africa, let us not take steps that will set person against person, I say to those people that what we have in South Africa is institutionalized violence.

Now, I came back from South Africa deeply pessimistic about its future. I wish I could stand here and tell you I thought there were some things that we could do together or some things that could be done inside South Africa that would result in significant changes within some foreseeable time frame. I am unable to tell you that I believe that is the case. People of all races in South Africa are deeply troubled about the situation. I have met and talked with those people. But I return to the point that there isn't a penny's worth of difference between the verligtes and verkramptes on the key, underlying fundamental political issues in South Africa. There is no one in power who's prepared even to begin a consultative process that has any status or formality to it, certainly not one that will deal with the fundamental issues in the society. What we have is the imposition therefore of a police state on twenty million people of color. The objective is to suppress all black leadership and to use whatever means are necessary including the most vile kind of torture—and if you will informal executions—of people in government custody.

The government's representatives respond very strongly to that. They say, "We don't do that. Those are unfortunate incidents that take place in individual cases. Those policemen shouldn't be doing those things. We have judges who have been appointed to go into the prisons and make sure everything is just so."

I visited a prison. Everything looked just so. You know, people were just sitting at desks, with papers and phones, in uniforms; it looked just so. But when you examine the facts of individual prisoners and the history as Amnesty International and others who have looked into this have put it together, you have to conclude that the government's posture with respect to those incidents in prison is tantamount in effect to a government policy of selected execution of people in prison.

So I am deeply pessimistic. There is no consultative process. There is a repressive structure of institutionalized racism which uses any means whatsoever to suppress black leadership and criticism of government policy from the white community as well as the black community. There is no willingness to look at the fundamental issue of power in the society.

I am not saying that it is easy to do that. We can all rehearse at great length all of the circumstances of South Africa's history and populations and development—and all that is unique and interesting. But the difficulty is that there is no will and there are no resources that are deployed in South Africa in any meaningful way to challenge the principles of apartheid. People are being told now that they will not be citizens of South Africa. The homelands are being created and people are being de-nationalized in the process. They will not be citizens now or in the future. The final blow to me was at the end of the one-hour discussion with an important Minister, Mr. de Klerk, one of the leading so-called verligte. We asked him some very tough questions about the gap between what they said was going on and what was actually going on in the country. He told us that all we had to do was look at the smiling faces on the streets of Johannesburg to know that things were O.K.

The discussion, too, about eliminating discrimination in this or that theater, about desegregating the rest rooms of people who work in this or that plant, has to be understood, I think, in perspective. As someone very aptly put it, that kind of activity, laudible as it may be in a limited context, is in relation to the problems South Africa confronts, the equivalent of moving deck chairs around on the Titanic.

Now, where does this take us? U.S. policy under Presidents Kennedy and Johnson and for years before that was, of course, always characterized by the willingness to condemn apartheid, to express abhorrence of apartheid. I did that too. I did that with great flair when I was with the U.S. delegation to the United Nations in the late 1960s. There was nobody who could express that abhorrence more forcefully than myself. The difficulty was that we couldn't do anything about it because our policy didn't permit it. Now, of course, there have been some modest changes along the way and I don't think we should ignore those. People demonstrated in front of the big New York banks in the early 1960s because they were propping up the South African government and economy after Sharpeville. Now such august organizations as even the First National City Bank and the Chase Manhattan Bank have decided that they are not going to increase their loan exposure. Of course, they have noticed there are certain economic difficulties that may lie ahead as the result of the current political situation, but nevertheless these moves are to be welcomed. The fact of the matter is that for all those years we did the minimum that we could get away with doing. Yes, there was something of an arms embargo but it wasn't easy to keep it firmly in place. Yes, we decided not to allow our Navy ships to call.

When I was in the State Department in the late sixties, it was really something if you could get a decision that said, no, the Navy ship will not call at the Simonstown Naval Base. And we took great encouragement from being able to work on the "grey area" sales question—for example to hold the line against the export of Cessna Aircraft or parts that could be used by a quasi military or police force to reinforce apartheid. And we did phase out direct loans under the export/import bank. While our policy was still mainly a declaratory one, we did pretty well on some of the minor issues during those years.

Then we went backwards, under Nixon and Ford and Henry Kissinger, who decided with his usual flawless sense of timing that the Portuguese were going to be in Africa a very, very long time and that, therefore, it was incumbent upon us to make our accommodations more open and more apparent with the existing white governments in South Africa. Then the Portuguese suddenly weren't staying. We keep learning this lesson over and over again, whether it is Iran or Chile or wherever. At any rate our policy toward South Africa went backwards a good deal during those years.

President Carter came in, and Andy Young and Mondale, and Vance and Don McHenry. Now let me say a word about Don McHenry, who is one fantastic and remarkable guy. He is going to be here tomorrow. He and I worked together on South Africa policy with the State Department. He was in Washington; I was in New York in the late 1960s. His is a very creative mind. He has done most of the work on Namibia in the last two and a half years, and is one of the real experts on South Africa. Perhaps he won't be able to tell you tomorrow quite all of the things he is trying to do. But in any case, Don McHenry is very, very worth while and I urge you to come and hear him.

But this whole new group, with the help of Dick Clark and others in the Senate and the House, re-defined our posture in relation to South Africa and Africa generally. The essence of this was that not every issue was going to be decided on the basis of a struggle with the Communists, real or alleged, that not every issue was going to be decided on the basis of a narrow economic interest or because we have done it such-and-such a way in the past or because the *status quo* is such and such. There was some very creative work done on Namibia and Zimbabwe. Of course, thank goodness, we decided not to go into Angola militarily. I think that I began to feel for the first time that I could really believe that our government would not intervene on behalf of the white minority government in South Africa if push came to shove. I hadn't felt that confident about that before.

Unfortunately, there has been almost no progress on South Africa policy itself even under this administration and that I find enormously discouraging because I had high hopes. Partly it is because we have Namibia and Zimbabwe, we are told. Or there are crises around the world. Or we don't want the Executive branch to get too far ahead of the Congress. You know all the arguments. I was actually told that we don't want to take additional steps towards South Africa only when there is a crisis; we want to show we really mean it and that means we should take some tougher steps when there isn't a crisis. Well, why don't you do them, I asked? Well, we never get around to it, I was told, when there isn't a crisis!

Then, of course, there are always the pressures from the powerful forces in our society that do in fact have some impact on South Africa decision-making in Washington. I'm talking about our corporations and our banks with interests in South Africa who by and large would be delighted to continue to do business in South Africa for as long as possible. They will often tell you about the distinction between economic issues on the one hand, and political issues on the other, and they will tell you they don't think it is their job to assess political situations; that their job is to go into an economic situation and attempt to get a return on an investment. That's their responsibility to the shareholders.

They are very uncomfortable with this whole business of the interrelationships between economic and political issues, particularly questions of what to do about particularly difficult situations like South Africa. So, of course, even when the State Department wanted to move forward on a series of things, they've gotten a lot of drag not only from the Defense Department but from the Commerce Department reflecting those interests and it's always been very difficult to move forward.

The Congress is an interesting case. Until recently South Africa has always been able to count on the Congress. There wasn't really any constituency in the Congress for some of the things I think we share by way of concerns and hopes for our country and its role in the world. There was for a time a reversal of the commitment to Rhodesia sanctions. As you know, we did turn that around and I think some of the newer members in the Congress, with newer attitudes on Africa, are beginning to get a bit of leverage that hasn't been there before. And there have been some encouraging developments. We didn't intervene in Angola. We turned the Rhodesia sanction thing around. Now we face another crisis with the efforts in the Senate to legitimize the Rhodesia government's elections in the hopes that something good may come of it. That is a whole other subject and I am not going to address that tonight; I think it would be a terrible mistake to legitimize those particular elections and I hope that we don't pass that resolution. I hope we can block that in the House.

But there have been some encouraging developments. The Ad Hoc Monitoring Group on South Africa which some of us formed after the death of Steve Biko and the October arrests and banning has been active. We said here we are United States Congressmen, some of us do care about Africa, we are not involved in it every day but people like Biko are being killed and we are doing nothing about it. Maybe Biko would be alive if we had such a group to focus attention on what's going on in South Africa's prisons and to try to bring the matter to the public's view in this country and around the world.

The *ad hoc* monitoring group met with the Ambassador of South Africa to the United States. Some of us subsequently went to South Africa. We wrote letters on the Terrorism Act and on the prison situation inquiring about specific cases and individual prisoners. We worked on a resolution to further limit Ex/Im Bank exposure. It seemed to me that right after the October developments even more than after Biko's death, it was essential for our government to finally do something. I was involved in conversations pleading with the State Department and the Executive Branch to at least take one concrete action by bringing our Ambassador home for consultation. Even if they couldn't figure out what the next policy step ought to be I felt it was essential that we show something other than just verbal response in that situation. And we did it.

I introduced the Ex/Im Bank resolution which everbody said was hopeless. Congress would never do anything, certainly not an economic step. Never had Congress taken an economic step against South Africa and it certainly wouldn't in this instance. After we managed to get it through subcommittee, people said it would never get to the full committee. It went through the full committee by even a larger margin. You will never get it passed on the floor, they said.

It was passed on the floor, in modified form mind you, and I regretted having eventually to vote for what I thought was a very watered-down version. But I did vote for it because it was the first time the Congress of the United States had ever taken specific economic action with respect to a step of increased pressure on South Africa. So, we did that. And Paul Tsongas and Tom Evans played an especially significant roll, as did Steve Solarz.

I was in South Africa at the time that the Ex-Im Bank resolution conference report finally went through. It was big news. One of the things which struck me was that South Africa in spite of all of their blustering about how they don't care what we say or do, is very much affected and concerned about the posture of the United States and they tend to interpret what we do in terms that are more exaggerated even than what we in reality do. That gives us, perhaps, more leverage than we think we have—an interesting lesson.

We got some money appropriated for the U.N. Trust Fund for South Africa, $200,000 this year. The U.S. hadn't contributed since 1969 to the U.N. Trust Fund and at that time we gave a whopping $10,000. So there is a little progress there. We got eighteen Congressmen, key leaders on both the Democratic and Republican side, to stand up and say the Crossroads situation was outrageous and we introduced a resolution which was fairly unprecedented. It called upon the South African government not to do something that they had announced they were going to do. Fairly unique. Usually what we do is wring our hands and condemn people afterward. But we don't try to influence the course of events in advance and in this case we departed from that and we did try to influence events in advance and to some degree I think we have at least changed the time schedule and perhaps the means by which they are going to deal with the Crossroads situation.

We have had the very excellent report by Dick Clark clearly stating what I think is an absolutely incontestable fact: that our economic involvement in South Africa at critical times in the 1960s and 1970s and again now props up a government which has used all of that propping up over thirty years not to change gradually for the better, which is what we are constantly being told is supposed to be the end result of this kind of involvement in South Africa, but to tighten the screws of repression. We give them the respite, the support, the financial backing to do that. If you look at the history of the development of South African law over the thirty year period, if you look at what has happened with respect to the activities of the government, even the ideology, in terms of separate development and so on, you come to the inescapable conclusion, as Clark did, that we have helped them maintain and consolidate their apartheid system. You can't be neutral about this. Either you're there participating in it or you're not, and the fact of the matter is that we have been there and we have been participating in it and our hands are very bloody.

Now, what is to be done? I am of the opinion that government action and financial support which tends to support apartheid can no longer and should no longer be tolerated. I believe that it undermines our own policy which has been stated as "progressive transformation" toward full participation in the political process. Because we are not going to do it all in one fell swoop, I would argue that we need to develop a set of graduated steps of pressure and of disengagement. This is not a unique idea, it has been advanced by many thoughtful people. Now it may be that we want the President of the United States to have one more conversation with the top leadership of South Africa and point out that since the Mondale meeting things have gone badly. Of course, we would say that we are always willing ultimately to redirect our policies if the conclusions we have drawn from the last thirty years and from the last two years specifically prove to be wrong, but the conclusion we have reached is that we are going to proceed on a set of graduated steps and increase pressures.

Yes, we would be hoping that there would be some changes in South Africa, but basically we would do this because our own interest demands it. Because it is in our own interest to embark on this policy. And then to embark on it.

Those of you who have studied the history of international relations in this century and before, know about all the great foreign policy debates about morality and power politics. You get into trouble if you make legal agreements based on moralisms that nobody can count on in the real world. The Japanese still build their ships and prepare for World War II. Then, learning that lesson, we decide to be tough guys and we're going to protect the interests of the United States wherever and whenever and you get into the pattern of military security as the only value. Hopefully, I think we can all recognize that at some deeper level, U.S. interests are only going to be protected over time to the extent that we are, and that we are seen to be, on the right side of issues that cut to the very fundamental principles for which we stand as a country and as a people.

So, even if you want to argue that by taking specific graduated steps with respect to South Africa we will not materially affect the situation there, I would say to you that for the future of our relations with South Africa, including whether we're going to get their minerals; for the future of our relations with the continent of Africa, our relations with the third world, and our relationship to questions of peace and security throughout the world, as well as our ability to live with ourselves, that it is manifestly in our interest to adopt this kind of a policy toward South Africa now.

As difficult as it is to see how change is going to occur, and I am very pessimistic about it, I don't think we should dismiss altogether the possibility that actions that we would take might have some impact. I do think it is true that governments do not change fundamentally anywhere, anytime, in the world until there is a combination of internal and external pressures, and the mix of internal and external may differ in one place or another. Obviously, in Iran, the pressures were essentially internal. I think in the case of South Africa they will still be mostly internal. There is a lot of activity internally and externally after Sharpeville, or after Soweto; the internal and external pressures work very closely together. South Africa may demand more external pressure than has been the case in some other places. Even though it is going to be difficult, even though it is going to be tough to see how any action that one might take might effect the situation in a concrete way, it is nevertheless the case that the prospects of isolation from the United States is something that the South African leadership is more concerned about than they would be prepared to admit. We are the leader of the free world. We are the most powerful country in the world. They are desperately afraid of Communism and I simply think it is a fact that what we do has impact beyond the dollar signs and the numbers and percentages which anybody who wants to argue against doing anything with respect to South Africa will inevitably trot out to convince you that we are only a small part of the total picture.

Actually, if you look at some of the figures, they may be a bit surprising. While we may have just a few percentage points of the total investment picture of South Africa, listen to these figures: The U.S. is South Africa's first and most important trading partner in terms of total dollars. We are the second biggest foreign invester. We provide almost one-third of South Africa's foreign credit. Foreign investment has been roughly 11% of the total in South Africa since World War II, so foreign investment is very significant to South Africa; and foreign liabilities today incurred by South Africa amount to 69% of the gross domestic product. That was in 1976. The U.S. has somewhere between five and six billion dollars of exposure in South Africa, ten times what it was in 1960, and we provide something like 20% of the total foreign investment in South Africa which is double in percentage terms what we provided in 1960.

So when we talk about the private sector, if we look at the numbers in a certain way they are impressive. And if we look at where the money is going, we are struck by the fact that it is primarily into things like computers, transportation, energy and steel—key sectors in the economy and sectors which obviously have some importance in military and police state terms, as well as simply the benign economic development side.

The Sullivan Principles, famous as they are, seem to me to be peripheral in their importance in the context of what I have been talking about here tonight. That is not to say that it isn't nice to employ a few more people. It is not to say that it isn't nice if people are actually paid a better salary; that it isn't nice if people can go to the same bathroom facility. What I am saying is that if there are people who want to work on the Sullivan principle, and they are not willing to work on more significant things, then let them go ahead and work on these. Even if the principles could be fully applied, I don't think they will be. A minority of companies have subscribed to them. They are very difficult to monitor and they don't address fundamental issues even within the economic realm. The most serious shortcoming of Sullivan Principles is that they misunderstand the basic problem and therefore may ultimately be a distraction and therefore be negative on the balance sheet of our thought processes and our commitments about what needs to be done in South Africa and what we need to do in relation to South Africa.

An indication of this weakness of course is that the South African government has embraced The Sullivan Principles with great enthusiasm. The fact of the matter is that U.S. corporations, and all corporations in South Africa, have worked well within the framework of apartheid and have done precious little to provide any meaningful pressures for fundamental political changes or even for changes that would be meaningful within an economic context. The behavior of U.S. corporations certainly would not be changing now except for the fact they are under a lot of pressure. Maybe now that they are under a lot of pressure the situation will improve.

I visited Ford, one of the biggest U.S. companies in South Africa. I was told that Ford had been in the leading position with respect to bringing black Africans into training programs, management possibilities, etc. I met with the top executives of Ford. We had lunch and they showed me a piece of paper. It showed all the non-whites that are employed. We set the wage employees aside and I looked at the non-whites that are employed in management. They explained that they were just about to promote somebody from grade 8 to grade 9. And I said what does grade 9 do? Well grade 9 supervises some people in the computer room, or on the floor of the plant. I said there must be some management categories above that. This sheet of paper they showed me only went up to grade

8 and they made the mistake of mentioning grade 9 which wasn't on the sheet. So I then said, "What else is there other than grade 9 that isn't on the sheet?" It turned out that there were about 400 employees in management grades of 6, 7 and 8. But it turns out there was also grade 9, grade 10, grade 11, grade 12, grade 13 and grades 14, 15 and 16. Grades nine through sixteen had 1,150 of the 1,600 management employees. How many of the 1,150 do you think were non-white? Zero. So much for Ford's leadership.

I visited one of the deep mines and was told that there was going to be a major increase in the amount of housing that was going to be available for families working at the mine. I asked, how much, and it turned out the increase was going to be from 1% to 2%.

I asked the members of the American Chamber of Commerce in Johannesburg if they were concerned about the Terrorism Act and if they felt it was within the purview of their possible concerns and interests in South Africa to make some representations to the government on the subject of the Terrorism Act as it might affect some of their employees and certainly affected the basic environment in which they operate. They said they preferred to stick to economic issues.

Now when we get to what steps do you take, there is a whole long laundry list. If anybody here hasn't read the Foreign Affairs piece by Cotter and Ferguson, read it. It is very instructive. There are a lot of good ideas there, forty-one steps we can take, short of mandatory sanctions, short of ending trade, or withdrawing existing investment on giving direct support to liberation movements. There are many steps we can take that don't get us into those things.

So what do we do if we're serious about bringing some additional pressure on South Africa? Maybe we bring our commercial attache home. Maybe we say that the U.S. government should not be putting itself in the position on behalf of the people of this country, of encouraging trade or applications of additional credit or capital to the South African situation. In other words, just stepping back from encouragement would be a first step, would be an improvement. Maybe we say, let's stop the Commodity Credit Corporation from dealing in sugar. Instead of not encouraging or discouraging investment, maybe we should discourage investment, or better yet say no more investment. There is a bill in the Congress now that would do that. The Scandinavians have suggested that at the United Nations. Perhaps we should bar any additional loans to governments or government corporations. If the Chase Manhattan Bank and First National City have done it surely we can do it as a matter of national policy. Yet the Carter administration is not yet to the point where they will accept even that modest step.

Perhaps we should say that U.S. companies should forego their tax credits if they contribute in any way to projects related to apartheid, or if they don't fully report on their application of a modified and toughened up Sullivan code. Should we have nuclear sharing arrangements with South Africa? Should we be selling them uranium? Should we be sharing military and intelligence information? I would suggest that if we want seriously to match our actions with our rhetoric about apartheid that the answer has to be no.

Should we perhaps move in the U.N. to declare that South Africa and the internal situation there is a threat to the peace. We have already taken a step by saying the sale of arms is a threat to the peace. But declaring the internal situation a threat would be another important step. At any rate, these are some ideas. You don't do them all at once. You say, in four months we are going to do this; in six months we are going to do that; and in eight months we are going to do that. You let them know what is coming down the pike as you move to protect U.S. interests and hopefully get some changes, at least of perception, in South Africa.

What about universities? I happen to think that institutions cannot easily be interpreted as single purpose entities—in this case let us say the role of the institution is to educate—that do not become inextricably intertwined with relationships with power and, therefore, with questions of political importance. There are always those who would say that the university should not be at the forefront of the civil rights struggle, should not get involved in the Viet Nam debate, should not take action in relation to South Africa. I think that's a short sighted and rather narrow view of a university.

Let me just quickly give you some arguments that were made recently to me by a college president and my answers to them.

With regard to the agreements that the role of an educational institution is to educate and not get involved in every issue that comes down the pike, I would suggest that what an institution stands for is also important.

Well, what we would do at a university would not be effective inside South Africa, it wouldn't make any meaningful impact on the situation there, it is said. I've already argued that we ought to do it in pursuit of our own national interests and I would say that to universities as well as to our government. Besides there is reason to hope that an accumulation of pressures might assist change.

People say certainly we won't have any leverage if we take our dollars out; after they're out, you don't have any leverage, by definition. That's a good debating point. But the fact of the matter is that you can exert leverage sometimes by getting out.

There are those who say there are better ways, better things to do, that students are simply picking the nearest target which happens to be the trustees. Why don't the students get involved instead with what the Congress should do? My answer is that we all pick targets where we can and why should anybody be excluded from pressure if some increment of movement can be achieved?

We are told that the matter is really for the government to decide and other institutions should not be put in the position of having to make those decisions. I would agree that it would be best if our government would make those decisions, but if it doesn't, then is it not our responsibility to ask the institution with which we are associated to behave in ways that we think are in our interest and that are, at their base, moral?

I am told that people have rights as individuals, if, for example, they serve as directors on the boards of companies which have interests in South Africa. I would say O.K., of course, people have rights as individuals, but a college president or a member of the Board of Trustees is by virtue of that position more than an individual.

So I would say that a university does have a responsibility to talk within itself—students, faculty, trustees—about these issues; that a university ought to vote on proxies that come before it in its role as an owner of a company; that it ought to assist in framing the issues that come before the corporations with which it is associated; and finally that it ought to be willing to evaluate against some set of criteria the results of actions that are taken with respect to the South African question and act according to a deliberate set of criteria when those results either are or are not achieved.

It's interesting to look across the country at places like Stanford, Yale and Harvard and others that have had committees that have made reports on what ought to be done on South Africa. Distinguished people have been pulled together to make recommendations and, of course, some institutions are doing some things, including Amherst, which has taken some steps which only a few years ago would have been absolutely incomprehensible. Nobody would ever have expected that any dollars would have been withdrawn, or that any criteria would have been established.

But, interestingly, again and again, you find institutions don't take anything like the steps that are advocated by those thoughtful, expert committees that are established to study the question. And sometimes it even appears as if there is some feeling that the thoughtful committees somehow aren't really all that thoughtful, that they don't understand adequately the real world, and so on.

I would close by quoting from the words of one truly thoughtful committee person at one well known university: "I believe it is an integral function of a university to transmit values as well as knowledge—values such as the pursuit of wisdom is a worthy end, that justice is better than injustice, that man and society are ennobled by living in conformity with ethical principles, that an individual's humanity is to be respected and not crushed by violence, intimidation and exploitation. If universities, particularly great universities like Amherst, do not nurture, preserve and transmit such values, those values will not long survive. They will be displaced by other expedient principles of action and future generations will be the less for that loss.

"Now rational men and women like, of course, to think that significant policy decisions such as taking more far-reaching steps on the South Africa question will be efficacious. We all want what we do to be efficacious, to have some demonstrable impact. Perhaps a policy of what we would call progressive divestment would have its primary impact on the univeristy tself and on the community's opinion of itself and of its leadership. It may touch the sensibilities of some corporate executives, but it is not likely to affect corporate withdrawal. To the extent that it gives a measure of hope to black South Africans, it might even reduce the violence bred by utter hopelessness. And if it shocks some white South Africans, it may induce them to examine more closely the injustice and official violence around which South Africa society is organized.

"But are these consequences sufficient? Perhaps the answer can be found in an address which Robert Kennedy delivered at the University of Cape Town on June 6, 1966, when he said: it is from numberless diverse acts of courage and belief that human history is shaped. Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current which can sweep down the mightiest walls of oppression and resistance."

So with respect to South Africa and elsewhere, we need a policy, a human rights policy, which looks further forward and anticipates these crises before they begin. We need a policy which states clearly our position against these violations and which promises action if they persist, as the gentleman from Ohio has so cogently pointed out.

With respect to South Africa, we should stop encouraging trade, we should urge the Commodity Credit Corporation to stop dealing in sugar, we should pro-

mote a policy of no investment, we should bar loans to government corporations. If Chase and First National City can do it, surely our Government can do it as a matter of national policy.

Such actions would give black South Africans a glimmer of hope and might well induce white South Africans to reexamine the injustice and official policy of violence around which South Africa is organized.

Consistency, certainty and patience are all critical components of a successful human rights policy. For where we do hold firm, where we are vigilant, we as a nation committed to freedom can function as an agent of moral change. We have produced stunning successes in the area of human rights. By keeping the pressure on in Africa, in Eastern Europe, and the Iberian peninsula, the cause of human rights has been immeasurably furthered.

During the last year the empires of Idi Amin and Emperor Bokassa have crumbled. Because of a mixture of outside intolerance by the world community and pressures mounted from within, two of the most terroristic regimes in the world finally fell. In Spain and Portugal over the last years, rightist military regimes gave way to impressive democratic states. In Portugal the revolutionary government which replaced Salazar has itself been replaced by a centrist government established through plainly constitutional elections.

With respect to Eastern Europe, Poland has made incremental movements toward liberalization. The Polish People's Republic ratified the United Nations covenant on civil and political rights in 1977. A number of human rights organizations have since become active. The Polish Government, however unwillingly, is permitting some limited degree of dissent, and the door was opened in June 1979 for the first Polish-born Pope to return to his homeland for a brief visit. As a result, the Catholic church is once again at the forefront of the liberation movement behind the Iron Curtain.

I should note, as well, that we are within days, perhaps hours, of final agreements on Zimbabwe-Rhodesia. After months of tortuous and difficult negotiations the stand that many of us took here, which was that the political and human rights issues at stake in Zimbabwe-Rhodesia were of such importance as to require that we continue a policy of sanctions until the outstanding issues were resolved, that approach appears now to have borne important fruit.

But the achievements that we can point to are still the exceptions and not the rule in our world today. The universal rights of man, enjoying to various extents a renewed appreciation in Poland, the Central African Republic, Uganda, Spain, Portugal and Zimbabwe-Rhodesia, are increasingly on the decline the world over. Before November 4, Americans accepted and understood this, but somehow often many of us did not feel it strongly enough. Now we do. Now we know.

On this Human Rights Day, which is marked in the United States with such a heightened feeling of pain and urgency, it is most appropriate for the Congress to be devoting these hours to a colloquim in honor of these transcendant beliefs. It is an integral function of Congress to transmit values as well as laws—values such as that justice is better than injustice; that man and society are enobled by living in conformity with ethical principles; that an individual's humanity is to be respected and not crushed by violence and intimidation. We must function as a forum for the encouragement of these ideals.

In conclusion, Mr. Speaker, I would like to thank the gentleman from Pennsylvania (Mr. EDGAR) for joining with me in this special order and express on his behalf and on my own behalf our thanks for all of the Members who participated in this special order.

● Mr. DERWINSKI. Mr. Speaker, in any discussion of human rights, attention is usually given to the violation of human rights, as well it should. Attention normally is also drawn to current and dramatic violations. We might then tend to ignore the longstanding, although less noticeable, patterns of large scale human rights violations. I would like, therefore, to point to the victimization of the people of entire countries as a priority subject for examination in the human rights context. Of all the captive nations in the Soviet grasp, there is a special category of national tragedy; I refer, of course, to the Baltic States of Estonia, Latvia, and Lithuania.

Soviet annexation of the Baltic States in 1940 was an international outrage, and Soviet policy today toward these States continues to be reprehensible. The Latvians, Lithuanians, and Estonians are distinct national peoples with cultural, linguistic, and religious traditions markedly distinct from the Great Russians who dominate Soviet cultural life and national politics. Soviet policies toward the Baltic States are especially harsh against the Lithuanians. Soviet occupation of Lithuania has been characterized by brutal measures to eradicate the Lithuanians as a distinct people, to destroy their language, their religion, their customs, and their culture. Lithuanian dissidents have been jailed, tortured, and sentenced to Soviet labor camps and psychiatric wards.

Historically, Soviet occupation of the Baltic countries stems from the agreement on September 23, 1939, known as Ribbentrop-Molotov Pact, between Germany under Adolf Hitler and the Soviet Union under Josef Stalin. This treaty divided Poland, permitted the Soviet Union to attack Finland, and gave Nazi Germany a free hand, after its conquest of Poland, to concentrate its forces in the West, conquer France and unleash the Battle of Britain. Hitler and Stalin are dead and repudiated by the entire world including their own peoples and their subsequent governments. Yet the impact of their infamous agreement is still felt; Soviet armies continue to occupy the Baltic States without legal or moral justifications.

Thus the human rights of millions of Baltic persons have been systematically violated for decades on a very profound and personal basis. Beyond this, however, one of the most fundamental of human rights, that of national self-determination, has been consistently repressed.

Our attention and that of the other free nations of the world should be directed to this special pattern of systematic and gross violation of human rights on the part of the Soviet Union.

House Concurrent Resolution 200, passed by the House on November 13, 1979, by a vote of 390 to 0, and now under consideration in the Senate, calls the Soviet Union to account on this issue. The United States has never recognized the illegal Soviet occupation of Estonia, Latvia, and Lithuania. Thus, the resolution reiterates the U.S. commitment to the principle of self-determination and seeks to have the Soviet Union implement principle VIII of the Helsinki Final Act and restore equal rights and self-determination to the Baltic people through free elections.

In addition, the resolution calls upon the President to bring the matter of the Baltic States to the attention of all nations and seek their cooperation in the realization of independence of the Baltic States.

In this connection, although not in the same category as the Baltic States, an other country where the systematic Russification of an entire society has taken place, is the Ukraine. The Ukrainian people, distinct in their culture, have long been subjected to great Russian domination and repression.

Documents circulating in the "samvydav" in the Ukraine, attest to the current disappearance of the Ukrainian intellectuals. The great Russian administrators for the Ukraine, it would seem, are using even the weapon of contrived disappearance against Ukrainian cultural figures. A composer and a philosopher, for example, have disappeared recently. The spirit, physical health, and even the lives of these disappeared minority peoples are stifled and even smothered in the psychiatric hospitals of Russia and the Siberian forced labor camps.

We should speak out once again on behalf of these tragic figures, the millions of victims of systematic and gross violations of their human rights. They are victimized as individuals, as peoples, and indeed as entire nations.●

● Mr. BRODHEAD. Mr. Speaker, I am pleased to join with my colleague, Congressman ANDREW MAGUIRE, in the observance of Human Rights Day, which has been designated by the United Nations to help promote and secure basic human and political rights for all the peoples of the world.

It is often difficult for Americans to comprehend and appreciate the gross abuses of human rights throughout the world and the terrible effect these abuses have on people's lives. We enjoy an unprecedented level of freedom in this country to worship as we wish, say what we believe, and live where we choose to live, without fear of Government intimi-

dation or reprisals. Scores of countries have followed the example of our Constitution and the Universal Declaration of Human Rights and have included strong, written safeguards for human rights in their laws.

Unfortunately, some nations pay only lipservice to the rights of their citizens. The gross abuses against the rights of Ethiopians, Argentine, Soviet Jews, and Evangelical Christians; the "trial" and summary executions which have occurred in Iran; and the illegal and inhumane imprisonments in Northern Ireland have outraged the world. Organizations such as the Nobel prize-winning Amnesty International have been very effective in documenting these cases and in bringing them to public attention. The word is out; and we as a nation cannot ignore it.

While the United States cannot mandate the policies of other nations which ignore basic human and political rights, we also cannot condone them. The President and the Congress must use every means at our disposal to foster the principles of the U.N. Declaration of Human Rights. The position of our country should be made clear to all at every opportunity, for we must never appear to condone by our silence policies which debase human dignity.●

● Mr. OTTINGER. Mr. Speaker, it is essential that we join in raising our voices today on Human Rights Day, for this day affords us the opportunity to reflect on the basic rights we as Americans enjoy—freedom of speech, religion, travel, emigration, the right to a fair trial. While we often take our freedom for granted, recent events in Iran remind us of how vulnerable liberty is. We cannot forget the Americans who are held hostage, nor the millions of individuals around the world who are denied these rights which are so essential to human dignity.

In 1975, 35 nations of the world joined as signators of the Helsinki Final Act, thereby agreeing to "respect human rights and fundamental freedoms, including freedom of thought, conscience, religion or belief without distinction as to race, sex, language or religion." The accord also stated:

> Every one has the right to leave any country, including his own and to return to his country.

This accord which set an international precedent, however, remains an allusion, blatantly disregarded by the Khomeini regime, as well as by the Soviet Union—one of the signators of the act. The Soviet Union continues to persecute their Jewish citizens and other minorities, denying them the right to emigrate, the freedom to pursue their religious faith, and the opportunity to apply their professional training. We who have the liberty to speak out must persist in letting Iran, the Soviet Union, and all other nations that do not recognize the sanctity of individual freedom, know that we cannot tolerate their abuses of human rights.

I would therefore like to use this occasion to speak out on behalf of my prisoner of conscience, Amner Zavurov. Zavurov is a victim of the same "Catch 22" which entraps so many other Soviet Jews. Unable to tolerate constant anti-Semitic acts against him and his family, he applied to emigrate to Israel. As a result of his visa application he had to relinquish his internal passport. Upon being denied a visa, he refused to take back his passport because by doing so would have voided his visa application. Without a passport he could not get a job and was subject to arrest. He was tried without a defense attorney, a right guaranteed by Soviet law, and charged with parasitism, malicious hooliganism, and violations of passport regulations. Zavurov, a radio technologist, now 29 years old, married and a father, was sentenced to 3 years imprisonment and is currently serving his sentence. Twenty-six of my colleagues joined me in writing to Premier Brezhnev on Zavurov's behalf. We have yet to receive a response, nor do I expect one.

But I know our protests are being heard. Just this past April my prisoner of conscience, Vulf Zalmenson, was released 1 year before his term expired and was allowed to emigrate to Israel. While we should be encouraged by Zalmenson's release and the significant increase in the number of visas being granted by the Soviets over the past year, we cannot let these numbers distract us from reality. As the number of visas increase, the persecution of the leaders of the refusenik movement intensifies. Furthermore, we cannot allow those who seek to emigrate to be used as pawns in the Soviet's efforts to gain their international political and economic objectives: most-favored-nation status, international credit, and SALT II.

With the 1980 Winter Olympics approaching, I am especially concerned about the fate of the leaders of the refusenik movement. There is clear evidence of the Soviet's campaign to "sanitize" its cities of dissidents to prevent possible "embarrassment." We too would be embarrassed if our most talented and educated citizens sought to leave our country, but had to be restrained by physical force and mental abuse. But so long as the Soviet Union continues to harass, persecute and oppress those who desire their basic rights, they will remain an embarrassment to the world community that recognizes human rights as inviolable, especially to the signers of the Helsinki Final Act and the Declaration of Human Rights.

In observance of this day let us remember our responsibility to the courageous individuals who have chosen dissent in the face of severe consequences. Let us reaffirm our commitment to these determined individuals and rededicate our efforts on their behalf by continuing to let the Soviet know that we will persist until all individuals are granted the liberty to enjoy their rights which are essential to the dignity of mankind.●

● Mr. OBERSTAR. Mr. Speaker, the rights enjoyed by Americans are rights denied to the majority of our fellow human beings. As a nation founded upon the principle that all persons have certain inalienable rights, we cannot remain silent in the face of the overwhelming violation of those rights throughout the world. We are fortunate to live in a nation with a strong democratic tradition and with the military and economic strength and the will to sustain that tradition.

Our good fortune carries with it the inescapable responsibility to work for the extension of human rights throughout the world.

If the United States does not speak out against the violation of human rights no matter where they occur, then we cannot expect any nation to speak out.

If this Congress is not a forum for human rights, then no legislative body need be.

While we will not impose a commitment to human rights on the governments of the world, we cannot remain silent and insular. Democracy is a tradition, a right, a privilege and a responsibility.

In this country, every day must be Human Rights Day, a celebration of our rights as Americans and a commitment of ourselves to the extension of those rights.

The fundamental ideology of democracy, self-determination, and of human rights is far more powerful than the weak ideology of totalitarian regimes which must use coercion and terror to impose their denial of the individual's rights.

The natural superiority of a system based on the freedom of the individual must be augmented by the coherent, sustained and forceful commitment of democracies throughout the world.

The people of this Nation have that commitment. As their Representatives, we must make every effort to insure that the actions of this body and of this Government demonstrate that commitment and contribute to the greater enjoyment of human rights worldwide.●

● Mr. KEMP. Mr. Speaker, on this Human Rights Day 1979 it is crucially important that the Congress recognize one of the most glaring examples of religious and political abuse in the world today—that of the Communist oppression of Christians behind the Iron Curtain. Literally hundreds of Christian political prisoners have been incarcerated for expressing their religious or political beliefs in ways that have officially been sanctioned by the Helsinki accords.

I have long supported the efforts of the National Council on Soviet Jewry and other groups like it to secure the release of Soviet Jews persecuted because of their faith. Now I believe it is time to launch a companion effort to aid those persons in the Christian community who have also been persecuted for their faith or for their political beliefs.

Today I am joining my colleagues in the Senate, Senator ROGER JEPSEN and Senator DAVID BOREN, and my colleague in the House, Representative JAMES HOWARD, in introducing two companion bills whose purpose is to launch a major national effort to release Christian political prisoners behind the Iron Curtain.

The first bill, House Concurrent Resolution 222, gives the names of several persons of many different ethnic heritages who have been persecuted by the

Soviet Government or its satellite Communist governments, in the hopes that focusing attention on these persons will emphasize the strong need for the reestablishment of standards of human rights outlined in the Helsinki accords and subsequently ignored by the Soviet Union.

The second bill, House Concurrent Resolution 223, initiated by Senator JEPSEN, expresses the sense of the Congress that the President should reaffirm the commitment of the United States to the provisions of the Helsinki accords, communicate to the Government of the Soviet Union in the strongest terms the disapproval of the United States of religious harassment of Christians and of the restrictions on the freedom of such Christians to emigrate, and advise the Soviet Government that the United States expects the Soviet Union to honor its commitments under the Helsinki accords.

We can no longer ignore the magnitude of the problem that exists for Christians who live in constant fear behind the Iron Curtain. I urge my colleagues to support this effort, and to make known to the Soviet Union their concern for the welfare of these innocent people.●

● Mr. HARRIS. Mr. Speaker, there are many throughout the world who will never know that December 10 is the day picked for the worldwide celebration of human rights. Some are in prisons on trumped-up charges, some are starving to death while war ravages their homes, some are in cities far away from their families and loved ones, and some are on boats floating helplessly at sea.

Those of us who are free to speak our minds must use this forum, and any others available, to raise human rights concerns. We must raise the priority accorded to human rights at the same time we recognize the human rights violations throughout the world, which are of the gravest nature.

The rights we are promoting here today are not parochial American values we are forcing on others. They are standards first laid down in the Universal Declaration of Human Rights. They speak to the basic dignity of human beings and are the product of three decades of international consensus. Briefly stated they are:

The right to be free from governmental violation of the integrity of the person;

The right to fulfillment of such vital needs as food, shelter, health care, and education; and finally,

The right to enjoy civil and political liberties; freedom of thought, religion, assembly, speech, and the press; freedom of movement; and freedom to take part in government.

Regretfully, these rights are not granted or guaranteed in many parts of the world. Although emigration figures from the Soviet Union indicate that more individuals have been allowed to leave Russia, during the last year, there are still many "refusenik" families who are being denied their basic human right of being able to choose where they will live. There are the prisoners-of-conscience who are either in prisons or in areas far from their homes—sent there because they committed the crime of expressing their wishes to move to Israel. On this Human Rights Day, I will take the opportunity to stress to the Soviet Union the deep concern felt on this issue by the American public, Congress, and the administration.

In other parts of the world we have similar situations. The refugee crisis we are faced with today must be coupled with an examination of human rights issues. It is very possible that if all governments faithfully observed the precepts set forth in the United Nations Charter and the Universal Declaration of Human Rights 1948—in particular those sections dealing with the integrity of the person and political freedoms—we would have no refugee problem.

The pictures on our television sets or in the newspapers of faces of people suffering, of an anguished Cambodian child, of an overturned Vietnamese fishing boat, indicate the need to set aside a day to speak of human rights. These human beings cannot speak out for themselves and we must. At this time, we must also speak out for the 50 Americans who are being held and silenced against their wills. We hope they will be home soon.●

● Mr. SOLARZ. Mr. Speaker, 31 years after the Universal Declaration of Human Rights, the Republic of South Africa continues to systematically exclude nonwhites from the social, economic, and political life of their country solely because of the color of their skin. As we enter the last two decades of the 20th century, apartheid stands in stark contradiction to the fundamental principles of human dignity and individual liberty which we are celebrating today.

The people and the Government of the United States must remain vigilant in our efforts to change the apartheid system. We cannot bear silent witness to the day-to-day discrimination and deprivation which beset 18 million nonwhite South Africans. While taking note of the encouraging progress which has been made by the South African Government over the course of the last year, as well as an emerging recognition on the part of the National Party leadership that meaningful political, social, and economic changes must be made, we must continue to insist that the South African Government move more quickly in the direction of fair and reasonable power sharing arrangements for all the people of that nation.

The prospects for peaceful change in South Africa will depend primarily on the people of South Africa themselves, but the international community in general and our own country in particular have an important role to play as well. For that reason, the efforts of the Ad Hoc Monitoring Group on southern Africa are particularly important. Certainly Congressman MAGUIRE, Congressman DOWNEY, and their colleagues in the monitoring group have served an enormously useful purpose in educating much of the Congress and the country about human rights violations in South Africa.

As chairman of the House Foreign Affairs Subcommittee on Africa, I believe the struggle for human dignity and justice in the Republic of South Africa poses one of the most significant moral issues of our time. The time has come for the United States to match its rhetorical sorties against South Africa with a responsible and realistic program designed to distance ourselves from the apartheid system and aline ourselves with the forces seeking a peaceful transition to equitable power-sharing arrangements in that nation. Next spring the Africa subcommittee will hold extensive hearings on U.S. policy toward South Africa. Mindful of our unshakeable commitment to the Universal Declaration of Human Rights, we will consider various legislative proposals premised on our abhorrence of the apartheid system. In the meantime we will be carefully watching the political situation in South Africa, hoping that the rulers of that country understand the need to develop a political dispensation for their country which includes all of the people of South Africa and which is based on genuine participation rather than being arbitrarily imposed.

The National Party came to power in South Africa in 1948—the same year the Universal Declaration of Human Rights was adopted. Since that time, the National Party has been speeding forward on a collision course with a growing worldwide appreciation of the value of human rights. The South African Government's strategy of cosmetic and seductive modifications of apartheid, now semantically upgraded to "separate development," has exhausted the patience of international observers. We must insist that black, colored, and Asian South Africans are treated, in the words of the late Dr. Martin Luther King, Jr., not by the color of their skin, but rather by the content of their character. In so doing, we will aid the peaceful struggle for justice in South Africa, while reaffirm our devotion to the highest democratic ideals of our own Nation.●

● Mr. BIAGGI. Mr. Speaker, I join with my colleagues in observing a most important national and international event—Human Rights Day. Clearly, since the time that Jimmy Carter has been President there has been an unprecedented level of attention being focused on human rights—a development that can only be considered good.

According to the President, human rights is the very "cornerstone" of U.S. foreign policy. This has translated into a renewed interest and advocacy in the cause of human rights and has restored morality to foreign policy.

As we observe Human Rights Day, we continue to be agonized over the deprivations of human rights being directed against our fellow Americans held hostage in Iran. The Government of Iran has demonstrated its complete disregard for all precepts of international law and basic morality. The denial of physical freedom is as basic a violation that could be directed against a person. For those 50 Americans, their freedoms have been denied since November 4. Iran is on the verge of adding to its unenviable record, procedures which threaten to violate the civil rights of Americans—

namely their imminent "trials for spying."

I serve as chairman of the Ad Hoc Congressional Committee for Irish Affairs, an organization which has 130 of my colleagues as members. In the 2 years that the committee has been in existence, we have raised the Irish issue from a position of relative obscurity to one which now enjoys national and international visibility.

Perhaps the one issue which has helped raise the Irish question to the level of world attention it has enjoyed, has been the issue of human rights. My involvement with the Irish issue stretches back almost one full decade. When—I was speaking about human rights violations in the North of Ireland, I was criticized and my opponents said it was not in issue. Today—10 years later—I find myself in agreement with these individuals. Human rights violations in Ireland are no longer in issue—they are a confirmed fact.

Let us review the record. In 1976, the United Kingdom which has direct rule over Northern Ireland was brought before the European Commission on Human Rights charges that they regularly practiced inhumane policies against prisons and prison suspects in the north. In 1977 these charges became convictions before the European Court of Human Rights and subsequent to that, the United Kingdom in fact admitted their guilt.

In 1978, the Nobel Peace Prize winning organization Amnesty International cited British Government security forces for inhumane treatment of prisoners and prison suspects—practices which Great Britain pledge to end. This evoked worldwide concern and the British Government, in an effort to discredit the findings of Amnesty, created a commission to verify the Amnesty claims. This Commission known as the Bennett Commission did not repudiate Amnesty's findings—they confirmed them.

Since that time I have been leading the effort in Congress to have Great Britain improve on its human rights record in Northern Ireland. In May I introduced House Concurrent Resolution 122 which calls upon Great Britain to embark on a new peace initiative for Northern Ireland, one which promotes self determination and restores all lost human and civil rights of the people of Ulster. The legislation enjoys the cosponsorship of 81 of my colleagues, not to mention widespread support throughout the Irish American community.

The human rights issue in Ireland was the subject of an important debate in this House on July 12. The issue was an amendment I had sponsored to the Department of State's fiscal year 1980 budget bill prohibiting the use of any funds for the sale, export, or transfer of defense articles to Great Britain for use in Northern Ireland. This amendment was offered in response to a decision made in Janaury of 1979 by our Department of State to send 3,500 weapons made in the United States to the Royal Ulster Constabulary, the main Northern Ireland police force. I protested this sale on the basis that it violated the terms of section 502(b) of the Foreign Assistance Act which prohibits the sale of U.S. arms to any nation or organization with a proven record of human rights violations. The RUC had been specifically cited in the Amnesty International and Bennett Commission findings. Following an assurance which I received from Chairman ZABLOCKI of the House Foreign Affairs Committee, that his committee would conduct a full invesitgation, I withdrew my amendment.

Just 2 weeks later, a hearing was held and out of it came a decision by the Department to suspend all further license applications or sales of defense articles to the RUC. This suspension was pending a full review of U.S. policy on Ireland. The review and therefore the suspension continues today. The issue was raised and ultimately decided on human rights grounds and the longer the suspension remains in effect, the more recognition there is in the State Department about the human rights problems in Northern Ireland.

Unfortunately, the human rights problems in Ireland are not restricted solely to the North or to the British Government. Amnesty International has in the past also cited the Dublin government on human rights charges and very recently the Irish National Caucus, one of this Nation's most outspoken human rights advocate organizations, published its third annual report on human rights violations in the Republic of Ireland. Those of us concerned about human rights view the change in Government in the Republic of Ireland with strong optimism. The new Prime Minister, Charles Haughey has demonstrated an interest and commitment to the cause of peace and justice for Ireland.

Finally it should be noted that just today, Amnesty International has published its 1979 annual report. I wish to quote from their press statement:

> Amnesty International submitted reports on the ill-treatment of individuals in police custody in Ireland and the United Kingdom to the governments of those countries.

The ultimate success of this nation's human rights policy rests in its application. To be of maximum value, we should articulate our concern wherever a documented problem is shown to exist. Ireland has clearly met this criteria and the issue must be raised.

Prime Minister Thatcher is scheduled to meet with the President on December 17. It is my fervent hope that the human rights problems in Northern Ireland can be discussed with an eye toward resolution. It is clear to me as a long time observer of the Irish issue that a cessation of human and civil rights deprivations could lead to a substantial diminution of violence.

Mr. Speaker, the Ad Hoc Congressional Committee for Irish Affairs is totally committed to peace and justice with respect for human rights for all of Ireland. The Governments of the United Kingdom and the Republic of Ireland have joined us in ratifying all major human rights treaties and covenants. However, when it comes to the North of Ireland, they choose to ignore that which they have agree to in these treaties. The cause of human rights is a noble one and needed for our world. Nations which advocate the pursuit of this policy are themselves of high virtue and moral character. It behooves these nations to set an example for the rest of the world.

On the Human Rights Day of 1979, let us take a moment to pause and think of those citizens in other countries which do not enjoy the many freedoms which we often take for granted. As a moral world leader, this Nation has an obligation to continue to work to insure that human rights not become a mere stylish phrase and cause, but an integral part of the foreign and domestic policy of every country in this world. As chairman of the Ad Hoc Congressional Committee for Irish Affairs, I pledge my unqualified support of this goal.●

● Mr. DODD. Mr. Speaker, in December of 1948, the United Nations adopted a Universal Declaration of Human Rights which is considered to be the definitive international standard on human rights. Included in the U.N. Declaration was a day set aside each year to reaffirm the document's principles of "universal respect for and observance of freedoms."

Today, countries all over the world will be celebrating the 31st Human Rights Day and reflecting on not only the progress that has been made in promoting individual freedoms but also the violations of human rights that are still being perpetrated.

America's democratic principles of life, liberty, and equality are universally recognized but not universally shared. Our human rights policy is based on the need to disseminate our humanitarian ideals and to voice our opposition to the actions of those nations that disregard the fundamental rights to which every man and woman is entitled.

To turn our backs on the suffering of others would be the same as rejecting the traditional tenets that our Constitution propounds. To remain indifferent to the plight of Cambodian refugees or Soviet refuseniks would be a crime not only against American society but all of mankind.

Human Rights Day provides an international forum for communication on human rights goals and a chance to strengthen the resolve of nations to take concerted action against the kind of pernicious disregard for human rights that is still occurring.

We, as individuals, have a responsibility to respect the rights of others. As a Nation, we have a mandate to work for global compliance with international human rights agreements. As members of a world community, we must all recognize that human rights form the common ground that unites us all and provides a hope for world peace.●

● Mr. LENT. Mr. Speaker, it is a privilege to join with so many of my colleagues in this observance of Human Rights Day. The magnificent support for human rights evidenced here in the House of Representatives should impress upon those in the world who trample on the rights of others the unity and strength in the U.S. Congress against such oppression.

It is particularly fitting, Mr. Speaker, that we join here in support of human rights while 50 Americans are held prisoners, deprived of all rights in the U.S. Embassy in Tehran. This flagrant violation of solemn international treaties and agreements is repugnant to every person concerned with human rights. We all pray for success of the efforts of our President in securing the release of our unfortunate countrymen and women, and pledge our support for those efforts.

The violation of human rights in Iran is only the latest in a long and tragic history of man's inhumanity to man. There are some who feel that this pattern of oppression and brutality is on the increase throughout our world today. But as one who has worked for the cause of human rights in both hemispheres of the world, I see some welcome evidence of growing strength in our cause.

This is true even in the Soviet Union, one of the most flagrant violators of human rights. Despite the still persistent persecution and oppression of Soviet Jews, the Communist rulers of Russia have, with increasing frequency, acknowledged the weight of world opinion. More and more Soviet Jews have been permitted to achieve their desire to practice their own religion in the country of their choosing by emigrating to Israel. This has been true even of some of those who have been imprisoned for their efforts to win freedom in Israel.

I can cite a dramatic example of one such success for the cause of human rights in the person of Hillel Butman. In 1975, at the request of Lynn Singer, president of the Long Island Committee on Soviet Jewry, I adopted Hillel as the Fourth Congressional District's prisoner of conscience. He had been imprisoned in 1970 for his efforts to leave the Soviet Union to join his wife and children in Israel.

Each week, for 4 years I wrote letters to high Soviet officials demanding Hillel's release. Each week I wrote a letter of encouragement to Hillel and his courageous wife in Israel. I brought Hillel's case before the Belgrade Conference on the human rights provisions of the Helsinki Accords, signed by the Soviet Union in 1975. At my urging the U.S. Department of State discussed Hillel's case with Soviet diplomats at every opportunity.

In all of the 4 years, I received no acknowledgement of my efforts from any Soviet official. Yet, in April of this year came word that Hillel had been released from prison and had been permitted to join his family in Israel.

A short time later, I received a tape recording from Hillel Butman, expressing in his own voice his thanks for my efforts in his behalf. I found Hillel's words, recorded at his new home in Israel, deeply moving. Let me share them with you. Hillel told me:

> I'm 46 already. And one year is 8,760 hours, irretrievable hours. Each of those hours is full with the sun of my Motherland, with its air, with the smell of blossoms and the plantation where I work now. These hours are full with the laughter of my youngest daughter who was accustomed that her father was only a piece of cardboard on the wall.

Those words of joy and fulfillment from Hillel Butman brought tears to my eyes and to my staff who had worked on the Butman case for 4 long years.

Those words of Hillel Butman brought a new resolve to my heart: To redouble my efforts on behalf of the thousands of Soviet Jews who still seek the free air of their Motherland, Israel, and the laughter of their children in Israel's sunshine.

I repeat Hillel's words here today in the hope that they will serve as an inspiration to you, also my colleagues. Hillel's happiness can be shared by many more Soviet Jews if we continue to bring to bear upon the rulers of Russia the pressure of world opinion. There are many who seek freedom still. I have intervened personally in recent weeks in behalf of Anatoly Sheharansky, Lev Blitshtein, the Alexander Paritsky family, the Jews of Ilyenka, and our Fourth Congressional District's new prisoner of conscience, Ida Nudel.

I urge you, my colleagues, to join in personal intervention for these and other Soviet Jews seeking freedom. Let the Kremlin leaders know of your personal concern that these victims of Soviet violations of the Helsinki Accords deserve the human rights pledged to them by the Soviets when they signed the accords.

I am convinced that our efforts will achieve success. I am convinced that, however painfully slow, we are making progress. If we continue our support of human rights we can, stone by stone, build a foundation for a better world.

Our presence here, in observance of Human Rights Day, and our words in support of the great cause for which we labor, reflect our pledge to continue our struggle for freedom for every human being until we achieve that great goal.●

● Mr. DRINAN. Mr. Speaker, I take this opportunity to join with many of my colleagues in calling attention to the observance of Human Rights Day, 1979. As a fundamental concern of all Americans, the treatment of individuals by others has become an issue of primary importance to our Government as we look at the nations of the world, and here at home.

Observance of fundamental human rights requires that individuals be guaranteed freedom from Government violations of the integrity of the person, that is to be free from the threat of torture, cruel or degrading treatment or imprisonment. Human rights demands the fulfillment of basic needs such as food, shelter, health care, and education; and the right to enjoy civil and political liberties such as freedom of thought, freedom of speech, and freedom of the press. These tenets should not be a matter of privilege, but rather of institutionalized right.

Human rights is not a new issue, nor is it any less important today than in times past. This Nation has witnessed many struggles for human rights in its history, from the American Revolution to the women's suffrage movement, from the Civil War to the civil rights movement of the 1960's. In each case, the Nation has moved forward to a better consensus of the national will and toward fuller participation in the American political and economic system.

The United States has supported international treaties, conventions, and institutions which emphasize the importance of observing acceptable standards of human rights. The United Nations Charter states that the U.N. is charged with the responsibility of achieving "* * * international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion. * * *" As a forum for the community of nations, the United Nations has repeatedly renewed its commitment to work toward the principles of human rights, beginning with the Universal Declaration of Human Rights.

Today there are many examples which can be used to illustrate the success of this Nation's interest in the human rights records of other countries. In the past year, for instance, significant steps toward the transfer of power from military to civilian democratic rule took place in the Dominican Republic, Ghana, Nigeria, and others. In Bangladesh, Sudan, Nepal, and Paraguay, large numbers of political prisoners were released. In Eastern Europe and the Soviet Union, the record has not been so bright, but even there some positive signs are evident such as prisoner releases in Poland and Yugoslavia, and greater tolerance for dissent in Hungary and Poland.

Many unacceptable violations of human rights persist across the globe. Through our words and actions we will persevere in our efforts to improve these situations.

The Congress has played an active role in this area by mandating that human rights considerations be taken into account in decisions to provide aid to some countries and deny it to others. Our foreign assistance programs are an essential tool in promoting internationally recognized human rights.

There is, of course, a great deal more that can be done. Numerous international convenants have yet to be ratified such as the Genocide Convention. We must continue to carefully scrutinize aid programs to countries which may be in violation of our human rights policy. And we must continue to make our views about the conduct of other nations known at every possible opportunity.

I commend the gentleman from New Jersey (Mr. MAGUIRE) for taking this opportunity to speak on the importance of this day. Together we can insure that human rights remains an issue of primary importance in the years ahead.●

● Mr. PEPPER. Mr. Speaker, I am pleased to join my colleagues in observing today's worldwide celebration of human rights. It is noteworthy at the outset, that we live in an age which has placed concern for human rights at the very forefront of public attention and concern, yet one which has seen these rights trampled and abused throughout the world.

Rights which we Americans all too

often take for granted, freedoms which were enshrined in our Constitution nearly two centuries ago, remain little more than a dream for the citizens of most of the world's nations. Respect for these fundamental rights signifies an even deeper respect for humanity itself. They provide the foundation on which a free society can be based, one in which individuals are allowed to grow and think creatively. Without such freedom a society becomes closed, stagnant, and unimaginative; unable to permit those with the ability to find solutions, however unconventional, to the serious problems which all nations face. The only alternative to a free and open society is tyranny, a tyranny which may come in many guises and span the ideological spectrum from communism to fascism, yet remains pure and simply, tyranny.

These basic human rights we so cherish must be constantly maintained by a civilized people, steeped in respect for one another, for differing points of view and for the consensus required to act as one from time to time, when that is necessary, as during the present crisis in Iran. Those in the minority at any given time, those who are weak must be assured by those in power that their freedom is as sacred as their own. Only in this way will the rights of everyone in society be honored and foster the free productivity of a people allowed to make free choices and pursue their individual happiness.

The right to speak freely, especially in opposition to the established government, must be protected if a truly secure nation is desired. The right to move about freely is essential if people are to remain happy wherever they are. The right to emigrate, to seek a new life in a new land, is cherished by a nation secure and confident in its attractions. The right to a fair trial is a cornerstone of social dispute and equitable treatment for all members of our society. The right to worship respects the dignity of anyone's beliefs and peaceful thoughts about our universe and the meaning of human existence. These rights are self-evident, basic to human liberty, and universal in their validity. It is important that we who enjoy these freedoms work to safeguard them in our country while doing everything we possibly can to encourage respect for these basic human rights where they are systematically and massively violated. Our Nation and our humanity will never be fully secure until all men and women of every race, creed, and age share in our human heritage of reason and human dignity.

I would like to bring to the attention of my colleagues several bills which I have introduced or cosponsored which I believe are examples of the efforts we can make to encourage respect for human rights in other countries. House Concurrent Resolution 71 expressed the concern of Congress regarding the harassment of Soviet Jews and other minorities and House Concurrent Resolution 121 condemned threats to religious minorities in Iran. In both instances, members of groups which hold beliefs that are historically unpopular in their native lands suffer from persecution, are denied fair hearings of their grievances, and even face the danger of physical attack.

House Concurrent Resolution 200 signifies the commitment of the United States to the principle of self-determination. The resolution called upon the Soviet Union to recognize this principle and permit the peoples of the Baltic States to reassert their independence. Denying these people their political freedoms contributes to instability and insecurity. I hope that in time Russia will see the wisdom of permitting these courageous peoples their right to self-determination.

Perhaps the greatest crime ever committed against the human race was the cold blooded destruction of 6 million Jews in Nazi Germany. House Concurrent Resolution 106, which I cosponsored, expressed our commitment to the continued prosecution of Nazi criminals responsible for these crimes under West German law. I was very pleased when West Germany decided to abolish the statute of limitations previously in effect and to cast my vote in support of increased funding for these types of cases in the United States.

Mr. Speaker, earlier this year I introduced House Concurrent Resolution 103. This resolution urges the Government of the Soviet Union to honor the Charter of the United Nations and its Declaration of Human Rights to which it is a signatory, "in promoting and encouraging respect for human rights and for fundamental freedom for all without distinction as to race, sex, language, or religion."

Specifically, this resolution calls upon the Russians to permit the resurrection of churches and religious freedom in the Ukraine. The Soviet Government has actively sought the actual physical extinction of churches. There are many Ukrainian Orthodox, Catholic, Jewish, Pentecostal, Baptist, and Seventh Day Adventist believers among the Ukraine's 45 million people, who were long an independent nation. Now they are suffering systematic and persistent intimidation and the closing of their churches. By passing House Concurrent Resolution 103, the Congress will call upon the Government of the Union of Soviet Socialist Republics to permit the rebuilding of their churches and the revitalization of those positive faiths in the physical and spiritual sense.

Thirty-five of my colleagues have already joined in support of this bipartisan effort, which I am backing with my colleague, the Honorable WILLIAM BROOMFIELD from Michigan. I hope that many more of our colleagues will see fit to lend their support to this effort and I urge that House Concurrent Resolution 103 be passed by the House at the earliest possible date.●

GENERAL LEAVE

Mr. MAGUIRE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of my special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1600

HUMAN RIGHTS DAY

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Pennsylvania (Mr. EDGAR) is recognized for 60 minutes.

(Mr. EDGAR asked and was given permission to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, I thank the gentleman from New Jersey (Mr. MAGUIRE) for his state of the world address on human rights.

I associate myself with those remarks.

Mr. Speaker, on behalf of ANDY MAGUIRE and myself, I would like to insert into the RECORD a regional review of the status of human rights in the world today:

HUMAN RIGHTS IN ASIA

The human rights performance in the countries of Asia can be considered to fall broadly into three categories: First, those nations that are free or are presently liberalizing restraints on the freedom of their citizenry; second, those nations with a mixed performance on human rights issues; and third, those nations that chronically violate human rights—whose governments violate the integrity of the person and or usurp most political and civil liberties. These aspects of human rights are included by the U.S. State Department in its annual evaluation of human rights in nations receiving U.S. aid.

In the first category, Japan, India, and Sri Lanka remain flourishing democracies in Asia. Malaysia and Singapore also have open electoral processes, and what harsh criminal penalties and press restrictions exist in these nations are defended on the grounds of combating communist insurgency and communal violence. Thailand has made significant progress in the attempts to gradually transfer the government from military to a parliamentary system with civilian and military representation. The press and labor organizations have been accorded more freedoms in the last year, and the first national elections since the military coup in 1976 were held in April 1979. In Bangladesh, 4 years of "emergency" rule were officially terminated on November 28, 1979, and 730 political prisoners were released.

The Philippines, Taiwan, Pakistan and the Republic of Korea are under some form of martial law and thus fall under the second category of human rights maintenance. In the Philippines, U.S. pressure may have contributed to limited improvements in human rights conditions and to the release of some political prisoners according to the State Department. Few steps have been taken to return the country to the democratic system that was replaced by martial law in 1972, and allegations of fraud have surrounded all referenda elections. In October 1979, the Philippine government began its largest crackdown on students since the institution of martial law. Twenty-four persons have been arrested as agitators, activists, or members of the outlawed Philippine Communist Party. Most observers feel that human rights remains a serious concern in the Philippines.

In Pakistan, elections that were originally to be held in 1977, were again postponed in October of this year and the imposition of martial law continued. Some 50,000 political prisoners were believed to have been detained by the Bhutto administration, ousted in 1977, and thousands of these have been re-

leased. Military courts, however, have recently replaced civilian ones, and public flogging has been instituted as a step toward "Islamic justice."

In Taiwan, martial law has been in effect since 1948, although cases of torture, arbitrary arrest and invasion of the home have considerably declined since then, according to the Department of State. Freedom of the press and freedom of speech are limited. Democratic institutions exist at the local and provincial level; but on the national level there remains, in effect, only one party. There have been no general elections for the National Assembly or the Legislative Yuan since 1948.

The Republic of Korea has been under martial law since the assassination of President Park Chung Hee in October 1979. Several mass arrests of students and religious groups took place in November of this year, although the present government has indicated that the dictatorial constitution operative during the Park regime will be revamped. The opposition parties have been invited to participate in redrafting the constitution, although no timeline for the process has been announced.

Nepel remains a monarchy with a very restrictive constitution, which states that the Royal Family is above criticism. Some political prisoners have been released since 1977, but Amnesty International reports that many remain incarcerated.

In Indonesia, the release of thousands of political prisoners, some arrested in 1965, coincided with new restrictions of press freedom. Amnesty International calls the human rights situation in the country "one of the most serious in the world" (*Amnesty International Report, 1978*, p. 162), as thousands of prisoners remain incarcerated who have never been charged or tried. Other observers strongly disagree with Amnesty's view and believe the government is acting in good faith in the release of political prisoners. In East Timor, a former Portuguese colony annexed by Indonesia in 1975, the population faces endemic famine and disease. More than 100,000 of the pre-1975 population of 622,000 are thought to have died of malnutrition and illness to date.

In the third category of nations fall Asia's communist governments. North Korea remains closed to the outside world, and life is strictly regimented for the citizenry there. The media in North Korea are totally controlled by the government as are personal travel, education, employment and expression, according to a report prepared for the House Committee on International Relations in 1977. In the People's Republic of China, there has been a relaxation of the policies prohibiting criticism and discussion of official policy, although most other civil and political liberties remain restricted.

Reports of severe repression have emanated from the nations of Indochina and Burma. The Vietnamese, with Soviet support, have driven their Chinese population out of the country by boat. The government of Laos seeks to pacify its Mhong minority with troops and reportedly through the use of poison gas. The Mhongs have never accepted the Communist government that came to power in 1975. The present Cambodian regime and its Vietnamese allies are ineffectually responding to the continued warfare and massive starvation that threatens 2½ million Khmers and that has driven 200,000 of them across the Thai border. Under the former Pol Pot regime in Cambodia, it is estimated that one to three million people died between April 1975 and December 1979. Over 100,000 Burmese Muslims have taken refuge in Bangladesh, according to the State Department.

The overall picture for human rights in Asia is an uneven one. Millions of people live under the free governmental systems in Japan, India and Sri Lanka. But the nations that have made steps toward liberalization, Thailand, Malaysia and Singapore, feel threatened by the influx of Chinese, Vietnamese, Laotian and Khmer refugees who place additional strains on their precarious racial balances. The success with which Vietnam's brand of communism has been exported to Laos and Cambodia also encourages Southeast Asian nations to guard more thoroughly and more repressively against internal communist groups. In Afghanistan, Burma, Cambodia and Laos, the opposition shows no sign of dissipating, while the Philippines and Taiwan give no indication of ending martial rule. Even in China, the Western media reports that the authorities in Peking are reviewing the policy of allowing critical posters to appear on "democracy wall."

HUMAN RIGHTS IN EASTERN EUROPE

This memorandum is in response to your recent inquiry on the present state of human rights in Eastern Europe. The present political situation in the region as a whole will be discussed, followed by a micro-analysis of each country.

While Communist parties maintain strong government control throughout Eastern Europe, the currents of change are challenging the grip of Soviet domination. Cultural and economic intercourse between Eastern and Western Europe have increased during the decade. Significant political, social, and cultural liberalization has occurred in the region, especially in Poland and Hungary. Along with Yugoslavia, the governments of Poland and Hungary have introduced the most far-reaching changes. The Kadar leadership in Hungary has won popular support for its economic policies (especially as they relate to consumer demands); its expansion of cultural and trade relations with the West; and its loosening of travel restrictions. The Gierek government in Poland has achieved modest success in a weaker position, especially in view of the potency of public opinion and its impact on the longevity of past governments. The Catholic Church in Poland remains a powerful force, with support from over 90% of the population. This was clearly visible during Pope John Paul II's visit in June 1979. While organized churches in the rest of East European countries are weaker, religion is nonetheless a potent force in the region. Pope John Paul II (the first Polish-born Pope) has given inspiration and hope to many behind the Iron Curtain. The Warsaw Pact invasion of Czechoslovakia in August 1968 reversed the political reforms of the Dubcek government. Under Gustav Husak, the government has maintained strict political control which parallels the Soviet political model; both the G.D.R. and Bulgaria also follow the Soviet model. Albania's political and economic orientation is strictly Stalinist, with an emphasis on central Communist Party control over the country's economic and social life. For more than a decade, Romania has exercised independence from Moscow's dictates in foreign and economic policy, but significant internal economic and political reforms are absent in Romania.

The rest of this memorandum addresses the current state of human rights in each of the aforementioned countries.

CZECHOSLOVAKIA

Citizens seeking to exercise civil and political rights in ways disapproved of by the Government remain liable to prosecution in Czechoslovakia. At the January 1978 session of the United Nations Commission on Human Rights the representatives of the Government, Dr. Otto Kunz, said with regard to the implementation in Czechoslovakia of Article 19 of the International Covenant on Civil and Political Rights (guaranteeing freedom of expression) that the freedom had to be "consistent with the interests of the working people. The Czechoslovak judicial authorities have taken the same position when dealing with political dissent.

According to Amnesty International, active supporters of human rights face constant harassment, arrests, and imprisonment. Despite this, the Czechoslovak human rights movement (Charter 77) remains strong. Dissidents issued numerous documents on violations of the International Covenant on Civil and Political Rights, both of which have been ratified by the CSSR and which are part of the law. In October of this year, six Czechoslovak human rights activists were convicted of "subversion of the state." Playright VacLaw Havel was sentenced to 4½ years in jail; economist Peter Uhl was given 5 years; spokesperson Vaclav Benda of the Charter 77 human rights movement was sentenced to 4 years; former television commentator Jiri Dienstbrier and journalist Otta Bednarova were given 3-year sentences; and Dara Nemcova, a Roman Catholic dissident was given a suspended 2-year sentence. Charter 77 spokesperson, Jaroslav Sabata, was sentenced on January 11, 1979, to 9 months imprisonment for insulting a public official. The charges stemmed from an incident in October 1978, when police prevented a meeting betwen Czechoslovak and Polish dissidents.

POLAND

The Polish People's Republic ratified the United Nations Covenant on Civil and Political Rights in 1977. A number of human rights organizations are active in Poland. The Polish government has generally been more tolerant of dissent than the Czechoslovak government. Yet over the last year several notable human rights cases have caught the West's attention. Kazimierz Switon, a civil rights and labor advocate from Katowice, was beaten by plainclothes police in October 1978 when leaving church with his family. He was jailed and charged with assaulting a police officer, an offense punishable by 8 years of imprisonment.

When tried in March this year, he was convicted of a lesser offense and sentenced to a year in prison. He has appealed the sentence and has been released pending a decision on the appeal. In Gdynia, Poland, a military court sentenced a junior Naval officer, Henryk Jagiello, to one year in prison for possession of two unofficial samizdat publications. He was charged with "disseminating false information which could cause significant damage to the Polish People's Republic." Polish dissidents have continually voiced their support for Czech dissidents.

ALBANIA

Albania's isolation in the world community, the lack of relevant information in the Albanian media or from Government sources and the scarcity of recent emigrants from the country who might be able to give personal testimony make it difficult to analyze human rights violations in Albania, but the Albanian government is thought to be the most repressive in Eastern Europe. In 1978, Albania reaffirmed its official restrictions on citizens' rights as set out in the Universal Declaration of Human Rights.

BULGARIA

A number of articles of the Bulgarian Penal Code make people liable to imprisonment if they exercise their human rights by publicly criticizing the countries economic and social system or its political leadership. Open dissent is rare in Bulgaria. According to Amnesty International there are two notable cases of interest. Wladimir Gusenko was sentenced in January 1977 by the district court of Sofia to one year's imprisonment for "anti-state agitation." Eugenii Galabov was sentenced in January 1977 by the district

court of Sofia to one year's imprisonment for "anti-state agitation" and "dissemination of untruthful statements."

ROMANIA

During the last year, Romanian political leaders on several occasions reiterated Romania's adherence to international human rights covenants. The Couasescu government has been intolerant of dissent from within or outside the Communist Party. The authorities have reacted harshly to dissident activity, such as the formation of the Workers' Free Union (SLOMR). The union's founder, Dr. Ionel Cana, and his deputy, economist Cheorghe Brasoveanu, were arrested in early March of this year. Other SLOMR members have reportedly been arrested or harassed by police. Authorities also arrested a dissident Romanian Orthodox priest, Gheorge Calciv-Dumitreasu, and continue to place heavy restrictions on neo-Protestant religious denominations. The Romanian government has come under western criticism for its treatment of national minorities.

GERMAN DEMOCRATIC REPUBLIC

Human rights advocates' principal concerns in the GDR continue to be the existence of legislation which contravenes the Universal Declaration of Human Rights and the United Nations International Covenant on Civil and Political Rights (ratified by the GDR), the frequent arrest and imprisonment of people for their non-violent exercise of human rights and the retention of the death penalty. Earlier this year, authorities expelled dissident Frank Schoene to West Germany. Prominent author Stefan Heym was barred from accepting a lecture invitation in West Germany, charged with currency violations, and fined $4,500 after publication in West Germany of his new novel Collin, which presents a critical view of the GDR. A positive development in the GDR was the cessation in early May of the house arrest under which prominent East German physicist Prof. Robert Havemann had been living since late 1976. Religious freedom no less than political expression continues to be severely restricted in spite of the Helsinki accords. Thousands of East German citizens have been imprisoned for trying to flee the country.

HUNGARY

Hungarian authorities have introduced certain legislative changes which make for better implementation of international human rights standards. Open dissent in Hungary has been rare in recent years and the government has been relatively tolerant. After the October 1979 conviction of the Charter 77 dissidents in Czechoslovakia, more than 250 intellectuals, sociologists, and cultural figures have signed a series of letters to their comrades in Prague jails but also to Communist Chief Kadar calling on him to seek their release. The situation has created a dilemma for Kadar, who is widely respect in Hungary for his skill in avoiding sharp confrontations within the Soviet Bloc that could threaten his country's liberalism.

HUMAN RIGHTS IN LATIN AMERICA AND THE CARIBBEAN

Latin America has become a major area of human rights concern because of the nature of many governments in the area. Basic freedoms that we take for granted such as freedom of the press, speech, and assembly have been widely violated and suppressed. In some countries, excesses and abuses against the individual in the form of torture and imprisonment for political reasons have become widely practiced.

The recent period, however, gives cause for some optimism however, since some of these governments are moderating human rights violations and are staying strong on the path to returning power to civilians and taking steps toward more open and responsive forms of government. An important example of progress in this endeavor is Ecuador. Its young president assumed office after 7 years of military rule. The Peruvian military, although in power for 11 years, and under tremendous economic and political pressures, plans to turn the country over to an elected president in 1980. At this very moment a freely elected Constituent Assembly is preparing a new constitution. In Bolivia serious efforts are being made to maintain a civilian government on the face of military pressures for the restoration of a more authoritarian system.

There is cause for cautious optimism, as well, as a result of the overthrow of the dictatorial Somoza regime in Nicaragua. While it is much too early to assess the new government, those in power have taken care to protect basic and individual rights and have not waged a vindictive campaign against the former National Guard. The recent changes in the military government in El Salvador may well moderate the serious human rights abuses that had been taking place there.

Changes have also been taking place in some of those countries that have been principal violators of the human rights of their citizens. The Brazilian government under its new president, for example, is demonstrating a liberalism unprecedented in the 15 years of military government. Even in Chile, violations involving torture, disappearances, and political prisoners seem to have been reduced. The release by the Cuban government of some 3,500 political prisoners is yet another positive development.

The democratic governments of Latin America and the Caribbean remain strong and vibrant with Venezuela, Colombia, and the Dominican Republic among the prime examples.

A significant source of support for human rights considerations is the Inter-American Commission on Human Rights of the Organization of America States (OAS) which recently has been given the mandate to exercise the authority given to it in 1959 when it was created. The Commission conducts on site investigations of charges of human rights violations in OAS member states and presents annual reports to the OAS General Assembly meetings.

While there have been significant improvements recently in human rights conditions in Latin America, there remain many situations in which serious issues remain. Chile, Paraguay, and Uruguay were singled out in the Commission's report to the OAS General Assembly Meeting in LaPaz, Bolivia in late October but human rights abuses continue to be reported in other countries of the region. Guatemala was recently cited by Amnesty International for widespread political violence against opponents of the rightist military government. The Argentine military still maintains a highly authoritarian regime. The problem of the thousands of Argentine citizens who have disappeared with no acknowledgement by the government that they are in prison or killed remain acute. Reports of human rights violations are also coming out of some of the newly independent states of the Caribbean are disturbing.

HUMAN RIGHTS IN AFRICA

The following report is a summary of the major human rights problems on the African continent. As the African continent encompasses many diverse countries, the information given here can be but an introduction to some of the more significant cases. It by no means should be taken to adequately identify all the human rights violations on the African continent. Amnesty International, in a report to the House of Representatives Committee on Foreign Affairs in October of this year, identified four areas of major concern: detention without trial; torture; extreme use of the death penalty; and poor prison conditions. Restrictions on free speech and political activity in some African countries are another important human rights issue. Despite the violations of human rights that occur in Africa, the conclusion of this report will note that significant progress toward freedom has been made in the past year.

Detention without trial can be defined as a government's decision to circumvent legal procedures and detail real or perceived opponents without respect for due process of law. Whether by statute law (as in Rhodesia, South Africa and Kenya, as well as other countries), by emergency decree (as in some French speaking states), or by political decision (as in Ethiopia), detention without trial is used in a significant number of African countries. Recent cases of short-term detention have occurred in the Sudan, where 400 people were arrested after protesting government economic policies, and Zaire in February where students were arrested after a strike at a university campus. About 200 officials of the Haile Selassie government, and their wives and children, have been held in Ethiopia since 1974, and the total number of untried prisoners in Ethiopia is thought to be in the thousands.

Long-term detentions often are accompanied by harsh prison conditions. Short-term detentions often correlate closely with interrogation and torture. The clearest example of legislation which all but encourages this abuse is section 6 of the South African Terrorism Act. This act empowers detention incommunicado by the police until—in the opinion of the police—a prisoner has replied "satisfactorily" to questions.

Reports of torture and ill-treatment of prisoners are frequent. In Ethiopia torture was widely used during the period of the "Red Terror" in 1977–78 and reports of torture continue. There have been some cases where those accused of using cruel measures of punishment have been brought before the law, but these cases are rare. In Zambia the appeals court has on several occasions granted damages to alleged torture victims, but without them bringing criminal proceedings against those responsible.

Most African legal systems provide for the use of the death penalty, although the frequency with which it is inflicted, and for what reasons, varies considerably from country to country. Most commonly the death penalty is imposed for violent criminal offenses, such as murder or rape, but it may also be applied for a whole range of other offenses which might be regarded as relatively minor in other situations. In Ethiopia and Uganda, for example, two countries that have experienced severe economic difficulties, the death penalty was introduced for certain "economic crimes," such as hoarding grain or consumer goods, embezzlement, fraud and dealing in illegal currency. The death penalty has also been used for political purposes. In Rhodesia the Smith regime is reported to have attempted to use the death penalty to intimidate the African civilian population into betraying the whereabouts and activities of nationalist guerrillas. In Ghana, eight military officers, including three former heads of state, were executed following the June 1978 coup.

In many countries of Africa, prison conditions for political prisoners fall far below the basic standards set in the U.N. minimum standard rules. Sentenced political prisoners on Robben Island in South Africa have re-

ceived no remission of sentence, unlike convicted criminal prisoners. In many countries prisons are severely overcrowded, have low standards of hygiene and sanitation, as well as inadequate medical facilities. However this is not a universal picture. In some countries—Lesotho, Tanzania, and Swaziland—proper prison regulations exist and are generally observed.

A number of African countries use legislation which lends itself to limiting political freedom of expression. The Terrorism and International Security Acts of South Africa, and the Law and Order Act in Rhodesia are clearly examples of laws which circumscribe freedom of political expression and so provide a legal basis for imprisonment of dissidents. Other African countries, especially with one party states and/or military governments have similar restrictions.

Although human rights abuses exist in a number of African countries, the past year has witnessed a significant improvement in human rights standards. In Ghana and Nigeria military governments gave way to the election of civilian ones, though one should be cautious about their futures. In Uganda and the Central African Republic leaders known for their violent regimes were overthrown and there is reason to hope that the new regimes will be more tolerant. Meanwhile, in London, an agreement has been reached for the peaceful transition to a constitutional government for Rhodesia-Zimbabwe, based on the principle of one man, one vote.

SPEECH OF HON. BILL ALEXANDER BEFORE ARKANSAS MUNICIPAL LEAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, yesterday the Washington Star reprinted excerpts from a speech I recently made before the Arkansas Municipal League. The focus of my remarks was what is becoming known as the "Second War Between the States." This is a troublesome issue which merits increasing interest and concern. I appreciate the attention the Star has given it and my comments.

As the demography of the Nation changes and people move away from the traditional political power centers in the North and East to the South and West the politics of change will cause this issue to resurface with each Federal budget. In order that the thoughts I expressed at the meeting of the Arkansas Municipal League may be fully available to my colleagues I insert the speech and its accompanying data in the CONGRESSIONAL RECORD:

SPEECH BY HON. BILL ALEXANDER BEFORE THE ARKANSAS MUNICIPAL LEAGUE, NOVEMBER 6, 1979

We are standing on the edge of an old decade looking toward a new one. We are coming over the horizon to the 21st Century in which our Nation can round out 300 years of progress. From the winds of change that have swept across the cities and the country, the factories and the fields, alike, our Nation appears to be headed off-course. If we consciously choose to follow this direction our sail into the future will not be guided by the same beliefs and principles that have brought our people to the position of respect in which other nations on the globe hold us.

Our national beliefs in unity of purpose, fairness of laws and justice are on trial. In the 1980's this testing of our fundamental doctrines may well prove to be as important as two earlier ordeals we have had at the forge of democracy.

The Revolutionary War of the 1770's established the United States' right to exist as a separate, free and democratic republic.

In the 1860's War Between the States our unity of purpose was torn by differing interpretations of what is fair and what is just. That bloody and bitter internal strife ended with the United States intact as a single nation, but the ruthless exercise of power by the victors helped to strangle our growth and development for many decades.

Among our legacies from the War Between the States are the terms "carpetbagger" and "scalawag", meaning people who attempt to enrich themselves by taking unfair advantage of a situation.

It has only been in recent years that the States of the South and West have made real progress toward economic equality with the Midwest and Northeast. We find evidence of this change in a number of areas.

While too many of our people are still poorly educated, in 1976 the educational level in the Sunbelt had risen almost to the national average. The percentage of our people living in poverty is dropping closer to the national average. Our housing is improving so that the substandard housing statistics are nearer the national average.

Even as the Southern and Western states make progress the brutal lessons of the first War Between the States and its shameful aftermath seem to have been forgotten by some of our leaders. They appear to be following the philosophy of grabbing off the most federal dollars for their states or districts and the national interest be damned.

We find ourselves faced with what is being called the Second War Between the States. It is being waged on Southern and Western states, the Sunbelt, by the Midwestern and Northeastern states, the Snowbelt. It is a war over economics, over which regions get the most federal dollars.

This is not a war of the Sunbelt's making. But, it is one which, as leaders of our communities, our districts and our states, and, in a larger sense, our Nation, we cannot afford to ignore or lose.

This is a war being fought in the halls of Congress, the corridors of the Executive Branch, and in organizations like the National League of Cities, the U.S. Conference of Mayors and the National Governors Association.

The Snowbelt is frantically using its majority in the Congress to manipulate legislation and federal programs in its favor. As the Sunbelt grows in population the Snowbelt fears the loss of its voting power. Next year's census is expected to begin a shift of seats in the House because of the changes in where people live.

It is estimated that more people already live in the Sunbelt than in the Snowbelt. Of the 200 largest cities in the Nation more than half are Sunbelt cities.

The tactics being used against the Sunbelt violate the fairness, unity and justice principles on which our Nation was built.

For the "New South" members, like myself, this situation has painful irony. We came to Congress having been taught that abuses of power were the result of an impoverished, ignorant and rural society. We set about helping reform the rules of Congress to dilute the concentration of power and its abuse. Now, to our astonishment, we are witnessing exhibitions of bigotry, prejudice and the merciless use of power by representatives of a society that perceives itself to be sophisticated, educated, and which is indisputably wealthy.

While the Nation was celebrating its 200th birthday in 1976 the leaders of the Northeast and Midwest were setting up the coalition of the Snowbelt and firing the opening rounds of another war between the states.

The Snowbelt coalition's first major victory came in 1977 when they managed to rewrite the funding allocation formula for the multi-billion dollar community development block grant program operated by the U.S. Department of Housing and Urban Development. They made the amount of housing built in 1939 or earlier an important criteria for receiving money. This automatically favors the Snowbelt as the oldest, thickly settled part of the Nation. This measure was added to the law even though it is not a reliable measure of either economic need or substandard housing.

If over-crowding in housing had been used instead of age the Sunbelt would have gotten fairer treatment. The over-crowding in housing in the Sunbelt is at least as serious as it is in the Snowbelt. This fact was available to the Congress through the U.S. Bureau of the Census data at the time of the change in the law.

But, age was used and the data of the Census Bureau clearly showed that this was one criteria that was sure to direct the most money into the Snowbelt.

This year has been punctuated with efforts of the Snowbelt to channel greater and greater shares of the federal dollars into their states. Some of the efforts have had success. Others have not.

In September the Snowbelt tried and failed to abolish a 25-year-old provision in the Department of Defense Appropriations law. The provision is known as the Maybank Amendment. It blocks the DOD from paying a higher price on contracts for products and services in order to maneuver those contracts into the Snowbelt.

Had the effort been successful, an Administration that wanted to pour money into the Snowbelt could have paid more to get the work done there even though it would have been cheaper to get the job done in the Sunbelt.

A part of the struggle over national energy policy is also a part of the Sunbelt-Snowbelt war. Two recent developments in the Congress leave us in no doubt about that.

Late last month the House was making its decision to provide more money to help people who will have serious problems this winter in paying their home heating bills. During the debate the strategy in this ugly, divisive Second War Between the States was blatantly revealed.

Because Snowbelt Congressmen wanted more of the money in their states they used their voting margin to double the importance given heating costs and downgraded poverty as a measure of need. During consideration in the Committee on Appropriations of the formula change I blocked its adoption by unanimous consent. The Snowbelt then won on a vote that followed my objection.

At the same time the House was taking its action a Senate Committee was deciding how to divide up what it expects to be a $2 billion pot for helping poor people pay their fuel bills. I understand that the formula finally picked was chosen specifically for the size of the share of the money that would go to Snowbelt states. This was done despite the fact that the Sunbelt has almost five million more people living in poverty than does the Snowbelt. Even when considering only those persons 65 years old and older the Sunbelt has 700,000 more senior citizens living in poverty than does the Snowbelt.

The battle lines in this vicious regional war over federal bucks are clearly drawn. Such callous manipulation of federal programs on behalf of the Snowbelt may be in their short-term, politically-expedient interest. But, it is not in the best national interest. And, if the shift in Congressional representation feared by the Northeasterners

and Midwesterners takes place, this is a losing battle for the Snowbelt. Time is on the Sunbelt's side.

We can not wait for the 1980 census results. I challenge you, as leaders in the Sunbelt, to unite with me to persuade the Snowbelt to stop the war before it is too late.

Note: The term "Snowbelt" is generally applied to states in the Northeast Census Region and the Northcentral (Midwest) Census Region. The term "Sunbelt" is applied to states in the South Census Region and the West Census Region.

The following list shows the states in the Sunbelt and the Snowbelt by census region:

SUNBELT

South census region

Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

West census region

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

SNOWBELT

Northeast census region

Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

Northcentral (Midwest) census region

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

Note: As with any attempt to divide a nation into regions, there are anomalies involved in using census regions in preparing data comparisons for the Sunbelt and Snowbelt on some issues.

EDUCATIONAL ATTAINMENT OF PERSONS 18 YR OLD AND OVER: 1970 AND 1976

	United States	Snowbelt	Sunbelt	Arkansas	Tennessee	Mississippi
Total population in study:						
1970	133, 384, 000	69, 663, 000	63, 720, 000	1, 265, 000	2, 592, 000	1, 368, 000
Percent of U.S. total in region		52. 2	47. 8	0. 9	1. 9	1. 0
1976	146, 349, 000	73, 532, 000	72, 816, 000	1, 473, 000	2, 921, 000	1, 527, 000
Percent of U.S. total in region		50. 2	49. 7	1. 0	2. 0	1. 0
Years of school completed:						
Elementary school: 0 to 8 yr:						
1970	32, 581, 000	16, 541, 000	16, 040, 000	445, 000	902, 000	466, 000
Percent of U.S. total in region		50. 8	49. 2	1. 4	2. 8	1. 4
Percent of regional population	24. 4	23. 7	25. 2	35. 2	34. 8	34. 1
1976	25, 549, 000	12, 057, 000	13, 491, 000	368, 000	808, 000	421, 000
Percent of U.S. total in region		47. 0	52. 8	1. 4	3. 2	1. 6
Percent of regional population	17. 4	16. 4	17. 6	25. 0	27. 7	27. 6
High school: 1 to 4 yr:						
1970	70, 461, 000	37, 985, 000	32, 476, 000	617, 000	1, 234, 000	646, 000
Percent of U.S. total in region		53. 9	46. 1	0. 8	1. 7	0. 9
Percent of regional population	52. 8	54. 5	50. 9	54. 0	47. 6	42. 3
1976	76, 033, 000	39, 927, 000	36, 106, 000	746, 000	1, 414, 000	724, 000
Percent of U.S. total in region		52. 5	47. 5	1. 0	1. 8	0. 9
Percent of regional population	51. 9	57. 3	49. 6	58. 9	54. 5	52. 9
College: 1 or more years:						
1970	30, 341, 000	15, 137, 000	15, 206, 000	202, 000	457, 000	257, 000
Percent of U.S. total in region		49. 9	50. 1	0. 7	1. 5	0. 8
Percent of regional population	22. 7	21. 7	23. 9	15. 9	17. 6	18. 8
1976	44, 767, 000	21, 547, 000	23, 220, 000	309, 000	699, 000	382, 000
Percent of U.S. total in region		48. 1	51. 9	0. 7	1. 6	0. 8
Percent of regional population	30. 5	29. 3	31. 9	21. 0	23. 9	25. 0
Median years completed:						
1970	12. 2	12. 2	12. 1	11. 1	11. 4	11. 2
1976	12. 5	12. 5	12. 5	12. 2	12. 2	12. 1

Source: Demographic, Social, and Economic Profile of States: Spring 1976; U.S. Bureau of the Census.

Note: Percentages may not total 100 due to rounding.

PERSONS WITH INCOMES BELOW POVERTY LEVEL

	United States	Snowbelt	Sunbelt
Total population:			
Number	211, 308, 000	105, 758, 000	105, 550, 000
Percent		50. 0	50. 0
All persons with incomes below poverty level	23, 991, 000	9, 672, 000	14, 318, 000
Percent U.S. population below poverty level in region		40. 3	59. 7
Percent total regional population below poverty level	(11. 3)	9. 1	13. 6
Persons 65 yr old or older	21, 721, 000	11, 214, 000	10, 505, 000
Percent U.S. population 65 yr old or older in region		51. 6	48. 4
Percent regional population 65 yr old or older	(10. 3)	10. 6	9. 9
Persons 65 yr old or older with incomes below poverty level	3, 049, 000	1, 176, 000	1, 873, 000
Percent U.S. population 65 yr old or older with incomes below poverty level in region		38. 6	61. 4
Percent regional population 65 yr old or older with incomes below poverty level	(14. 0)	10. 5	17. 8

Note: Percentages may not total 100 due to rounding.

Source: Demographic, Social, and Economic Profile of States, Spring 1976. U.S. Bureau of the Census.

DATA ON HOUSING CONDITIONS AND HOUSING BUILT IN 1939 AND PRIOR YEARS

	United States	Snowbelt	Sunbelt
All occupied housing	77, 553, 000	38, 073, 000	39, 480, 000
Percent of U.S. total in region		49. 9	50. 1
More than 1 person per room	3, 600, 000	1, 436, 000	2, 119, 000
Percent U.S. total in region		41. 1	58. 9
Percent of total regional housing	4. 6	3. 8	5. 4
Lacking some or all plumbing	2, 706, 000	1, 022, 000	1, 684, 000
Percent U.S. total in region		38. 8	62. 2
Percent of total regional housing	3. 5	2. 7	4. 3
Lacking a complete bathroom or sharing a bathroom	2, 975, 000	1, 177, 000	1, 798, 000
Percent U.S. total in region		39. 6	6 2. 4
Percent of total regional housing	3. 8	3. 1	4. 5
All year-round units built in 1939 or earlier	26, 877, 000	17, 977, 000	8, 889, 000
Percent U.S. total in region		66. 9	3 3. 1
Percent of total regional housing	34. 6	47. 2	22 . 5

Note: Percentages may not total 100 due to rounding.

Source: Data From Annaul Housing Survey: 1975, U.S. Bureau of the Census.

ESTIMATES OF POPULATION: INSIDE METROPOLITAN AREAS, OUTSIDE METROPOLITAN AREAS

	United States	Snowbelt	Sunbelt	Arkansas	Tennessee	Mississippi
Inside metropolitan areas:						
Apr. 1, 1970:						
Number	150, 291, 000	82, 141, 000	68, 149. 000	734, 000	2, 497, 000	542, 839
Percent of U.S. metro population in region		54. 6	45. 3	0. 4	1. 7	0. 4
Percent regional population in metro areas	(73.9)	77. 7	69. 8	38. 2	63. 2	24. 5
July 1, 1976:						
Number	157, 504, 000	82, 464, 000	75, 040, 000	809, 700	2, 658, 000	623, 000
Percent of U.S. metro population in region		52. 3	46. 6	0. 5	1. 7	0. 4
Percent regional population in metro areas	(73.4)	76. 9	69. 8	38. 4	63. 2	24. 5

ESTIMATES OF POPULATION: INSIDE METROPOLITAN AREAS, OUTSIDE METROPOLITAN AREAS—Continued

	United States	Snowbelt	Sunbelt	Arkansas	Tennessee	Mississippi
Outside metropolitan areas:						
Apr. 1, 1970:						
Number	53,013,000	23,512,000	29,502,000	1,189,252	1,428,000	1,674,158
Percent of U.S. nonmetro population in region		44.3	55.5	2.2	2.7	3.3
Percent regional population in nonmetro areas	(26.1)	22.2	30.6	61.8	36.1	75.5
July 1, 1976:						
Number	57,155,000	24,779,000	32,377,000	1,299,600	1,566,200	1,731,000
Percent of U.S. nonmetro population in region		43.3	56.6	2.3	2.7	3.0
Percent regional population in nonmetro areas	(26.6)	23.1	30.1	61.6	36.9	73.5
Total population:						
Number, 1970	203,304,000	105,653,000	97,651,000	1,923,322	3,952,000	2,216,994
Percent in region		52.0	48.0	0.9	1.9	1.1
Number, 1976	214,660,000	107,243,000	107,417,000	2,109,300	4,241,000	2,354,000
Percent in region		50.0	50.0	1.0	2.0	1.1

Note: Percentages may not total 100 because of rounding.

Source: U.S. Bureau of the Census.

STRUCTURAL REFORM: ECONOMICS FOR THE 1980'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, today I addressed the Women's Economic Round Table at the Woldorf-Astoria Hotel in New York on the subject of reform of our Nation's economic structure. My remarks follow:

Our macroeconomic fiscal and monetary policies are obviously not working. Joint inflation and recession are a national disgrace.

Sensible, restrained macroeconomic policies are always in order. But macroeconomic measures alone can no longer reach to the heart of our inflation-recession problem. On both the up side and the down side, there are difficulties.

MACRO POLICIES DON'T CONTROL UNEMPLOYMENT

A general macroeconomic increase in demand—via tax reduction or extra spending, or easier money—is no longer an effective way to end unemployment. Rising demand often translates into higher prices rather than more jobs.

Easier fiscal and monetary policies, by themselves, fail to combat stagnation and recession for several reasons:

1. *Bottlenecks.* As demand increases, we develop bottlenecks in our supply network for key domestic natural resources; wood and aluminum are recent examples. The prices of such resources rise sharply, and the physical expansion of activities that use them is constrained.

2. *Imports.* We are now importing a larger share not only of our oil, but also of our manufactured goods, than ever before, especially from strong-currency countries like Japan. At full employment demand, our trade deficit would be huge, our dollar would sink, import prices would rise, and our inflation rate would soar. In today's world, macroeconomic measures to fight domestic unemployment are likely to have their greatest effect, ironically, in fighting unemployment outside our borders.

3. *Labor Market Rigidities.* A substantial fraction of our unemployed labor-force is not within the reach of traditional demand-induced increases in employment.

In part, this is because we have neglected a whole generation of teenagers and young adults, who are undereducated, undermotivated, conditioned by experience to expect the worst from private employers, and in any case living in decayed urban centers unconnected by mass transit to the suburban sources of good, regular jobs.

In part, this is because middle-aged or older workers in obsolescent industries, perhaps with equity in a hard-to-sell home, cannot afford the costs of adjustment and retraining when their steel mill or auto plant goes broke and shuts down.

In part, this is because our new jobs, mostly service-oriented, are being created very largely in small business, which cannot afford the on-the-job training that so many younger job-seekers need.

In part, this is because our new manufacturing industries are locating in the South and West, away from the unemployed of the Northern cities, but within reach of millions of immigrant workers from Mexico and Central America. We are, increasingly, importing our marginal workers, while bypassing the unemployed we already have.

All of these sources of structural unemployment undermine the effectiveness of an expansionary macroeconomic policy in lowering the unemployment rate and combatting recession.

MACRO POLICIES LIKEWISE AREN'T MUCH HELP IN FIGHTING INFLATION

Macroeconomics is equally unsuccessful in combatting inflation. Attempts to end inflation by reducing demand, whether by fiscal or monetary means, don't seem to work either. Three reasons why:

1. *Administered Prices and Wages.* About one-half of our gross output is generated by 1,000 large firms. In this sector, which comprises manufacturing, mining, and some services, inflation is nearly fore-ordained, and proceeds on a schedule determined by long-term collective bargaining agreements and rising raw materials and production costs. Restrictive macroeconomic policies can cut the output of this sector. But they do not lower prices. Indeed, firms seek to maintain their gross profits by raising prices when output falls.

2. *Consumer Tolerance of Debt.* In recent years we have seen a fundamental change in American attitudes toward going into debt. It used to be, when hard times threatened, that households would cut back their spending and consumption. Now many merely raise their credit balance, or take out a new mortgage. Under these conditions, raising the interest rate on borrowing only raises costs and prices to consumers, and has little effect on demand. Where tight money has the additional effect of curtailing the supply of construction loans, the resulting smaller supply of housing combines with unrelenting demand to push housing prices up still further.

3. *Restricting Investment Worsens Inflation.* Tight credit and restrictive demand policies do effectively persuade business to cut back on new investment. Older plants are used more intensively to meet existing demand, productivity increases slow down, and the result is a dilapidated capital stock producing inferior products at too-high costs and prices. When the next cycle of demand expansion returns, this stock of capital proves no match for the modern output of newly-industrialized or more sensibly managed economies, and our trade position gets even worse.

THE MARPLOT? BOLLOXED-UP STRUCTURE

If sensible macroeconomic policies aren't enough to fight inflation and recession adequately, what are we left with? Is economic policy but vanity and vexation of spirit?

Not necessarily. The increasingly ramshackle structure of our economy, in my judgment, is largely responsible for why traditional macroeconomics can no longer cope with inflation and recession.

Threfore, what the United States needs, now and for the 1980's, is a structuralist economic approach: a fundamental commitment to rebuild our economic base—our productive capacity, our cities which house those capacities, and our transportation networks which service them. Only with a reformed structure can sensible fiscal and monetary policies hope to bring about full employment without inflation.

On both the unemployment side and the inflation side, structural reform is urgent.

On the unemployment side, discrimination by age, sex, and race, inadequate educational opportunities, jobs located too far from potential workers, insufficient support for job-creating small businesses, make it impossible to get to full employment by macroeconomic expansion alone.

On the inflation side, we have an increasingly obsolescent industrial plant. We concentrate on too many low-productivity industries, while leaving high-productivity subcompact autos, mopeds, consumer electronics, light rail passenger equipment, color television, and so on, to foreign producers.

Our railroads and mass transit systems are a mess.

Our food costs could be lowered if farm policy concentrated on assuring a decent income for the family farmer, rather than on raising food prices by production controls and import restrictions. Our methods of delivering health care are too high-cost and archaic. Our housing industry is threatened by exorbitant land costs and astronomic interest rates. We continue our disastrous drift to more imported oil.

Our federal, state and local governments are overlapping, duplicative, and inefficient.

What can we do about it?

THE GERMANS AND THE JAPANESE: TEAMWORK, PLANNING, PROBLEM-SOLVING

For starters, we might look at the Germans and the Japanese. Thirty-five years ago, we defeated both countries in war, leveled their cities, smashed their factories, and dismantled their systems of government and their economic institutions. It turns out that this was a great favor. Today, Germany and Japan are the world's two miracles; politically stable, democratic, and prosperous.

Why?

I believe that Germany and Japan are successful today, in part, because they believe in cooperation among government, business and labor: in the application of team spirit to economic planning and structural problem-solving.

Let me recall a couple of examples.

As of the mid-1960's, the Germans faced a serious problem of labor shortage. Two decades of high investment and booming export demand had created more job opportunities in Germany than German workers could fill. So German business, labor, and government got together and instituted a policy of admitting foreign workers, from Portugal, Italy, Greece, Turkey, and Yugoslavia, where underemployment was rife, to fill the gap. And this was not done on the sly, as it is in this country with illegal immigrants, evasion of social security payments by employers, and the undermining of fair labor standards.

Rather, the guest workers were incorporated into the German economy on the same basis as native workers, with the same wages, benefits and protections. It was good for the German economy, it was good for the German worker, and today—although net immigration has leveled off—on many a Turkish and Yugoslav hearth there roasts a lamb purchased with the D-marks earned by a husband or sibling in Frankfurt or Berlin.

Another example. Four or five years ago, the Japanese realized that their textile industry, long a mainstay of their economy, was fast succumbing to competition from newly-industrializing Taiwan, Korea, Singapore, and Hong Kong. The Japanese government-business-labor team responded, not by imposing protectionist barriers to trade, but with a deliberate decision to get out of textiles and into up-and-coming electronics. So now, when an obsolete Japanese textile plant accepts the inevitable and closes down, the worker walks right across the street and gets a new, better-paying job wiring circuit-boards.

More, the Germans and Japanese have shown some ability to export their talent for cooperative decision-making and productivity-enhancing innovation.

The fourth largest and fastest-growing American automaker is now Volkswagen, turning out made-in-USA Rabbits in Pennsylvania. Waiting lists for the VW Rabbit diesel are long. American labor, American consumers, and American gasoline conservation are all advantaged.

The Japanese, specifically the Sony Corporation, have recently taken their teamwork approach to Dothan, Alabama. The plant makes Betamax video recorders, and productivity is booming. Sony also recently set up a new electronics plant over in Wales. After a few weeks, the Japanese manager of the new plant there reported that productivity had passed the levels attained even in Japan, and that the Welsh girls were sturdier, harder working, and required fewer work breaks than their Oriental counterparts! Asked how this mini-miracle had been accomplished, he offered two broad philosophical principles:

First, enlarge the executive cafeteria and allow everyone to eat there!

Second, enlarge the executive washroom—and allow everyone to use it!

ALL IS NOT LOST IF AMERICA WILL RECAPTURE OUR ABILITY FOR COOPERATIVE PLANNING AND PROBLEM-SOLVING

In the United States, the principle of cooperation goes back a long way: to the Midwest barn-raising and the New England town meeting. Our first political party, after all, was the Democratic/Republican party. In those days the great promoter of industry and banking, Alexander Hamilton, worked hand in glove with Thomas Jefferson, apostle of agriculture.

Several lifetimes later, we had the moon shot. One may quibble, as I do, with the importance of the objective. But the systems approach and the team spirit among business, labor and government that exemplified that effort give us a hint about what we truly can accomplish in this country if we put our hearts into the task.

Suppose that in the 1970's we had used this method of combatting our bolloxed-up economic structure with the government-business-labor team approach?

In 1974 and 1975, the government would have sent an action team, headed by a Felix Rohatyn, a Ben Heineman, a Jim Rouse, or a Father Hesburgh, to Detroit. Its make-up would have included business and labor (though not GM and the UAW). They would have seen that Detroit was not responding in a timely way to the huge run-up of oil costs, and that there was a grave risk that the market for subcompact cars would be lost to foreign producers. They would have recommended incentives to get General Motors, Ford, and Chrysler into super energy-saving cars without delay. If the major automobile companies still had not responded, then there could have been a stick in addition to the carrot: a large government purchase order to American Motors, to establish it as the premier automotive company of the subcompact era! Either way, we would have avoided the mess we're in today. We wouldn't have Chrysler on our hands now, and we would be substantially freer to tell the Ayatollah what to do with his oil.

For another example, take our midwestern railroads, which carry the freight on which our agricultural and industrial heartland depends. Five years ago the collapse of the Penn Central should have given fair warning that railroads all across the country were deteriorating and in bad need of structural attention. Suppose we had sent a government-business-labor team to look at the Midwestern rail scene, particularly the Rock Island and the Milwaukee Road.

They would have discovered that there exists no fewer than seven separate main lines between Chicago and Kansas City, all under-utilized and under-maintained. They would have discovered thousands of miles of uneconomic track, pushed through to the Pacific 70 years ago, hanging like a millstone about the Milwaukee Road's neck and threatening to bring the whole network to a halt.

The team would also have discovered that the government, in the ponderous person of the ICC, had been torturing the invalids by refusing to allow abandonment of redundant lines or consolidation of duplicating lines. A comprehensive plan to rationalize the Midwestern roads could have been constructed before the Milwaukee and the Rock Island collapsed.

A third example: American cities in the past decade have spent billions on new underground subway systems—in Washington and San Francisco, for example—and on upgrading the expanding old lines, as in Boston. Plans for new subways are on the boards in such places as Los Angeles and Atlanta. Existing systems, such as the grand-daddy of them all here in New York, could use additional billions to modernize. But through all of this, the Federal government has failed to provide a guiding hand. If a team had been looking at urban mass transit problems five or ten years ago, it would surely have insisted on a standardized rail car, which could have been produced en masse at lower unit costs than the made-to-order items that subway authorities now buy.

Perhaps even more important economies can be realized in the next decade as regional mass commuter rail transit comes to the rescue of our medium-sized cities. Around scores of these cities there exists to this day a network of sturdy railroad track that could be transformed into light-rail commuter systems. Here again, a cooperative approach could have the Federal government itself creating a market for light rail commuter cars, contracting with domestic producers to manufacture them, reselling them to local transit authorities. The savings, especially over the gargantuan cost of underground systems or brand-new over-the-ground rights of way, could run to the billions. And, particularly if commuter rail were electrified, the savings on imported crude oil would be equally dramatic.

There are many, many more examples, big and small, of where the team approach could reform our raggedy economic structure. Each day's newspaper turns up another:

In steel, we waited too long before retiring our obsolescent, World War I-vintage mills. As a result, we now face a drastic retrenchment, while increasing the fraction of our vital specialty steels that we must import. And we do nothing about the thousands of human beings who are left high and dry when a steel plant closes.

In food, we have foolishly subsidized prices for inefficient producers of sugar beets, tomatoes, beef and other items, while keeping more efficient foreign producers away from our markets. We should instead be subsidizing the incomes of our family-size ranchers and farmers, and encouraging them to seek out the most profitable crop in a market where world prices prevail. We did this with milk producers in Wisconsin during World War II, and it worked very well.

In health care, we are the only industrial democracy in the world without a national system of health insurance. We are also completely without the coordinated planning of health care delivery that would contribute to keeping health care costs under control.

Yet as we sound the trumpet for the onslaught against rickety economic structure, we are met by the ancient do-nothing cry: Now is not the time. You have been listening to this bilge for years as you sought leadership for women in government, business, and labor. By happy chance, you here today could be precisely the right combination of government, business, and labor to begin the team approach to structural planning and problem-solving. Properly summoned, you could start now.●

FUTURE COMPENSATION FOR AMERICAN HOSTAGES IN TEHRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, I have today introduced House Concurrent Resolution 221 which aims at awarding our hostages, as soon as they are safely released and returned, appropriately generous, increased compensation for the unprecedented hardship, danger, and deprivation they have suffered. This resolution, which is cosponsored by Foreign Affairs Committee Chairman ZABLOCKI and Ranking Minority Member BROOMFIELD and by International Operations Subcommittee Chairman FASCELL and Ranking Minority Member BUCHANAN is aimed at correcting the disgraceful situation where our prisoners in Vietnam, military and civilian alike, received only $5 a day in extra compensation during their imprisonment.

The barbaric imprisonment of our diplomatic mission personnel in Tehran subjects the hostages and their families

to untold suffering for which we can never fully compensate them. But it is our duty as a Nation to tangibly register our gratitude, to the extent we can, for the sacrifice our hostages have and are making. The resolution also calls for steps to prevent the hostages' future career prospects from being impaired by the physical and psychological mistreatment they have suffered at the hands of their captors.

I intend to ask the Committee on Foreign Affairs to approve this resolution tomorrow, clearing the way for passage before the House adjourns for the holidays. It is the least that we who are safe at home can do for the hostages whose lives are imperiled in serving their country in Iran.

It seems clear to me that legislative action of the kind contemplated by this concurrent resolution should be taken promptly after the crisis is resolved and the hostages are released. The hostages should not have to wait through the long, complicated and uncertain process that would be required to obtain such compensation from frozen Iranian assets.

In recent weeks numerous bills have been introduced to impose additional economic sanctions upon Iran and to mandate liquidation of Iranian assets to pay for debts and damages growing out of Iran's holding of American hostages and statements that it will refuse to honor certain financial obligations to the United States and to American firms. Many of these proposals have been referred to the Committee on Foreign Affairs, and to the Subcommittee on International Economic Policy and Trade, which I have the honor to chair.

I can well understand Members' concerns about our economic relations with Iran, and I personally share those concerns.

The International Economic Emergencies Act, under which Iranian assets have been frozen, does not provide authority to take or liquidate those assets for payment of American losses. Such authority would have to be provided in separate legislation. As long as the assets remain frozen, however, there is no need to rush to such a decision. That can be decided after release of the hostages. Only when the current crisis is resolved, in fact, will we know the full extent of American damages and losses.

With respect to additional economic sanctions, the International Economic Emergencies Act gives the President full authority, without need for prior congressional action, to impose a broad range of economic sanctions, extending even to a total economic embargo of Iran. Any decision to use that authority prior to the release of the hostages, however, should be made by the President. It is not necessary, and indeed it would in my view be inappropriate and dangerous, for the Congress to impose such sanctions by legislation.

It is my intention, as chairman of the Subcommittee on International Economic Policy and Trade, to give formal consideration to these various legislative proposals at the earliest opportunity after the problem of the hostages is resolved.

In the meantime, it is my hope that the House and the Senate will demonstrate their concern for the hostages' present and future welfare by adopting the concurrent resolution I have introduced today.

The text of the resolution follows:

H. CON. RES. 221

Whereas, more than 60 official American personnel assigned to the United States' diplomatic mission in Teheran have been siezed and held hostage and in most cases imprisoned for more than a month in violation of the most fundamental principles of international law and practice; and

Whereas, this attack subjects the hostages and their families to suffering and anxiety which is beyond compensation but should be accounted for; and

Whereas, the ordeal of the hostages and their families has been unique and unparalleled even for the members of the Foreign Service who regularly accept risk as a part of their profession and have seen 46 of their colleagues killed in the performance of duty since 1965: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress

(1) declares its deep concern for the welfare of the hostages and expresses to the hostages and their families profound sympathy for the suffering to which, through no fault of their own, they have been subjected;

(2) is determined that no effort should be spared to maintain the honor of the United States and achieve the release and safe return of the hostages;

(3) believes that after the immediate crisis is resolved consideration should be given to appropriate compensation of the hostages for the hardship, deprivation and danger they have endured during their imprisonment;

(4) intends that all possible steps be taken to ensure that the hostages' future career prospects not be impaired by the physical and psychological mistreatment they have suffered.●

HANDGUN CRIME CONTROL ACT MERELY IMPEDES LAWFUL HANDGUN OWNERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

● Mr. FOLEY. Mr. Speaker, the ominous growth of violent crime in the United States, up 13 percent in the first half of 1979 alone, is undeniably a problem of the highest order and one which must be addressed by the Congress.

While a reduction in crime is the laudable intent of the authors of H.R. 5823, the Handgun Crime Control Act of 1979, I do not believe that this legislation would be of any real assistance in achieving this goal. Instead, in the name of combating violent crime, it would, for the most part, merely succeed in impeding lawful handgun ownership, adding to the already excessive regulatory burden of our Nation's law-abiding gun owners and subjecting them to possible criminal charges for the pursuit of their hobby.

Specifically, H.R. 5823 attempts to dictate to all Americans, law-abiding as well as lawless, not only when they might buy a handgun but how many and which ones they might buy. Under its provisions, most Americans would have to wait 21 days to buy a handgun so that their identity might be verified. Further, if they wished to buy more than three such guns in any one year, they would have to obtain special permission from the attorney general. Unfortunately, while already law-abiding gun enthusiasts might submit to such a time consuming process, it is doubtful that, with or without such a law, criminals would go through the formality of seeking Government approval for the acquisition of their weapons.

The regulatory system created under H.R. 5823 would even invade the area of private, noncommercial dealings between friends by establishing specific conditions under which one person could loan a handgun to another by mandating that such a loan could only occur in the presence of the owner or on his premises.

Do we in the Congress actually want to expand the Government's regulatory system to the point that it, and it alone, can decide when and where an individual can lend his or her personal property to another? I sincerely believe that the vast majority of Americans, if polled, would vehemently oppose this unprecedented intrusion into the disposition of private property and relationships between friends.

In addition to my concerns over the intrusive and cumbersome new regulatory system this legislation would create, I am troubled that H.R. 5823 raises the possibility that innocent citizens will be faced with fines or criminal prosecution for doing nothing more serious than failing to report the loss or theft of a handgun, which they legally own, within a period of 24 hours. It strikes me that these potential penalties are more likely to make criminals out of innocent citizens than to have any real effect on reducing crime.

I strongly reject this attempt to dictate the conditions under which millions of honest citizens may pursue legitimate, time-honored leisure activities. I am convinced that the conditions and restrictions contained in this legislation fall heavily on many of our Nation's most lawful and patriotic citizens while leaving the lawless unhampered.

THE PRESIDENT ON NUCLEAR ENERGY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, the President announced on Friday his decision on the investigation of the Three Mile Island nuclear reactor accident. His decision to support the use of nuclear energy is to be lauded.

His analysis reflects the facts we must face. Nuclear energy is an option we fortunately have and is an option we

must utilize to get control of the energy problem. The control of this problem is absolutely vital to our welfare and national security. The President's decision fully reflects the consideration and comprehension of these facts.

His decision is a courageous one since there is, in many quarters, a highly emotional but uninformed campaign against nuclear energy. The President, in a coldly logical way, considered the facts stripped of the emotion and provided us with the leadership-type of decision we need. Now we must move out and utilize the only two practical and significant sources of energy we have to decrease our dependence on our fragile oil supplies—nuclear and coal.

I would like to include the text of the President's statement of December 7 at this point in the RECORD:

STATEMENT BY THE PRESIDENT, DECEMBER 7, 1979

I have reviewed the Report of the Commission I established to investigate the accident at Three Mile Island nuclear power plant. The Commission, chaired by Dr. John Kemeny, found very serious shortcomings in the way that both the government and the utility industry regulate and manage nuclear power.

The steps I am talking today will help ensure that nuclear power plants are operated safely. Safety has always been, and will remain, my top priority.

As I have stated before, in this country, nuclear power is an energy source of last resort. By this I meant that as we reach our goals for conservation, direct use of coal, development of solar power and synthetic fuels and enhanced production of American oil and natural gas, we can minimize our reliance on nuclear power.

Many of our foreign allies must place greater reliance than do we on nuclear power, because they do not have the vast natural resources that give us many alternatives. We must get on with the job of developing alternative energy sources—by passing the legislation I proposed to the Congress, and by making an effort at every level of society to conserve energy.

We cannot shut the door on nuclear energy.

The recent events in Iran have shown us the clear, stark dangers that excessive dependence on imported oil holds for our Nation. We must make every effort to lead this country to energy security.

Every domestic energy source, including nuclear power, is critical if we are to free our country from its overdependence on unstable sources of high-priced foreign oil. We do not have the luxury of abandoning nuclear power or imposing a lengthy moratorium on its further use. A nuclear plant can displace up to 35,000 barrels per day.

We must take every possible step to increase the safety of nuclear power production. I agree fully with the spirit and intent of the Kemeny Commission's recommendations, some of which are within my power to implement, others of which rely on the Nuclear Regulatory Commission or the utility industry itself.

To get the government's own house in order I will take several steps. First, I will send to Congress a reorganization plan to strengthen the role of the Chairman of the NRC and provide this person with the power to act on a daily basis as the chief executive officer, with authority to put needed safety requirements and procedures in place. The Chairman must be able to select key personnel, and act on behalf of the Commission during an emergency.

Second, I will appoint a new Chairman of the NRC—someone from outside that agency, in the spirit of the Kemeny Commission's recommendation. In the meantime, I have asked Commissioner Ahearne, now on the NRC, to serve as Chairman. Dr. Ahearne will stress safety and the prompt implementation of the needed reforms. In addition, I will establish an independent advisory committee to help keep me informed of the progress the NRC and the industry are achieving in making nuclear energy safer.

Third, I am directing the Federal Emergency Management Agency to head up all off-site emergency activities, and complete a thorough review of emergency plans in all states with operating reactors by June.

Fourth, I have directed NRC and other agencies to accelerate our program to place a resident federal inspector at every reactor site.

Fifth, I am asking all revelant government agencies to implement virtually all of the other recommendations of the Kemeny Commission.

A detailed fact sheet is being issued to the public, and a more extended briefing will be given to the press.

With clear leadership and improved organization, the Executive branch and the NRC will be better able to act quickly on the critical issues of improved training and standards, safety procedures, and the other Kemeny Commission recommendations.

But responsibility to make nuclear power safer does not stop with the federal government. In fact, the primary day-to-day responsibility for safety rests with utility company management and suppliers of nuclear equipment. There is no substitute for technically qualified and committed people working on the construction, operation and inspection of nuclear power plants. Personal responsibility must be stressed. Some one person must always be designated as in charge both at the corporate level and at the plant site. The industry owes it to the American people to strengthen its commitment to safety.

I call on the utilities to implement the following changes:

First, building on the steps already taken, the industry must organize itself to develop enhanced standards for safe design, operation, and construction of plants.

Second, the nuclear industry must work together to develop and to maintain in operation a comprehensive training, examination and evaluation program for operators and supervisors. This training program must muster with the NRC through accreditation of training programs.

Third, control rooms must be modernized, standardized and simplified as much as possible to permit better informed decision-making during an emergency.

I challenge our utility companies to bend every effort to improve the safety of nuclear power.

Finally, I would like to discuss how we manage the transition period during which the Kemeny recommendations are being implemented. There are a number of new nuclear plants now awaiting operating licenses or construction permits.

Licensing decisions rest with the NRC and, as the Kemeny Commission noted, it has the authority to proceed with licensing these plants on a case-by-case basis, which may be used as circumstances surrounding a plant dictate. The NRC has indicated, however, that it will pause in issuing new licenses and construction permits in order to devote its full attention to putting its house in order. I endorse the approach the NRC has adopted, but I urge the NRC to complete its work as quickly as possible, and in any event no later than six months from today.

Once we have instituted the necessary reforms to assure safety, we must resume the licensing process promptly so that the new plants which we need to reduce our dependence on foreign oil can be built and operated.

The steps I am announcing today will help assure our country of the safety of nuclear plants. Nuclear power has a future in the United States—it is an option that we must keep open. I call on the utilities and their suppliers, the NRC, the executive Departments and agencies, and the State and local governments to assure that the future is a safe one.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GINGRICH (at the request of Mr. RHODES), for today and tomorrow, on account of a death in the family.

Mr. MURPHY of Illinois (at the request of Mr. WRIGHT), for the remainder of the first session, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. CHENEY), to revise and extend his remarks, and to include extraneous matter:)

Mr. JEFFORDS, for 10 minutes, today.

(The following Members (at the request of Ms. MIKULSKI) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 15 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BRODHEAD, for 60 minutes, on December 19, 1979.

(The following Member (at the request of Mr. JEFFORDS) to revise and extend his remarks and include extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

(The following Members (at the request of Mr. LELAND) to revise and extend their remarks and include extraneous material:)

Mr. FOLEY, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CHENEY) and to include extraneous material:)

Mr. KEMP.

Mr. CLINGER.

Mr. PHILIP M. CRANE.

Mr. DERWINSKI in two instances.

Mr. CARTER.

Mr. MCCLORY.

Mr. MICHEL in three instances.

Mr. MARKS.
Mr. HYDE in two instances.
Mr. WYDLER.
(The following Members (at the request of Ms. MIKULSKI) and to include extraneous matter:)
Mr. MAZZOLI in two instances.
Mr. BAILEY.
Mr. COELHO in two instances.
Mr. DE LA GARZA in 10 instances.
Mr. MICA.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. ROSENTHAL in two instances.
Mr. MCDONALD in five instances.
Mr. FLORIO.
Mrs. BOGGS.
(The following Members (at the request of Mr. LELAND) and to include extraneous matter:)
Mr. LONG of Maryland in two instances.
Mr. MCCORMACK.
Mr. JOHN L. BURTON.
Mr. SOLARZ.
Mr. CONYERS.
Mr. DRINAN.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2069. An act to authorize the Architect of the Capitol to contract for personal services with individuals, firms, partnerships, corporations, associations, and other legal entities; to the Committee on Public Works and Transportation;

S. 2096. An act to provide for a study by the Secretary of Health, Education, and Welfare of the long-term health effects in humans of exposure to dioxins; to the Committee on Interstate and Foreign Commerce; and

S. Con. Res. 48. Concurrent resolution providing for the acceptance of a statue of Mother Joseph of the Sisters of Providence presented by the State of Washington for the National Statuary Hall collection, and for other purposes; to the Committee on House Administration.

SENATE ENROLLED BILLS SIGNED

The SPEAKER on the following dates announced his signature to enrolled bills of the Senate of the following titles:

On December 4, 1979:

S. 901. An act to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery;

S. 1491. An act to designate the building known as the Federal Building, at 211 Main Street, in Scott City, Kans., as the "Henry D. Parkinson Federal Building"; and

S. 1655. An act to designate the building known as the Department of Labor Building in Washington, District of Columbia, as the "Frances Perkins Department of Labor Building."

On December 5, 1979:

S. 1788. An act to amend the National Consumer Cooperative Bank Act to provide for a small business representative on the Bank's Board.

On December 6, 1979:

S. 1535. An act to designate the Federal Building in Rochester, N.Y., the "Kenneth B. Keating Federal Building."

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee on the following dates had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

On December 4, 1979:

H.R. 4732. An act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol.

On December 5, 1979:

H.R. 4259. An act authorizing the President of the United States to present a gold medal to the American Red Cross; and

H.J. Res. 448. Joint resolution proclaiming the week of December 3 through December 9, 1979, as "Scouting Recognition Week."

On December 10, 1979:

H.R. 3892. An act to amend title 38, United States Code, to extend the authorizations of appropriations for certain grant programs and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery, and to assure that personnel ceilings are allocated to the Veterans' Administration to employ the health-care staff for which funds are appropriated; to require the Veterans' Administration to conduct an epidemiological study regarding veterans exposed to agent orange; and for other purposes;

H.R. 5163. An act to authorize the sale to certain foreign nations of certain excess naval vessels; and

H.R. 5651. An act to establish by law the position of Chief of the Capitol Police, and for other purposes.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on December 7, 1979, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 4259. Authorizing the President of the United States to present a gold medal to the American Red Cross;

H.R. 4732. To fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol; and

H.J. Res. 448. Proclaiming the week of December 3 through December 9, 1979 as "Scouting Recognition Week."

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Tuesday, December 11, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2980. A letter from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1980 (H. Doc. No. 96-237); to the Committee on Appropriations and ordered to be printed.

2981. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on the release of certain budget authority, the rescission of which was proposed by the President and not approved by the Congress; to the Committee on Appropriations.

2982. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2983. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend chapter 23 of title 44, United States Code, to reconstitute the membership of the National Archives Trust Fund Board, and for other purposes; to the Committee on Government Operations.

2984. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the award by the Indian Claims Commission in docket No. 326-K, *The Western Shoshone Identifiable Group Represented by the Temoak Bands of Western Shoshone Indians, Nev.* v. *The United States*; to the Committee on Interior and Insular Affairs.

2985. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2986. A letter from the Under Secretary of the Treasury, transmitting reports on various investigations of allegations of violations and waste of funds at the Miami District Office of the Bureau of Alcohol, Tobacco and Firearms, pursuant to 5 U.S.C. 1206 (b)(5)(A); to the Committee on Post Office and Civil Service.

2987. A letter from the Acting Secretary of Commerce, transmitting a report on the effects of pollution control costs on international trade, pursuant to section 6(b) of Public Law 92-500; to the Committee on Public Works and Transportation.

2988. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor Improvement Project and for other purposes; to the Committee on Interstate and Foreign Commerce.

2989. A letter from the Executive Director, U.S. Metric Board, transmitting a report on the need to provide an effective structural mechanism for converting customary units to metric units in statutes, regulations, and other laws at all levels of government, pursuant to section 6(11) of Public Law 94-168; to the Committee on Science and Technology.

2990: A letter from the Comptroller General of the United States, transmitting a re-

port on needed improvements to housing rehabilitation assistance provided by the Department of Housing and Urban Development, (CED-80-19, December 7, 1979); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2991. A letter from the Comptroller General of the United States, transmitting a report on current trends in U.S. petroleum and natural gas production (EMD-80-24, December 7, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

(Pursuant to the order of the House on December 6, 1979, the following reports were filed on December 7, 1979)

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4370. A bill to provide certain authorities for the Secretary of the Interior to permit rights-of-way for purposes of certain pipeline transportation systems; with an amendment (Rept. No. 96-692, pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5926. A bill to establish the Biscayne National Park in the State of Florida, and for other purposes; with amendments (Rept. No. 96-693). Referred to the Committee of the Whole House on the State of the Union.

[Submitted Dec. 10, 1979]

Mr. BROOKS: Committee on Government Operations. The Department of the Air Force's phase IV program should be redirected (Rept. No. 96-694). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee of conference. Conference report on S. 241 (Rept. No. 96-695). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. FOLEY:

H.R. 6070. A bill to provide for multiple-use management under the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, of national forest lands not included in the National Wilderness Preservation System; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. ANDERSON of Illinois:

H.R. 6071. A bill to amend the Internal Revenue Code of 1954 to impose a 50 cent excise tax on gasoline and special motor fuels, to provide that revenues from the tax shall be used for a reduction in social security taxes, and for other purposes; to the Committee on Ways and Means.

H.R. 6072. A bill to amend title II of the Social Security Act to provide a flat increase of $10 a month in the amount of the benefits for which a retired or disabled worker is otherwise eligible, with proportionate increases in any benefits payable to the worker's dependents and survivors, in order to reflect the rising cost of gasoline (particularly the portion of such cost which is attributable to higher Federal excise taxes); to the Committee on Ways and Means.

By Mr. BAUMAN:

H.R. 6073. A bill directing the President to take certain actions with respect to any country which engages in certain hostile actions against property of the United States or U.S. officers or employees assigned to duty abroad; to the Committee on Foreign Affairs.

By Mr. BREAUX (for himself, Mr. MURPHY of New York, and Mr. ECKHARDT):

H.R. 6074. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. LEVITAS (for himself, Mr. ABDNOR, Mr. ATKINSON, and Mr. ALBOSTA):

H.R. 6075. A bill to amend the Public Buildings Act of 1959, to authorize the Administrator of General Services to issue obligations for the construction and acquisition of public buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PRICE (by request):

H.R. 6076. A bill to amend title 10, United States Code, to aline the Reserve Forces of the Armed Forces with active duty forces so as to provide for the national security on a more effective, efficient, cost-effective, and representative basis, and for other purposes; to the Committee on Armed Services.

By Mr. CHARLES H. WILSON of California (for himself and Mrs. SPELLMAN):

H.R. 6077. A bill to provide a prepaid dental care program for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H.R. 6078. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

By Mr. LEVITAS (for himself and Mr. JOHNSON of California):

H.J. Res. 462. Joint resolution expressing the sense of Congress concerning the White House Preservation Fund; to the Committee on Public Works and Transportation.

By Mr. BINGHAM (for himself, Mr. ZABLOCKI, Mr. BROOMFIELD, Mr. FASCELL, and Mr. BUCHANAN):

H. Con. Res. 221. Concurrent a resolution to ensure appropriate financial recognition for the hostages in Tehran; to the Committee on Foreign Affairs.

By Mr. KEMP (for himself and Mr. HOWARD):

H. Con. Res. 222. Concurrent resolution to express the sense of the Congress that the leaders of the Communist nations in Eastern Europe should release certain Christian political prisoners who have committed no crimes against the state according to the provisions of Basket I of the Helsinki Accords; to the Committee on Foreign Affairs.

H. Con. Res. 223. Concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes; to the Committee on Foreign Affairs.

By Mr. STENHOLM:

H. Con. Res. 224. Concurrent resolution expressing the sense of the Congress that the American people should immediately send Christmas cards to the hostages being held in the U.S. Embassy in Tehran as an indication of our concern for their welfare and our support for the Government of the United States as it seeks to secure their release; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SAWYER introduced a bill (H.R. 6079) for the relief of George Herbert Weston and Mabel Gregson Weston; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

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

H.R. 135: Mr. MURPHY of New York.

H.R. 1290: Mr. WEAVER.

H.R. 4960: Mr. HAGEDORN, Mr. SANTINI, Mr. CAVANAUGH, Mr. AKAKA, Mr. MICA, and Mr. WEISS.

H.R. 5626: Mr. CLEVELAND, Mr. RAILSBACK, and Mr. ROE.

H.R. 5771: Mr. HUGHES, Mr. OBERSTAR, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. LOWRY, Mr. LEACH of Louisiana, and Mr. CAVANAUGH.

H.R. 6021: Mr. CHARLES WILSON of Texas, Mr. RINALDO, Mr. LEVITAS, Mr. MURPHY of New York, Mr. LEHMAN, Mr. MOLLOHAN, Mr. PREYER, Mr. JENRETTE, and Mr. LOWRY.

H. J. Res. 372: Mr. SIMON, Mrs. SPELLMAN, Mr. RICHMOND, Mrs. CHISHOLM, Mr. MCHUGH, Mr. AKAKA, and Mr. IRELAND.

H. J. Res. 458: Mr. MINISH.

H. Con. Res. 219: Mr. DODD, Mr. MOAKLEY, Mr. ROYBAL, Mr. ALBOSTA, Mr. WEISS, Mr. OBERSTAR, Mr. AUCOIN, Mr. DRINAN, Mr. KOSTMAYER, Mr. EDWARDS of California, Mr. DICKS, Mr. PANETTA, Mr. MOFFETT, Mr. LEACH of Iowa, Mr. MCHUGH, and Mr. SEIBERLING.

H. Res. 491: Mr. YOUNG of Florida.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2816

By Mr. SENSENBRENNER:

—Page 26, strike out lines 21 through 23 and insert in lieu thereof the following: dence—

"(1) shall not in any of the first three quarters of any fiscal year exceed a total of 26½ percent of the number determined under paragraph (2), and

"(2) shall not in any fiscal year—

"(A) before fiscal year 1982, exceed 270,000, and

"(B) after fiscal year 1981, exceed 270,000, less one-half of the number (if any) by which the number of refugee admissions under section 207 in the previous fiscal year exceeded 50,000.".

Page 28, after line 9, insert the following new paragraph:

(7) by striking out "section 201(a)" in subsection (a) and inserting in lieu thereof "section 201(a)(2)" each place it appears.

Page 28, line 10, strike out "(7)" and insert in lieu thereof "(8)".

Page 28, line 12, strike out "(8)" and insert in lieu thereof "(9)".

Page 30, line 21, strike out "203(c)(8)" and insert in lieu thereof "203(c)(9)".

SENATE—*Monday, December 10, 1979*

(Legislative day of Thursday, November 29, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. RUSSELL B. LONG, a Senator from the State of Louisiana.

PRAYER

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

Let us pray.

Blessed be Thy name, O Lord, who hast brought us to the beginning of this new day. Invest each hour with a sense of Thy nearness. Endow us with wisdom beyond ourselves and support us in every righteous endeavor.

We remember before Thee this day our fellow countrymen held as hostages. Grant that, by drawing near to Thee, we may be drawn nearer to them in faith and love. Imbue them with grace and strength to endure separation and privation. Grant, O Lord, to their keepers the spirit of compassion and the universal laws of humanity. Keep alive in them and in us the truth of the invincibility of goodness and the everlasting care of the heavenly Father. 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., December 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 (Mr. BOREN). 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.

U.S. INTERNATIONAL POLICIES IN THE 1980'S

Mr. ROBERT C. BYRD. Mr. President, events of recent months have underlined the need for serious attention to key elements of U.S. economic, defense, and foreign policy.

Three major issues have been dominant during this period—the energy problem, the SALT II treaty, and the current crisis revolving around the takeover of the U.S. Embassy and the holding of American hostages in Iran.

All three of these issues have a very direct bearing on this Nation's future international posture and policies. We are facing decisions which will significantly affect our international position in the 1980's.

This decade began with the United States still seriously entangled in Southeast Asia. In addition to having greatly drained our human and material resources, the legacy of that experience has weighed heavily on our national psyche.

Another traumatic experience of the 1970's, having international as well as domestic reverberations, was the Watergate crisis. The collective impact of "Vietnam" and "Watergate," the capsulized titles we apply to those momentous occurrences, did much to shatter foreign notions about American power and purpose, and led to an era of uncertainty at home.

While we were in the process of coming to terms with those trying episodes, significant developments were taking place elsewhere in the world which have had a major effect on the security and well-being of the United States.

Although relations between the two most powerful nations in the world, the United States and the Soviet Union, have improved in some respects in recent years, despite some notable zigs and zags, it has been a period marked by significant growth in Soviet military capability, in both strategic and conventional categories. The Soviets have developed and deployed military forces far beyond those needed for their own security. The United States was not standing still during this period, but, in comparative military terms, the steady and significant movement has been on the Soviet side.

There have also been portentous developments in the energy-economic sphere, where this country has become increasingly and dangerously dependent on foreign oil. This serious diminution in our ability to control our own economic destiny represents a major change, particularly for a nation that is the dominant force in the world economy. This dependency not only has damaging economic consequences, but serious ramifications for our national security as well. We must confront this vulnerability in the energy area and minimize the degree to which we are dependent on the whims of other nations and on developments which may be beyond our control.

These developments in world affairs, with their considerable direct significance for the United States, occurred against a background of shifting economic strength and altered political alliances. The nations which were vanquished in World War II rose to the rank of economic superpowers. The Japanese yen and the West German mark became more stable than the long-dependable dollar.

The term, "Third World," became more than a sociological one and "interdependence" more than academic jargon. The less developed nations have sought to assert themselves, and the resource-rich among the Third World countries have not hesitated to exploit their economic clout.

Our foreign policy has long been plagued by our inability to come to terms with nationalism in other countries. Nationalism remains an incredibly powerful force and one that can be tragically and dangerously misdirected. There is a strong current of sentiment in the Third World which is suspicious of and antagonistic toward the Western industrial powers—this country being the ultimate symbol of modernization and high technology. In some of these countries fundamental societal and cultural values have been badly shaken by external influences. Now in some areas we are witnessing a kind of delayed reaction to these political and cultural cross-currents and to what some would brand as economic colonialism.

This has been a period in which we have been buffeted by the waves of uncertainty and economic instability. Nonetheless there have been important and positive developments which have bolstered our foreign policy. The steadily improving relationship with China; the Panama Canal treaties; the Camp David agreements and the subsequent Egyptian-Israeli Peace Treaty; and the important steps toward the revitalization of the North Atlantic Treaty Organization (NATO) are notable examples.

MOVING ON TWO FRONTS

I am convinced that if we will move ahead as we have the opportunity to do, we can significantly strengthen our international posture as we enter the 1980's. In my view, the two key steps that are necessary at this time are the

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

enactment and implementation of a vigorous and broad-based energy program and the ratification of the SALT II treaty. The Senate has under consideration important energy-related legislation and two other major energy bills are now in conference. In January or early next year, certainly, we shall debate the SALT II treaty. That will be my top priority for early next year.

I believe that the events in Iran and other recent international turmoil provide compelling reasons why we need to move on both of these fronts—SALT and energy.

The pitfalls of our overdependence on energy from abroad are all too apparent. The Iranian crisis and the threat of instability in the Middle East dramatize this. We simply must not allow ourselves to remain in this extremely vulnerable position.

As for SALT II, I see the experience in Iran, coupled with the possibility of other localized confrontations or regional conflicts where U.S. interests may be involved, as all the more reason that we should proceed with the treaty.

SALT II applies to the area of strategic armaments. Through the SALT process, we have an opportunity to impose some controls, some boundaries on strategic weaponry, and, therefore, to have some predictability in the strategic field.

During the hearings on the treaty, Secretary of Defense Harold Brown repeatedly emphasized the value of the predictability that would result from the treaty. He said:

> It is probable that without SALT II we would enter into an era of greater uncertainty . . . that would result in increased strategic forces on both sides, as hedges against that uncertainty. This would mean less rather than more security for the United States—and for the Soviet Union too.

The Joint Chiefs of Staff have frequently spoken of the advantages for our overall defense posture that the treaty would bring. Gen. David Jones, chairman of the Joint Chiefs, points out that the various limitations in the treaty will enhance the predictability of the range of Soviet force developments, thus assisting us in our force planning.

Gen. Robert Barrow, Commandant of the Marine Corps, notes that without SALT II we would probably have less resources available "for our equally important general purpose forces."

The fact is that, with SALT II, we will be in a better position to allocate both resources and planning. We will be in a better position to strengthen our conventional capabilities, having a much more certain knowledge of our strategic needs. We will be in a better position to deal with the smaller scale but potentially serious problems which are likely to persist in the coming years.

There is, in my view, a highly persuasive case for strengthening our conventional military capability, including rapid deployment forces, and upgrading our communications and logistical support. In no way would SALT II prevent the United States from taking these steps to boost our nonnuclear capabilities. On the other hand, it would, indeed, enhance our taking such steps.

The SALT II treaty deals only with strategic nuclear weapons and delivery systems—those systems which we fervently hope will never have to be used; those systems which are capable of wreaking massive devastation and incalculable destruction.

The events in Iran do not undercut the basis for ratifying SALT II; indeed, they strengthen the case for proceeding with ratification.

We have generally tended to gear our thinking toward crises arising from the long-term East-West conflict—what we once referred to as the cold war.

Our concentration on "superpower" issues directs our attention and planning away from the exigencies that may occur in troubled regions of the world.

Nuclear deterrence and strategic capability may have little impact on the kind of political and/or economic conflicts we are experiencing and are likely to experience in the Middle East, for example, and in the belt of instability which runs from the Horn of Africa through to Pakistan. We face the possibility of situations where our interests and those of nations with which we are allied may be directly or indirectly threatened. We must utilize our resources in such a way as to be able to respond to such problems.

To emphasize the importance of being prepared for such contingencies is not to suggest that the United States should be concentrating on an "interventionist" strategy. I am somewhat troubled by the manner in which that term has been bandied about lately. What I am suggesting is that we need to be able to be in a position to protect our interests and to cooperate with friendly nations in avoiding situations where our interests may be threatened—in some cases through "unconventional" warfare, through terrorism, sabotage or severe resource shortages. We do need to improve the capability to rapidly deploy forces, for example, and I am pleased to see the inclusion in the proposed fiscal year 1981 budget of initial funding for a long-distance transport plane, designated the CX. We need that airlift capacity. And, I repeat, we must improve other logistical and communications systems.

It is neither wise nor necessary to sketch out all the possible scenarios—and there are certainly some we could not reasonably foresee—but there are a variety of circumstances in which terrorism, or localized or regional conflicts or uprisings could create explosive conditions which would threaten our interests in some manner. As we must now recognize, such situations can be created by demogogic manipulation of nationalist or religious sentiment.

Economic analyst Robert J. Samuelson has pointed out—

> As countries become more subject to outside influence, they seek to deny the intrusion by resurrecting history.

Samuelson comments—

> We are being thrown into contact and conflict with peoples whose histories and motivations we hardly understand at all.

Efforts at "creating stability" can, in fact, contribute to further instability. We need not to overreact; we need to be able to react.

This is a turbulent time and events can take highly unexpected turns. Yet, we need to be prepared to protect our interests. Let me reiterate that what I am referring to is a protective capability—not interference in the internal affairs of another nation.

We need to minimize our vulnerability, without withdrawing from the world. Indeed, it would be impossible to withdraw in this interdependent age.

NONPROLIFERATION

I want to mention one further area where I believe the approval of the SALT II treaty has important international ramifications. I have made this point previously, but it is worth repeating. I refer to the example which the treaty sets for nuclear limitations, and, in turn, for nuclear nonproliferation.

Failure to approve SALT II would seriously undermine our efforts to encourage nonproliferation. Article VI of the Treaty on Nonproliferation of Nuclear Weapons (NPT), to which the Senate gave its advice and consent on March 13, 1969, commits all parties to the treaty to good faith efforts on measures relating to cessation of the nuclear arms race at an early date.

Under this treaty, 106 nonnuclear-weapon states have pledged not to acquire nuclear weapons or nuclear explosive devices, and to demonstrate their compliance with the treaty by placing all their peaceful nuclear facilities under the safeguards system of the International Atomic Energy Agency.

An NPT review conference will be convened next June to review the progress that has been made under the nonproliferation Treaty. It can be anticipated that the degree to which the nuclear weapon states have lived up to our obligations under the treaty will be a major issue. Failure to ratify SALT II will weaken our hand in efforts to influence other nations to remain nonnuclear.

This is a matter of extremely serious consequence, because the world is poised on the threshold of a rapid proliferation of nuclear weapons.

Let me quote the Director of the Arms Control and Disarmament Agency, Gen. George Seignious:

> Such proliferation would create a security nightmare for all nations. A world with many nuclear powers would face much greater risks of nuclear blackmail, nuclear terrorism, nuclear insurrections, and regional conflicts which might involve nuclear weapons. These conflicts could escalate rapidly to threaten the security of every American. I can think of no more unstable world than one with growing numbers of nuclear weapons states.

I will not elaborate on this issue of nonproliferation further, except to say that the point should be ominously obvious to us all. The dangers of nuclear weapons falling into the hands of a Khomeini or an Amin are apparent.

STRENGTHENING OURSELVES

The stakes involved in the issues I have been discussing are extremely high. International order and the security and well-being of this Nation are involved directly. As we move beyond the seven-

ties, which have seen dramatic changes on the international scene, we must act to strengthen ourselves in the interrelated areas of the economy, energy, and national security.

Specifically, I am advocating implementation of a comprehesive national energy policy with greater emphasis on conservation and on diversification of energy sources; and approval of the SALT II treaty, combined with a prudent, balanced modernization of our overall defense capability, and more thorough preparation for the contingencies of this turbulent time.

If we will take these essential steps, I am convinced that we can move into the 1980's with renewed strength and a sound international position.

RECOGNITION OF THE MINORITY LEADER

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

ANN STEVENS MEMORIAL RED CROSS BUILDING

Mr. STEVENS. Mr. President, first, let me thank my good friend from West Virginia, the majority leader, for the remarks he made on the floor of the Senate Friday morning concerning the Red Cross memorial ball that was held in Anchorage on Thursday evening. That ball was held to raise funds for a building which is to be named after my wife.

The majority leader not only made remarks here on Friday morning, but he also sent a telegram which was a very moving message to that gathering. It was read and very much appreciated, not only by me, but by all those in attendance who had participated in the fundraising effort for the Ann Stevens Memorial Building.

I also thank my good friend from Texas (Mr. TOWER) who acted for me and for the minority leader on Friday, not only for what he did that day, but also for his comments that were made at the same time.

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

Mr. STEVENS. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for his remarks anent the Ann Stevens Memorial. I regret that I could not attend that very important event. I had planned to be present, as the distinguished acting Republican leader knows. I wanted very much to go, and we had discussed it for a good many weeks prior to last Thursday evening. As the distinguished acting Republican leader has graciously indicated, it was not possible for me to attend.

I shall watch with great interest the progress that is made in connection with the Ann Stevens Memorial. I truly hope that there will be a future time when I can go to Alaska to be present at a dedication exercise or some such occasion, because I certainly want to show the people of Alaska my respect not only for the distinguished acting Republican leader but also for his late, devoted, and lovely wife.

SALT II

Mr. STEVENS. Mr. President, I have listened with interest to the statement of the majority leader. I have discussed the SALT treaty with him very often.

I think the Senate knows my deep affection for the majority leader, and it is at his request that I have stayed uncommitted on this matter.

I have been meeting with members of the administration. I met the other day with the President's Counsel, Lloyd Cutler, to discuss some of my concerns about the SALT treaty.

But I must say that when I was home over the weekend I received some news that, if it has been in the press here, has missed me. That was the news that Russia has 30 armed battalions stationed 40 miles from the Iranian border. The troops are viewed by those who have business connections in Iran to be stationed there to provide moral support to the ayatollah.

Also, the Russians did, at least for a while, participate by giving support to the ayatollah through their clandestine radio activities.

I believe that latter matter was in the paper here at the beginning of the Iranian crisis.

The indications I had from my discussions in Alaska over the weekend, all indicate to me that they become involved again.

I say to my good friend from West Virginia that I hope the administration is prepared to give the Senate a detailed explanation of what the Russian activities have been in the Iranian crisis before we debate and vote upon the SALT II treaty. If the Russians have, in fact, moved to give solace and support to those holding our embassy employees hostage and have moved to give moral support to the ayatollah by stationing 30 armed battalions near the border at a time when the world knows that the ayatollah's control over his country is very shaky, then, for myself at least, I believe we have to take a very long look at entering any other long term arrangement with Russia with regard to the limitation of strategic arms.

It does seem to me that as one of the leading nation's of the world, Russia, above other nations, ought to understand the necessity of honoring international commitments and honoring international law with regard to the safety and freedom of diplomatic personnel. And the protecting of diplomatic premises.

As I indicated, I was most disturbed by the reports, again over the weekend, from people in Alaska who do have and have had in the past, business and industrial connections in that area.

It is my hope that before we begin debate on the SALT II treaty, the hostages will have been released in Iran. I do not believe that we should necessarily set that as a condition for that debate, but I think all Members of the Senate hope that the consideration of SALT II will not be clouded by the continued holding of our personnel who were lawfully in Iran and who have been held hostage contrary to all concepts of freedom in the world.

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

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I share the viewpoint of the distinguished Senator from Alaska in expressing the hope that the situation involving the American hostages in Iran will be resolved quickly.

I also share his observation that the Soviets are in a position to be helpful there. It has not escaped my notice—nor the notice of other Americans, I am sure—that the Soviets gave support to the resolution that was adopted unanimously by the Security Council in the U.N., but I hope the Soviets can do more.

I imagine that the presence of Soviet divisions on the Iranian border is nothing new. I can only assume that those divisions are maintained there regularly.

The radio broadcasts, as the distinguished acting Republican leader has said, were toned down considerably or stopped entirely. Whether or not they have resumed, I do not know.

I am aware of the Pravda editorial, but I hope the Soviets will give their support and assistance to our country; because—who knows?—they may be caught in the same vise someday.

It should be recognized that the actions that have been committed by the militants—I am not one of those who refer to them as "students" any more—constitute a violation of international law and international order. So, in my judgment, it is a crime against the international community and not just against the United States. All civilized nations should condemn the actions of those who are holding Americans hostage, and such condemnation should be consistent and unrelenting.

The ACTING PRESIDENT pro tempore. The time of the minority leader has expired.

Mr. STEVENS. I thank the Senator from West Virginia.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

S. 2105—TRANSFER OF AUTHORITY TO ALLOCATE MASS TRANSIT FUNDS

Mr. PROXMIRE. Mr. President, I send to the desk a bill and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. PROXMIRE. Mr. President, I am introducing legislation this morning to take from Secretary of Transportation Goldschmidt, authority to allocate $1.4 billion a year in discretionary mass transit money. The legislation is cosponsored by Senator ADLAI STEVENSON and Senator JOHN HEINZ.

Mr. President, 2 hours of cross-examination of Secretary Goldschmidt before the Senate Banking Committee last week convinced me that Mr. Goldschmidt has used and will continue to use the discretionary fund to punish political adversaries of the administration and reward its political friends. This action is necessary to restore public confidence that Federal transportation funds will not be used to buy the nomination.

Mr. President, the transfer of authority to allocate discretionary money to the newly appointed Urban Mass Transit Administrator Theodore Lutz is appropriate for another reason. Mr. Lutz came before our committee with outstanding qualifications for his job. He has served in the Transportation Department for several years and with continuous distinction. He has repeatedly won awards for his ability and integrity.

As a matter of fact, I think he has won four awards as an outstanding member of the Department of Transportation.

Members of the committee questioned Mr. Lutz at length on his attitude in allocating discretionary funds. His answers were direct and reassuring. It was clear that Mr. Lutz would allocate funds strictly and solely on merit and without any political consideration. More important, Mr. Lutz has a long and distinguished career in Federal transportation policy, during which he has displayed precisely the kind of fairness and scrupulous exclusion of political considerations that is needed in allocating this huge amount of discretionary Federal money.

Mr. President, consider this Chicago fiasco. Mayor Byrne indicated that one reason she endorsed Kennedy was that an Illinois poll pitting Carter against Kennedy indicated Carter could not win in Illinois in a primary against Kennedy. Kennedy was reported to have led Carter by better than two to one in the poll.

That was in October. It was followed by a Mayor Byrne endorsement of KENNEDY. Now, what happened to the Carter-KENNEDY support in Illinois after the Mayor withdrew her support of the President and endorsed the Senator? Did KENNEDY pick up steam and move even further ahead of Carter as might be expected if the Mayor's endorsement was worth very much?

No. The latest Illinois poll between Carter and KENNEDY shows precisely the reverse effect. Not only has Carter reduced KENNEDY's lead in Illinois. This most recent poll shows Carter actually leading KENNEDY by a substantial margin in Illinois.

I do not mean to imply that the Mayor's switch from Carter to KENNEDY caused Illinois voters to switch the other way. What obviously happened was that the President's handling of the Iranian crisis has overwhelmed everything else. President Carter has won predominant approval in this international crisis. His press conference on Iran, carried on all three networks in prime time was superb, probably the best of his administration and one of the best by any President on any subject.

On the other hand, Senator KENNEDY's posture in the Iranian crisis has probably cost him popular support, which these Illinois polls reflect.

The point is that the endorsement of a Presidential candidate by any elected official is overwhelmed by national and international events, how the President handles those events, and how the President's opponents react to the events and the President's handling of them.

Endorsement of a Presidential candidate by a mayor, a U.S. Senator, a Governor has the force that emerges from a delicate, undersized, feeble, starving butterfly when it hiccups into a tornado.

It is not that people do not trust elected officials from their State or city. It is that the activities of one office in this Nation are fully reported to the people by newspaper, by radio, by television. And that is the Presidency.

Studies have shown that half of the American people do not even know who their Senator is. Many do not know their Governor or mayor. But the President they know. He is their constant companion. It is a rare evening television network news program that does not have at least one story, and usually there are several about the President. He dominates radio news. And it is an unusual front page in any daily newspaper in the country that does not have at least one story featuring the President every single day of every week, 52 weeks a year.

The second focus of interest is the candidate who challenges the President, particularly if he is TED KENNEDY. Americans know far more about the Kennedy family, its tragedy and triumphs, than they know about any other family in America with the possible exception of the Carters. They have watched Senator KENNEDY often on television. They have read about him frequently in newspapers.

So both these men are far more familiar to the vast majority of voters than any one of us in the Senate is to our own constituents in our own States. The typical voter knows Carter and KENNEDY far better than he knows his Governor, Senator, or his mayor.

For one of us as elected officials to tell a voter in our own State to vote for KENNEDY or Carter under these circumstances may seem to the voter as presumptuous as telling a woman whether she ought to approve or disapprove her husband or her sister. Chicagoans probably feel they know as much about Carter and KENNEDY, their strengths and weaknesses, as their mayor knows. And they probably do.

This is why the Goldschmidt policy of refusing to deal with Mayor Byrne in the allocation of transportation money is politically stupid. The mayor's defection from President Carter to Senator KENNEDY has cost the President nothing. But the Goldschmidt policy of treating the mayor of Chicago as a leper when it comes to allocating Chicago's share of the $1.4 billion of transportation money may not hurt Mayor Byrne, but it is certain in the long run to cost President Carter support and it should.

What this Goldschmidt-Byrne episode really discloses is a serious error in political judgment on the part of the Carter administration as well as a woeful lack of simple integrity in handling the public money.

Goldschmidt was also reliably reported to have indicated that his allocation of transit funds to Philadelphia would depend on the position Mayor-Elect Green takes in the Carter-KENNEDY contest for the Democratic nomination.

There were Secretary Goldschmidt's widely reported comments that he would look for opportunities to deny Federal funds to Chicago, and what he reported to say was reliably reported by the New York Times and by a number of other top papers. Those reporters were present at the breakfast where this episode took place. Secretary Goldschmidt's widely reported comments that he would deny Federal funds to Chicago in the aftermath of Mayor Jane Byrne's endorsement of Senator KENNEDY and Secretary Goldschmidt's continued indications in testimony before the Senate Banking Committee last week that he would refuse to deal with Mayor Byrne because of a personal problem he has with her, have removed all confidence that he can administer the discretionary mass transit program in an impartial manner, without political favoritism.

Allocation of funds under this program must be based on merit and need. The suggestion that whom a mayor might endorse for President might have any bearing on how the Department of Transportation might deal with a city is an outrageous abuse of Federal power.

In response to a question at last week's hearing, Secretary Goldschmidt stated that neither the President nor the Vice President had criticized him for his November 20 statement to reporters. And while the Secretary said he believes he can still deal with Chicago through other channels, his continued indications that he will not deal with the city's elected mayor demonstrates his continued insensitivity to the appearance and effect of his statements.

The bill I am introducing today would reduce the threat of political blackmail in the use of section 3 discretionary mass transit funds during the Presidential campaign. After 1 year, the authority would be returned to the Secretary. During this interim period, Congress can consider permanent legislation to build safeguards into the program designed to prevent it from being used for political purposes.

There is an unfortunate cynicism in the political community that accepts the Goldschmidt approach as politics as usual. This cynicism is based on the belief that other administrations did the same thing in the past without talking about it. According to this theory the only fault committed by the Carter administration in this case is blunt honesty.

Whatever the faults of past administrations may or may not be in this respect it would be a grievous error to permit such a corrupt use of the taxpayer's money to become an acknowledged, and accepted part of our system.

With billions of dollars in discretionary funds available to the administration and the amount increasing with every

passing year, this is a corruption that cannot and should not be smiled at, winked at, or in any way condoned or accepted.

And when the realpolitik boys pony up to the bar and laugh about stealing the nomination, they should recognize in what a feeble cause the taxpayer's money is being wasted. The fact that neither mayors nor other public officials these days can deliver votes to Presidential candidates. All of us who occupy public office are paper tigers in this Presidential contest. Regardless of our past election record, we cannot deliver even a small handful of votes to a Presidential candidate. If we are honest we will admit it, and if the candidates have any smarts they know it.

THE CHRYSLER CORP.

Mr. PROXMIRE. Mr. President, in a few days I expect that the majority leader will call up the Chrysler loan guarantee bill for consideration by the Senate. I feel very strongly about that bill.

I was most impressed by an article in the Washington Post yesterday relating to the bill. It was written by a young Republican Congressman named DAVE STOCKMAN. I shall read three or four paragraphs from that article because these are paragraphs that Members of the Senate should ponder as they consider this Chrysler guarantee proposal which we will act on.

Mr. STOCKMAN is a Congressman from Michigan, which is Chrysler's home State, of course, and he writes this:

It is not the Chrysler Corp. that needs saving. It is the nation that needs to be spared the heavy economic and political burdens the bailout portends.

The bailout plan marks not only an appalling escalation of narrow, self-pleading politics, but the introduction of a baleful new political economy based on the illusions of single-entry bookkeeping. Nothing could be more inimical to reviving our ailing economy or to wise congressional policy leadership in the future.

Out of a faltering economic network—Chrysler and its suppliers, unions, dealers, creditors and a handful of cities—there has emerged a prototype political strike force seeking an extraordinary legislative license. It wants authority to pirate massive credit resources from healthy sectors of the economy in order to preserve a collapsing production chain of foundries, assembly plants, dealerships and work forces that are no longer generating products consumers want to buy, at prices that will return a profit.

The rationalizations used to justify this unprecedented economic coup d'etat are embarrassing. The essential contention is that if Congress refuses Chrysler a loan guarantee, the whole Chrysler network would disappear down an economic drain: Plants would be scrapped, weeds would sprout in dealer lots, and 500,000 employees would become wards of this state.

Mr. STOCKMAN goes on to point out what nonsense that is and does so with great logic and force.

Mr. President, I ask unanimous consent that the full article be printed in the RECORD.

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

LET CHRYSLER GO BANKRUPT

(By DAVE STOCKMAN)

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Fortunately, the economy actually operates on a double-entry bookkeeping system. Product brands, plant assets, supplier orders and payroll slots that regularly disappear from one side of the ledger almost always reappear in new, and usually more productive, forms on the other side. Abandoned gas stations become pizza parlors; electronics suppliers that once made TV components now make automotive parts; 80,000 former W. T. Grant employees now punch the clock at K-Mart and Woolworth's.

While larger than the usual case, the $15 billion Chrysler employment and production network still represents only 0.6 percent of our gross national product. Even a "worst case" outcome—the total liquidation of the Chrysler corporate structure—would not add appreciably to the normal adjustment of resources in a $2.5 trillion economy, nor measurably reduce national employment and production after a relatively brief transition.

There are two reasons why this is so. First, it is final vehicle demand that drives the level of economic activity—components production, assemblies, dealer operations, and employment levels—in the auto sector. There is no evidence that total sales would be affected. Chrysler or no Chrysler. Second, the preponderent share of Chrysler-related production and employment would be shifted to other domestic suppliers and dealers.

Nearly a fifth of the Chrysler network's activity, for example, takes place after vehicles leave factory gates. Regardless of whether Dodges are replaced by Chevvys or Toyotas, they would still be shipped, sold and serviced by U.S. workers and firms.

Similarly, 15 percent of Chrysler's 1978 U.S. sales were imports, principally Japanese-made cars and trucks. Regardless of future sales arrangements, a Chrysler collapse couldn't cause any loss of U.S. employment in this area. Another 55 percent of Chrysler's domestic production consisted of trucks, recreation vehicles, vans, and medium- to luxury-sized cars—a market sector where there is minimal competition. Even in the small car market, which is heavily penetrated by imports, Ford, AMC, GM and Volkswagen North America could be expected to absorb 50 to 60 percent of Chrysler's domestic production initially and even more eventually.

Indeed, if the small-car boom continues, GM undoubtedly will find ways to make more "X-cars." Similarly, Ford is likely to accelerate introduction of its new 1981 front-wheel drive-compact, and Volkswagen is certain to keep shipping the 300,000 Omni-Horizon engines it currently makes for Chrysler to someone—possibly even to Volkswagen North America. Overall, then, not more than 20 percent of the Chrysler network's domestic output would be captured by foreign producers even in the initial period.

Thus the single-entry bookkeeping logic advanced by the Chrysler coalition cannot possibly enhance the national economic welfare. The true aim of the bailout plan is far different anyway—and far narrower.

Rather than maintaining or adding to the nation's GNP, its major effect would be to prevent financial losses to components of the Chrysler network itself—while also preventing gains, naturally, to the many who would benefit on the other side of the ledger. But dragging this unending struggle over equities and income shares among regions, firms, workers and investors into the national political arena for ad hoc adjudication can only engender wildly inflated claims and essentially arbitrary indemnities.

The major permanent capital losses would accrue to holders of financial assets—bankers, stockholders and dealer franchise owners. Yet thousands of similar investors write down billions each year in assets gone sour. Why should this particular set be singled out for indemnification?

Similarly, some suppliers would be hurt, but many have customers outside the auto sector and most do business with other domestic auto manufacturers. Indeed, Chrysler's third largest supplier is GM, and Chrysler orders account for less than 5 percent of the total business volume of its other major suppliers.

The scrappy firms that produce foundry products and electronic components understandably desire surcease from their constant hustle for new orders. But their capacity to survive and drum up new business is also well demonstrated.

Even at the dealer level, the loss would not be total. A significant portion of Chrysler dealers handle other makes; most, along with their employes, are presumably skilled at selling and servicing cars regardless of brand name; and a high fraction own valuable commercial real estate entirely separable from the franchise.

The longer-term prospects for Chrysler's 120,000 direct employes are not entirely bleak either. Nearly two-fifths are white-collar, supervisory or skilled production workers with strong prospects for re-employment. Another 22,000 are employed at modern, efficient plants like Belvidere or New Process Gear, or at strategically located plants like Newark, with good prospects for a new owner. Even the 50,000 hourly employes in the Detroit area represent less than 20 percent of total auto employment in the metro area—or about 30 months of normal auto plant turnover due to quits and retirements.

To be sure, during the transition period there would be substantial temporary unemployment within the Chrysler network. And after the shake-out, there would be thousands of permanently "orphaned" workers formerly employed at Chrysler plants for which the economy could find no alternative productive use—as in the case of Youngstown's Campbell Works closure.

But nearly every Chrysler facility has already been certified for the full trade adjustment assistance package. This will guarantee every production worker 95 percent of after-tax take-home pay for a year, free retraining benefits, and 80 percent of any job search or relocation expenses.

Vested pension rights, of course, are also protected by the federal pension guarantee program. In short, the support system goes about as far as possible in protecting worker

equities—short of freezing the economic system into lifetime employment guilds.

Ironically, in yet a further twist of single-entry bookkeeping, the prospective costs to these support systems are offered as justification for the bailout. But with 137,000 auto workers already on lay-off, it would be fatuous to count Chrysler benefit payments as a net cost to the government. The shift of billions worth of Chrysler production to other U.S. firms obviously would cause reemployment and benefit cost reductions elsewhere.

Moreover, our basic labor market shock absorbers—unemployment insurance, job training and adjustment assistance—were created for just these situations out of a recognition that it is more cost-effective to help workers find new jobs than to prop up old ones. Each year hundreds of thousands of employes faced with permanent job losses due to plant closures, bankruptcies, production curtailments and import competition use these systems. Indeed, the temporary unemployment resulting from just six better-known bankruptcies of recent years—including W.T. Grant, Food Fair, American Beef and United Merchants and Manufacturers—exceed the entire Chrysler payroll.

Perhaps recognizing their weak economic logic, Chrysler advocates have also resorted to a stupendous series of nonsequiturs. For example, they point to the $362 billion in existing federal loan guarantees, as if to suggest they are proposing "nothing new." Eighty five percent of that total, however, represents *housing guarantees designed* to enhance consumer access to ownership, not to bail out faltering lenders or builders.

This merely hints of the potential for debasing the legislative process implicit in corporate bailout politics. Indeed, much of the selling job has consisted of contradictory appeals to wholly extraneous ideological sympathies of the left and right.

For conservatives, there is the reminder of "regulatory overkill." Yes, pending safety, emission and fuel-economy requirements will add upwards of $1,000 per car by the early 1980s for what many of us consider modest social benefits. But that figure represents the total sticker price add-on to the consumer, not the extra cost to Chrysler vis-a-vis its competitors.

Chrysler's smaller size is only a disadvantage in pure research and development overhead, where roughly equal costs must be spread over smaller volumes. But most of the actual compliance price tag is accounted for by manufacturing costs—labor, materials and capital amortization—items on which the nation's 14th largest corporation should be competitive, if it's still viable.

At best, Chrysler's true regulatory compliance disadvantage is not likely to exceed $70 per car even during the peak years. This cannot begin to account for its nearly $700 per vehicle loss this year. Nor does it explain why, with its cash registers having wrung up $65 billion in sales since 1974, its cumulative bottom line is a net loss of nearly $650 million.

Liberals are implored to vote for the loan because Chrysler employes 50,000 workers in Detroit, 50 percent of whom happen to be black. Chrysler's survival as a full-line auto maker thus becomes a major "urban issue." Needless to say, though, at the new contract's $25,000 total annual compensation level, these workers are not exactly among the normal poverty constituency.

The more important point is that the potential demise of Chrysler jobs in Detroit constitutes only a modest footnote to a pervasive, seemingly irreversible economic trend that is progressively extinguishing heavy industrial jobs in the older central cities. Neither a Chrysler bailout nor a dozen future ad hoc corporate bailouts would alter the underlying competitive disadvantages—obsolete multi-story plants, high tax, pollution control and land costs, inadequate transportation facilities—or slow the march of heavy industry away from central urban areas.

What those areas really need is help in attracting jobs outside the heavy manufacturing sector. And if federal resources are to be committed, they would be far better spent on helping low-income workers acquire access to new manufacturing jobs in growth areas rather than on indemnifying high-income investors in declining areas.

When all else fails, the Chrysler sales pitch finally comes down to a dare: After the "success" of Lockheed, why not roll the dice again? Never mind that the entire capital market has already voted "no" on Chrysler's survivability as presently constituted. This includes the bond market, which has dropped Chrysler to its lowest rating; the huge money center banks with high-risk loans all over the globe and into Chrysler for $1.5 billion already; the big insurance companies holding huge additional loans; and the commercial paper market, which won't buy at any price.

All these institutions live or die by their capacity to assess credit worthiness. Yet assurances that Chrysler's Lee Iacocca is a management dynamo or that Chrysler's pending "K-body" vehicle will be a smash hit—when most of us wouldn't recognize a K-body if we saw it nude—are supposedly enough for the "standby banker" on Capitol Hill.

Unfortunately, this "get them over the hump" assurance fails to note what lies on the other side: a radically transformed and fiercely competitive auto market in which the globe rather than the continent will be the stage. Rising fuel prices and federal standards are forcing down the size, weight and horsepower dimensions of the U.S. fleet, while rising incomes abroad are increasing the demand for traditional U.S. styling and accessories. From this convergence is coming the so-called "world car," of which the Ford Fiesta, GM Chevette and Volkswagen Rabbit are the prototypes.

Moreover, this prototype world car is inexorably generating a prototype worldwide auto firm: a far-flung multinational enterprise with plants in many countries, worldwide sourcing of increasingly standardized components, and the ability to spread design and marketing overhead over huge international sales volumes.

Ford, the acknowledged leader in this process of global integration, already sells more cars in Europe than Chrysler does in total. GM is racing to catch up overseas, and Volkswagen is already turning out 1,000 cars a day here and looking for a second plant. Nissan is expected to announce shortly a similar intent to seek North American production, and Toyota can't be far behind.

That the major capital market institutions have pulled the plug on Chrysler may well reflect these emerging trends. With no remaining overseas operations and most of its production concentrated in one U.S. metropolitan area, in plants built more than 40 years ago, Chrysler is simply not well positioned to survive the automotive major league of the 1980s.

In the final analysis, the Chrysler loan guarantee must be rejected because the era of bailout politics it would inaugurate is thoroughly incompatible with an effective national program for reindustrializing America's faltering economy.

Recent irreversible worldwide developments have dealt our economy successive shattering blows. The oil price revolution has drastically reduced the productivity of much of our energy-intensive industrial plant. In the last decade, better than 90 percent of new steel, aluminum and other basic industrial capacity has been built outside America. Since 1968, the combined GNP of the nine most vibrant economies of the Far East has risen by a staggering $1 trillion, unleashing a flood of auto, steel and textile exports on the world market.

The fundamental "retooling" our economy needs to meet these challenges will require both a drastic increase in the rate of capital investment and maximum efficiency in its allocation. There simply isn't enough to squander on the walking wounded in this case—or for the scores of future claimants it would generate.

HUMAN RIGHTS DAY

Mr. PROXMIRE. Mr. President, today is "Human Rights Day" and the beginning of "Human Rights Week." On December 10, 1948, the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights. Today, as we mark the 31st anniversary of that event, let us reflect on the importance of this international standard for human rights.

Since its inception, the Declaration of Human Rights has become one of the best known and most influential documents of all time. Its provisions have been cited as justification for actions taken by the United Nations and other international organizations and have inspired other international human rights agreements including the Genocide Convention. Its principles have been incorporated in national constitutions, municipal laws and court decisions. The declaration is a yardstick by which the civilized world measures respect for human rights.

Is the observance of Human Rights Day a time for celebration of the progress that has been made in human rights around the world since 1948? Or is this an occasion for lament over the horrible abuses of these rights that continue to this day? Mr. President, the fight for human rights is neither won nor lost. It continues. We must not let our past successes or present failures obscure the real question: What can we do today? The answer is simple: We can ratify the Genocide Convention.

For as long as the Universal Declaration of Human Rights has been in effect, the Genocide Convention has languished in the Senate. Human Rights Day and Week are a time for the United States to step back and take stock of our contributions to the struggle for basic rights. In keeping with this, President Carter has again asked the Senate to ratify the human rights treaties now before it.

He asked for this ratification four times in his relatively brief term in office, and every President, from President Truman onward, President Truman, President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, and President Carter have all asked us to ratify the Genocide Convention. Only the Senate has to act. The House of Representatives does not have to act. And we fail to do so.

The right to live is the most basic right. Genocide is the most heinous crime. I urge my colleagues to ratify the document, making it an international crime, the Genocide Convention.

Mr. President, I yield to the majority leader the remainder of my time if he wishes to use it for any purpose.

Mr. ROBERT C. BYRD. Mr. President, the Senator is very thoughtful and considerate, I shall avail myself of that opportunity.

RECOGNITION OF SENATOR LEVIN

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

THE GENOCIDE CONVENTION

Mr. LEVIN. Mr. President, first, I wish to compliment my friend from Wisconsin for his continuing steadfast effort to bring the Genocide Treaty before the Senate.

There is not a day when he speaks in this Chamber that he does not remind us and prick our conscience for our failure to have ratified that treaty by now.

We are one of the few countries in the world that has not ratified it, and it is about time that we do.

I commend him and associate myself with his remarks relative to the Genocide Convention.

I was going to first comment on his comments on Chrysler, but when he again got up in this Chamber and reminded us about what we have not done with the Genocide Convention, it melted my heart and I decided to leave my comments relative to Chrysler to some other day so I could commend him totally for his commitment to that cause.

THE SALT II TREATY

Mr. LEVIN. Mr. President, when I was elected to the Senate last year, I suspected that the most important issue I would confront would be the SALT II treaty. Accordingly, when I arrived here, one reason I sought a seat on the Committee on Armed Services was that I believed that it would afford me an opportunity to thoroughly study that treaty and its implications for our national security in the 1980's.

As comprehensive as our hearings were, I knew I would need additional preparation if I were going to be in a position to fully understand the treaty. I knew I had to study the capabilities of the various weapon systems we have, I had to study the plans we have made in the event we ever needed to use them, I had to study the geopolitical environment which would make their use even thinkable. In that process I have spent time with Secretary of State Vance and Secretary of Defense Brown. I have gone to the Strategic Air Command Headquarters in Omaha and questioned the operational commanders there. I have visited an ICBM launch control center in North Dakota and a B-52 bomber/tanker base in the Upper Peninsula in my own State of Michigan. I have gone to Europe and had meetings with the key defense people of several allied nations. And I have gone to Russia to talk with their leaders about SALT II and other issues of concern.

That educational process provided me with some insights about the substance of and prospects for arms control which I did not expect. I went into it expecting that the SALT treaty would sharply reduce existing levels of nuclear weapons; I came out of it hoping that the treaty could constrain the rate of growth. I went into it thinking that even our adversaries shared some common goals and perceptions with us; I came out of it saddened by how little agreement there seems to be. I went into it hoping that the very horror of nuclear war was sufficient to prevent it; I came out of it knowing that nuclear war is thinkable for military planners, that destruction is possible, and that a strong deterrent is necessary.

But some things did not change in that process.

I did not change my belief that arms limitation and a strong national defense are compatible. In fact, everything I learned, everyone I talked to, every document I read tended to reenforce that belief. Given the constrained reality of our economy and the multiple demands made on our limited revenues, I am convinced that these two goals are more than compatible—they are totally consistent. Indeed, it may well be impossible to achieve one without the other.

I also did not change my belief that the Soviet Union is not to be trusted. I realize that no treaty can guarantee Soviet compliance, but any treaty we sign must be capable of adequate verification through our own independent means. I do not believe that we can stake our Nation's future on the voluntary compliance of the Soviet Union.

I also did not change my belief that we are a strong Nation. I know that the Soviets have an advantage in certain static strategic force measures such as throw-weight and megatonnage. But I also know that when you look at more valid and compelling measures of strength—such as deliverable warheads and accuracy of weapons—then the United States still enjoys an advantage at this time. I know the Soviets have achieved what some consider to be an advantage in the area of heavy missiles. But I find this to be of only dubious theoretical value and of even less practical importance. I reached this conclusion only after hearing the Joint Chiefs of Staff repeatedly testify that this Nation had long ago decided that we did not want to build missiles that large. Our strategy and superior technology had resulted in a different force structure—a more balanced Triad. Given our balanced deployment of strategic forces—and the Soviet imbalances—the fact that we do not have the heavy missiles the Russians have does not mean we are inferior. It simply means that we have charted a difference course. The Joint Chiefs have confidence in that course. They have consistently said that they would not trade our strategic force structure for the Soviet force structure.

The course we have chosen does not, however, automatically lead us to the goals of security and peace and stability. It is a path which can lead us to dangerous detours and dead ends. Of course we may need to make necessary improvements in our defense posture in the coming decade. I recognize that and I stand ready to support those steps which are needed to improve our defense and protect our security. But I do not believe that if we faithfully follow the strategic course we have set out on that we will become either vulnerable or weak.

These general beliefs became the base for my study of SALT II. And the more I looked at the treaty, its companion documents and history, the more I realized that the answer to three questions would determine how I would vote.

First, does it enhance our national security, now and during the life of the treaty? I believe the answer to this question is "yes," for two reasons.

First, the treaty retains an adequate balance in strategic power. Contrary to what some people contend, this treaty does not codify U.S. inferiority. Rather it establishes a framework which permits both sides to maintain an adequate balance in strategic nuclear power. In that sense, it is true that this treaty does not give the United States unquestioned control over the nuclear future. But no treaty—and no action by the United States acting alone—can accomplish that. No treaty signed by two parties should be expected to cede unilateral superiority to the other. All we can ask is that the balance of deterrence is not upset by the treaty, that it allows us to maintain our strength sufficient to convince the Soviets that there is no acceptable outcome for them from any nuclear exchange, limited or otherwise. This treaty, by placing upper limits on Soviet nuclear expansion, helps maintain that balance. The treaty has, after all, in the words of General David Jones, Chairman of the Joint Chiefs of Staff, "a number of important restrictions—which operate primarily to our advantage."

Among these important restrictions which operate in our favor are: an overall, equal aggregate ceiling on strategic nuclear delivery vehicles which will force the Soviets to dismantle 250 older but powerful launchers while we dismantle none; a fractionation limit on the number of warheads which has the effect of neutralizing the Soviet throweight advantage to our benefit; a ban on the testing, production and deployment of the Soviet SS-16 mobile ICBM: and restrictions on militarily significant modernization of their missiles.

Additionally, the ceilings of the treaty delay any possible Soviet breakthroughs in nuclear numbers which might make our quantitative and qualitative strength less effective as a deterrent. This treaty retains an adequate balance of strategic power.

Thus, far from giving the Soviets an advantage, I believe this treaty significantly strengthens America's comparable power.

But there is a second reason to believe that the treaty protects our national security. There is nothing in the treaty which prevents us from deploying any strategic system we are capable or interested in deploying during the life of

the treaty. Under SALT II we can develop a new ICBM; we can continue to modernize our submarine launched ballistic missile forces; we can upgrade the air breathing leg of our TRIAD through air, sea, and ground launched cruise missiles or a new bomber; and we can continue to work on the mobile basin modes for it if we wish. We can do all these things under the terms of SALT II. We can do whatever we believe we need to do to protect ourselves under the term of SALT II.

This point is absolutely critical. I asked many of the witnesses who appeared before the Armed Services Committee what systems we wanted to build which we could not build under the terms of the treaty. Some pointed to systems which we had already unilaterally decided not to build, others pointed to systems which we would not be able to deploy during the life of the treaty and its protocols because of our own development timetables and not because of treaty or protocol constraints. Most said they knew of no system which we wanted and which we were denied by the treaty. Representative of this response was the answer of Henry Kissinger who said that if we clarified certain issues—which have since been clarified by the Foreign Relations Committee—then "we can proceed with other programs within the framework of the SALT agreement."

We were never told during the hearings what weapons we wanted and were able to deploy that the treaty denied us. And I ask opponents that same question on the floor today: What programs which we would want and are able to deploy are we prohibited from deploying during the life of this treaty?

I am going to repeat that question because I have not heard an answer yet from an opponent, although we have asked and asked again during the hearings on this treaty: What programs which we would want and are able to deploy are we prohibited from deploying during the life of this treaty?

Until a specific answer to that question is provided, there can be no claim made that SALT places us in an inferior strategic posture. SALT gives us the right to improve that posture. And it establishes a better environment in which to make those improvements—an environment which limits Soviet nuclear growth and channels it into more predictable patterns.

After concluding that this treaty protects our national self interest, I then asked a second question: Is SALT adequately verifiable?

We must be sure that we can detect any cheating before it becomes significant in a military sense. A treaty is adequately verifiable if we can discover and correct any violations before they threaten us.

SALT is adequately verifiable. The Senate Select Committee on Intelligence spent 2 years studying this issue and they concluded that:

> Overall, the Committee finds that the SALT II treaty enhances the ability of the United States to monitor those components of Soviet strategic forces which are subject to the limitations of the treaty. . . . In the absence of the SALT II treaty . . . the Soviets would be free to take more sweeping measures, which could make monitoring these strategic forces still more difficult.

Because of the importance of this issue, and the impact of the loss of our monitoring capabilities from Iran, I was particularly concerned about the continued confidence that our military leaders had about our abilities in this area. I raised the issue with General Jones and he testified that "we would be able to determine what they were doing, if they are cheating, to do it in time, and to do something about it before it has any substantial impact on the overall strategic equation." Just to be sure, I specifically asked him if held to that conclusion in spite of the loss of the listening posts in Iran and his response was unequivocally "yes."

Not only is SALT adequately verifiable, but as I have indicated before, the ability to monitor Soviet behavior under specific limits allows us to make our own strategic decisions within a more secure framework.

And that led me to my third question: What sorts of strategic decisions does SALT imply? Does it contribute to real arms limitation in the future? Does it really accomplish anything in the area of reducing nuclear weapons?

Here the answer is more mixed. SALT does not prevent nuclear war. It leaves both sides with high levels of weaponry. But it does accomplish some things. Personally, I feel better about living in a world which limits the Soviets to 2,250 launchers rather than allowing them to construct the 3,000 launchers most informed sources estimate they would have without SALT. Personally, I feel better living in a world which limits the Soviets to 1,200 MIRVed missiles rather than allowing them to have the 1,800 most informed sources say they will have without SALT. Personally I feel better about living in a world which limits the Soviets to 10 warheads on their SS-18's rather than the 20 or 30 most informed sources say they could otherwise have. Personally I feel better about living in a world which limits the Soviet production of Backfire bombers to 30 a year rather than letting them produce more than that, which they have the capability to do. Personally I feel better about living in a world which at least puts a lid on growth rather than living in one which allows the arms race to just continue to escalate without limits.

After 7 long years of negotiations, putting a lid on growth seems like precious little to get. One hoped for so much more. But SALT is not a product of hope—it is a product of negotiations. And in any bargains which involve the national security of the parties, we have learned that progress is much slower than we might have hoped. Still, even with its limited successes in this area, SALT is better than no SALT. You have to stop a train before you can throw it in reverse. SALT does not stop the nuclear train, but at least it slows it down. And we have to begin to slow down. We cannot go on this way. SALT at least lets us slow the train down without throwing it off the tracks. And I fear that if we do not board that train now, then its acceleration will increase.

When I was in Russia I was struck—physically struck—by the fact that the Soviet leaders we have dealt with are old men. They will be gone soon and new leaders will replace them. If the railroad track of détente accepted by that leadership ends with the rejection of SALT, then in what direction will the new leaders point the engine of state? What sorts of policies ought we to anticipate from them? What sorts of signals will we have sent them? What sorts of signs will we have given them?

SALT II protects our national interest, it is adequately verifiable, it makes progress toward real arms reductions in the future. It is, as has often been said, "a modest but useful step." It is a step I want to take. It is a treaty I will vote for when it reaches the Senate floor.

Despite the fact that there is a widely shared belief that SALT, as a treaty, is on balance a plus for America, there is no doubt that this treaty faces a difficult road. No one can say with any certainty what its fate will be when it reaches the Senate floor. All we can say is that if a vote were taken today, the treaty would probably fail.

It would fail, I suspect, because the treaty is no longer the focus of our concerns. Instead, the debate has shifted from a consideration of the treaty and to other policy issues. Several of my colleagues, for whom I have the greatest respect, have indicated that they are willing to risk the treaty in order to achieve other objectives. Very few Senators say they will vote against SALT because they believe that the treaty is, in and of itself, deficient. But many Senators are willing to vote against SALT for other reasons. Some of these Senators say they will vote against SALT unless the defense budget is increased by 5 percent or unless they have a guarantee that the MX will be deployed. Others say they will vote against SALT unless we mandate real reductions in arms by 1982 or unless we renounce plans to deploy the MX.

I cannot join in these efforts to link the treaty to other issues.

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

The ACTING PRESIDENT pro tempore. The time of the Senator from Michigan has just expired.

Mr. ROBERT C. BYRD. Mr. President, I have an order, do I not?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. And some additional time?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. LEVIN. I wonder if I might have 5 more minutes.

Mr. ROBERT C. BYRD. I am glad to yield the Senator 5 minutes.

Mr. LEVIN. Mr. President, I cannot join in these efforts to link the treaty to other issues.

If SALT is in our best interests as a Nation, then we should support it. If it

is not in our best interests, then we should reject it. I do not believe the intrinsic value of the treaty should be determined by factors outside the treaty itself.

Let me illustrate the problem I see in this approach. Arms control advocates are disappointed in SALT, as I am, because it does not accomplish more. But some are also willing to say, as I am not, that unless ratification commits us to real reductions by a time certain in the future, they are willing to reject the limited good that SALT does offer.

Frankly that does not square with the logic we learned in the depression: Half a loaf is better than none. Nor does it square with my vision of SALT as making a small but real contribution to slowing the arms race. Nor does it square with the fact that without SALT, the Soviets will surely increase their nuclear forces.

But this same "linked logic" also motivates those who want to use SALT as a way of increasing defense expenditures. They see America as a land which is growing progressively weaker militarily. And while they usually acknowledge that the SALT process did not cause that weakness and while they usually concede that SALT II does not add to that weakness, they want to use SALT as a way of making us stronger.

So, as I have indicated, they link their support for SALT to increases in defense spending.

I believe that we should do what is needed to retain a strong defense—no less and no more. We can do that with SALT as well as without it.

I do not understand what logical connection SALT has to the decision to increase military spending if that is needed. Do proponents of this form of linkage believe that ratification will prevent us from doing what is needed? Do they believe that if SALT is rejected we will then, and only then, do what is necessary for our own defense? Since a reason they would offer for rejecting SALT is a failure to increase defense spending, the rejection of SALT would mean we had not—in their opinion—adequately funded our defense needs. And having made that decision, why in the world would we reverse our course and increase spending after SALT is rejected?

We should pursue the other goal, whatever it is, whether or not SALT is ratified. There is no logic that I can see to reject SALT unless the other goal is achieved.

In all the lore of linkage, I have not seen a persuasive answer to those questions, and until I do, I cannot accept the logic which compels some to link SALT with other policy issues.

I hope others will reject the appeal of linkage as well. If we reject linkage, then I believe we will surely accept the treaty. And we should accept it because it is in our national interest to do so.

That does not mean the treaty is perfect or that there are not ways to improve it on the Senate floor, just as it has been improved in the Foreign Relations Committee. My review of the amendments already submitted indicates there are some excellent changes already proposed. Indeed, I am considering offering some additional understandings myself when debate on the treaty begins.

But even before the Senate begins floor consideration, I believe that the treaty, as it comes to us, is in the best interests of the United States.

I hope the Senate will give its advice and consent to its ratification.

I thank the Chair, and I thank the majority leader for yielding me additional time.

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

Mr. LEVIN. I do yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished Senator for having delivered a very fine address on the SALT treaty, and I congratulate him on his decision to support the SALT treaty.

The Senator is a member of the Commitee on Armed Services, and, therefore, I think, brings to this debate a perspective, a voice, and a viewpoint which will be cogent and lucid, and which will have an impact on the outcome of the debate. It is obvious from his speech today that he engaged in extensive preparation, not only for the speech but also in the study that led him to the decision that he has made to support the treaty.

I wish to comment on just one or two points the Senator made in his speech. There are many on which I could comment, but he has said it all well, and I cannot improve upon it.

However, he has made a couple of points in particular that I do wish to make some comments on. For one, he has said that he does not believe that there should be linkage with an increase in defense spending, and I agree with that. He has said that there are those who want to use SALT as a way of making us stronger.

Mr. President, the SALT debate, in committees and out of committees, has already made a very clear contribution to making our national defense stronger, because it has increased the perception, on the part of Senators and on the part of the American people, I think—certainly, it has done so with me—of the need to improve the Nation's conventional capabilities.

The debate has increased the perception of the growing Soviet superiority in terms of theater nuclear forces in Europe and in terms of conventional forces there. It has made it very clear, in my judgment, that there is a need for this country to spend more—but to spend it prudently—for national defense. And it has also made indubitably clear the fact that, with or without SALT, this country is going to have to spend more money on strategic central nuclear delivery systems, but that without SALT this country will be forced to spend more, for strategic central nuclear delivery systems than it will have to spend if the SALT treaty is approved.

Because the Soviet Union already has the momentum, it has developed a trend in these long lead turn items that require 5, 10, 15 years from the drawing board to planning to testing to developing and to deployment.

And so the United States will, if this treaty is rejected, be forced, in my judgment, to develop momentum which it does not now have and engage in what will be an arms race in the field of strategic nuclear weapons that could pale in significance anything that we have seen thus far in that race. As a matter of fact, it is not much of a race at this point. The country has lost the momentum it once had, although it has made some steps forward and it has been developing and improving some weapons systems. But the Soviets have developed a momentum that by far exceeds any momentum that this country now has.

Now, we head into the dangerous 1980's which, in my judgment, will be the most dangerous decade in this century for the world and for the United States, in particular, because of many problems—for example, energy problems, inflation problems—these are worldwide problems—and because of the growing superiority of the Soviet Union in the area of strategic forces, the area of theater nuclear forces, in the area of conventional forces, and the mobility of those conventional forces.

So, Mr. President, what we are seeing happen around the world today in connection with events in Iran and elsewhere should persuade us to understand that this country needs to improve its conventional capabilities to deal with localized and regionalized situations that could impinge upon our national security interests and which otherwise, if allowed to expand, could result in nuclear exchange, which we all want to avoid.

Mr. President, for those who want to see the national defense of this country strengthened—and count me one of those—let us not forget that SALT is in the direction of improving our national defense, because, for one thing, it will enable us to spend a greater percentage of our total defense dollar on conventional forces.

We only have so much of the total budget that we can spend on defense. Mr. President, if we can spend a greater proportion of that total defense dollar on conventional forces, then this country will be better prepared to deal with the localized and regionalized situations that we are possibly going to be confronted with in the years ahead.

It should be obvious to everyone that we cannot use the Minuteman in dealing with the Iranian situation, or with localized or regionalized threats to national security. What we need is the conventional force to allow us to act in a firm but restrained and controlled way to deal with situations to keep them from getting out of hand. We are never going to resort to an all-out nuclear exchange in dealing with a localized situation.

Mr. President, I just cannot understand the logic of any who would say, "Well, if we do not get more for defense, we will not get the SALT treaty." We need both, because both strengthen, in the long run, our conventional forces; the SALT treaty indirectly, but very effectively and surely. It is like saying, "Well, I am for national defense, but if you do not give me this, I will not do

this," when both will contribute to stability and security. Both are necessary, in my judgment.

I think the distinguished Senator is right. I, too, want more money for national defense. I am not going to hold the SALT treaty hostage. The only linkage I would see is that the SALT treaty is a link in the chain of improving our conventional capabilities. A link in the chain. I must say, in deference to the views of others, that to link SALT to an increased defense budget is one way of getting the administration's attention, and to that extent it has been beneficial.

The distinguished Senator has performed a service in making his decision and in speaking out thereon.

Mr. LEVIN. Will the majority leader yield on that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LEVIN. I happen to agree very fully with the Senator's assessment of the linkage situation. I also want to thank the Senator for his comments about my remarks. They are very much appreciated.

I think the point which the Senator is making is critical: that the SALT treaty debate has, in fact, increased the perception of a number of needs that we have in the defense budget. In particular, I happen to agree with the Senator's assessment of some conventional weaknesses. I think there are some weaknesses which we must repair in the conventional area.

The point that these remarks intend to make is, even if we were so foolish as not to perceive that need and to act on it, that the SALT treaty, in and of itself, would have value to this country. I think we are wise enough to act on it and I think the SALT treaty has helped us to sharpen the perception of that need and has had a value in that respect.

But even if this Senate ignores everything that we have learned about some weaknesses in the conventional area, the SALT II treaty still, on its own merits, would be a contribution to the defense and the security of this country. I do not believe we are going to ignore that. I think we are going to act on it. But I also think that we should take a look at the treaty in its own four corners for the value that it has for us.

Mr. ROBERT C. BYRD. And the Senator from Michigan has done that. He has done it in a comprehensive way that is most persuasive—most persuasive—in my judgment.

Mr. President, finally, again from the standpoint of building up our defense, SALT will help us in that direction.

SALT does not run counter to our achieving that very goal.

Mr. President, I realize that many of us find it very difficult to be convinced that we will indeed move in the direction of improving our conventional capabilities. We do not need the rejection of SALT to shock the Nation into moving in that direction. What we need is leadership, and it is up to me and all of us who believe that this Nation's defense capabilities need to be improved, to help to lead the American people in that direction. We cannot let down our efforts if and when the SALT II treaty is approved.

But we all have a responsibility for leadership. Not only for following, not only for representing the people, but also to lead this country in the direction of a stronger national defense. So part of the responsibility will be on my shoulders and the shoulders of every other Senator who believes that this country needs to improve its defense capabilities.

Mr. President, the SALT treaty will be top priority, certainly my top priority, the beginning of next year. There are those who think, apparently—if I read the press and interpret the media correctly—that the reason the SALT treaty will not come up this year is because the majority leader does not have the votes.

Mr. President, there were days, many days, during the debate on the Panama Canal treaties that we did not have the votes. We did not know exactly what the vote would be until the final vote occurred. There are always one or more surprises in those highly controversial votes when the roll is called. So we may never know whether we have the votes "until the roll is called up yonder."

The same thing was said about the natural gas bill, that it was dead. The same thing was said about the Panama Canal treaties, that they were dead. The same thing was said about the excess profits tax bill, that it was dead before it was ever sent up to the Hill. Of course, we have heard that about the SALT treaty.

I said to President Brezhnev and to Foreign Minister Gromyko, that if the vote were held today this treaty would not be adopted. The Senator is absolutely correct. But I have no reluctance to bring the treaty before the Senate simply because we cannot count the votes for it, because it is in the crucible of debate where final decisions can often be hammered out.

Many Senators will not really focus on this treaty until the time comes that it is before the Senate because they have so many demands upon their limited time. But we are going to have to showdown one of these days, and we are going to showdown on the treaty. I do not know whether it will be rejected or approved. But, Mr. President, if this treaty is rejected, those who vote against it will have to answer the questions in the days, months, and years ahead. It is a very heavy burden for any Senator to cast a vote against this treaty. It is also a heavy burden for those of us who will vote for it.

Mr. President, I did not reach my decision on the treaty lightly, and I am sure the distinguished Senator from Michigan has not reached his decision lightly. He has reached it only after great study. I am confident that he will be able to stand on the position that he has taken, explain it, and defend it.

Mr. LEVIN. If the majority leader will yield one more moment before we leave the subject, I want to add my voice to those who see his leadership efforts here as one of the most extraordinary sagas the Senate has seen in years and years. The Senator is willing to take the mantle of leadership on this. Those of us who have studied the treaty have gone back and talked to people back home and know how controversial it can be.

The Senator has shown tremendous logic, tremendous strength, I think tremendous courage, in his willingness to say that this treaty is in our interest and he is going to take a leadership role in it, that he is going to show the logic of it in terms of the strength of this country, the defense of this country, and regardless of what the hazards may be, the difficulties may be, in that effort. The Senator is willing to shoulder that leadership role, which I think is going to be an important chapter in the saga of this body.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR TOWER

The PRESIDING OFFICER (Mr. EXON). Under the previous order, the Senator from Texas (Mr. TOWER) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I have been informed that Mr. TOWER does not wish to address the Senate at this time, and that I may vitiate the order. I therefore make that request.

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

The Chair recognizes the majority leader for any further comments he may have.

Mr. ROBERT C. BYRD. I thank the Chair for his kindness. I have nothing further to add at this point.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 3919, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the bill H.R. 3919.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 10 minutes, and that Senators may speak therein up to 5 minutes each.

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

ORDER TO CONVENE THE SENATE AT 10 A.M. ON DECEMBER 11 THROUGH DECEMBER 15, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate daily this week stand in recess at the close of each day and convene the following morning at 10 a.m., with the exception of Sunday.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of H.R. 3919.

Mr. ROBERT C. BYRD. Mr. President, under the orders that have been entered thus far, I believe Mr. DOLE and Mr. JACKSON were to bring up plowback amendments, if they have such. Also, Mr. STEVENS and Mr. MCCLURE were entitled to bring up their amendments today. Mr. STEVENS has one on Cook Inlet, perhaps one on plowback, and I believe Mr. MCCLURE had one on plowback.

That being the case, I ask unanimous consent that Mr. STEVENS be recognized to call up his Cook Inlet amendment and that following that, either he or Mr. MCCLURE be recognized to call up a plowback amendment.

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

AMENDMENT NO. 733

(Purpose: To reclassify Cook Inlet oil as tier 2 oil)

Mr. STEVENS. Mr. President, I call up my amendment No. 733.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself and Mr. GRAVEL, proposes an amendment numbered 733:

On page 40, line 24, delete the word "or" and insert in lieu thereof a comma and insert between the second word "oil" and the parenthesis the words, ", or effective October 1, 1980, Cook Inlet oil".

On page 41, line 9, delete the word "or" and insert in lieu thereof a comma and insert between the second word, "oil" and the period the words ", or effective October 1, 1980, Cook Inlet oil, other than oil produced from a stripper well property".

On page 66, between lines 6 and 7, insert a new subsection (h) as follows:

"(h) COOK INLET OIL.—For purposes of this chapter the term 'Cook Inlet oil' shall mean oil produced from properties located in the Cook Inlet of Alaska.".

Mr. STEVENS. Mr. President, the Senator from Illinois (Mr. PERCY) has asked that his name be added as a cosponsor of the amendment, and I make that request.

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

Mr. STEVENS. Mr. President, this is an amendment that is fairly simple, but it has a most profound impact upon the production of oil from the Cook Inlet.

Under the bill before the Senate, Cook Inlet oil is tier 1. It is my understanding that tier 1 oil would be taxed, under this bill, at the rate of 75 percent of the amount in excess of $6.00.

This oil is produced in the Cook Inlet from platforms. There are 13 oil producing platforms offshore in the inlet, which is in the south central portion of Alaska. Anchorage is on the Cook Inlet, and all of these platforms are visible to a person who arrives by air as he approaches the Anchorage International Airport.

That inlet is subject to annual ice flows. It has tides which average 35 feet, and the current there runs at approximately 8 knots.

It is an interesting sight to stand on one of the platforms and watch the legs of that platform crush the ice as the tide brings the ice in or takes it out during the wintertime. Those platforms are subject to ice problems about 9 months out of the year. The oil from these platforms is collected by pipeline which runs about 42 miles along the west bank of the Kenai Peninsula. There is some difficulty involved in this collection. Though the inlet transportation system is short, the cost of transporting per barrel for Cook Inlet oil even at only 42 miles is $1.25 a mile; whereas, the cost of transporting oil from the North Slope 800 miles is $4.50 a barrel.

It is readily apparent that the problems of maintaining the transportation system for this oil from the platforms is most difficult.

But the worst problem that this area faces is the increasing cost of production. We are informed that the field will require in excess of $500 million between now and 1986 to keep the field operational. The cost of just lifting this oil is $2.26 a barrel now. That does not include State and Federal taxes. That compares with an average cost of production for the rest of the United States of about a dollar per barrel for all producing wells.

Treating Cook Inlet as tier 1 creates a problem as there is no increased flow of revenue to meet the increased cost of maintenance and workovers on the existing wells.

I believe that this matter was discussed in the Finance Committee and the bill before us mandates tier 1 treatment for this oil. After the bill came out of the committee, the producers of the oil came to my office and informed me that unless this oil receives tier 2 treatment they will have no alternative but to initiate abandonment of these platforms which are producing an average of 125,000 barrels per day.

It is my hope that the Senate will understand the problem and will allow this oil tier 2 treatment. That would result in, as I understand this bill, a loss of approximately $200 million.

The oil that will be lost if these wells are abandoned, I am informed, will amount to about 120 million barrels.

It is my feeling that this oil should be treated the same as North Slope production. North Slope production is tier 2 in this bill and I think was rightfully given at least that treatment because of transportation of North Slope oil.

But here we have a field which, unless permitted an increased price to meet the increased cost of maintaining it, will be abandoned. The net result will be that California, which receives this oil, will have to replace the oil on the spot market. That is, it will have to import oil. That oil is going to cost considerably in excess of the $13 a barrel that would be available under tier 2 treatment. I think it would be a severe loss, economically, to the country if that were to happen.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. STEVENS. I am happy to yield.

Mr. LONG. Can the Senator tell me how many wells are producing in Cook Inlet?

Mr. STEVENS. There are about 13 platforms and on those platforms there is an average of six to seven wells. I cannot tell the Senator today exactly how many wells are producing because I understand that several of the wells have been shut down because of increased costs. There is water flooding going on there now in order to maintain production, and the costs of that are extremely great.

Mr. LONG. Can the Senator tell me further at least how thick, on the average, is the oil produced from the sand under those wells? I am curious how one gets so much production out of those wells when it is necessary to water flood.

Mr. STEVENS. I must tell the Senator I did not anticipate this amendment up right now. I can get him the answer to that question from my office.

I have just made an error and I want to correct that. It is a water intrusion problem that has caused difficulties in recovery. We are informed, for instance, that Union Oil Co., the owner of some of these platforms, will phase out their production unless they have the revenue necessary to drill new wells to avoid the water interface coming about as a result of the water intrusion in their wells.

Mr LONG. I thank the Senator.

Mr. President, in the committee such an amendment was offered. The amendment failed by a vote of 7 yeas and 10 nays. I was among those who voted for the amendment. The yeas were Senators LONG, TALMADGE, GRAVEL, BOREN, DOLE, WALLOP, and DURENBERGER. The nays were Senators RIBICOFF, NELSON, BENTSEN, MATSUNAGA, MOYNIHAN, BAUCUS. BRADLEY, DANFORTH, CHAFEE, and HEINZ.

I thought that the amendment was a good one, but a majority on the committee did not agree with it, so the committee position would have to be stated as being in opposition even though I personally voted for the amendment, and I expect to vote for it again.

Mr. STEVENS. I thank the Senator from Louisiana.

Mr. President. I have sent a letter to each Member of the Senate. This is a very specific amendment. It covers one situation that exists in one field in my State. We only have two producing areas, the south central area, which is the full Cook Inlet Basin, and the other is the North Slope. This amendment applies only to the Cook Inlet crude which is produced offshore. The other production is 1,350,000 barrels per day, and this amendment will touch but 125,000 barrels of that, as I indicated, which is, under the bill, currently classified as tier I.

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

Mr. STEVENS. I would be happy to yield.

Mr. DOLE. I think it is well to point out that since the amendment was offered in the committee we have increased the tax rate to 275 percent. The Senator from Kansas offered the amendment in the Senate at which point the tax rate on tier 2 was 60 percent. So I think it strengthens the position of the Senator from Alaska on the Senate floor that there would still be some improvement as far as Cook Inlet oil, but not as much as the Senator from Kansas and six others sought in the committee itself because on the floor with the so-called Bradley-Chafee amendment we have increased the tax rate from 60 to 75 percent on so-called tier 2 oil.

I think—particularly for those who have not followed the debate that closely—that they should be reminded of this when they vote on this amendment and, as indicated by the Senator from Alaska, this is high-cost recovery. We are talking about not a lot of oil, 105,000 to 125,000 barrels per day, but I would like to put in the RECORD the economics of the so-called Cook Inlet oil.

If you count the operating expense, maintenance, State taxes, overhead, and Federal income taxes, you have about $1.24 remaining, so it seems to this Senator this amendment should be adopted.

We are talking about preserving that much production, and if we do not permit some profit in these high-cost areas they are not going to produce it. They are going to produce some newly discovered oil where we do not have any tax.

It just seems to the Senator from Kansas, particularly in this critical period now, that we had better preserve every barrel we can and preserve all the production we can.

So I suggest that this amendment makes a great deal of sense.

I ask unanimous consent to have printed in the RECORD some information concerning upper tier treatment for all Alaskan oil, including those who control the so-called Cook Inlet production, and there are a number of companies: Union, Marathon, Arco, Chevron, Mobil, Shell, Amoco, Phillips, Getty, Texaco, and Superior. I thank the Senator.

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

UPPER TIER TREATMENT FOR ALL ALASKAN OIL

1. In addition to the 1,500,000 barrels per day of oil produced on the North Slope, Alaska produces approximately 125,000 barrels a day of oil in the Cook Inlet. The cost of production for this oil is greater than the cost for any other domestically produced oil.

2. In the Trading Bay Unit, Cook Inlet, Alaska, the total cost of each barrel of oil is $4.57—$2.26 in production costs and $2.31 in State and Federal taxes. This oil sells for $5.81, leaving a net cash flow to the producers of $1.24. (See Attachment A.)

3. In comparison, production costs are less than $1 a barrel an average for all U.S. oil wells. North Slope oil costs approximately 20 cents to 30 cents a barrel to produce.

4. Cook Inlet oil is produced offshore in a severe climate, and its production costs continue to rise. It has increased 20 cents per barrel in the last two years. Needed well work-overs, better maintenance, more infield drilling, etc., are needed, and this $4.57 cost will continue to increase. When the positive cash flow from the fields is exhausted, the fields will be abandoned. Industry projections indicate that it will cost in excess of $500 million between now and 1986 just to keep these fields operational.

5. For price regulations, North Slope oil is treated as upper tier, which means that the selling price is about $13 per barrel—more than twice the regulated price allowed for Cook Inlet oil. Certainly if any Alaskan oil deserves upper tier treatment, Cook Inlet oil does.

6. North Slope oil is treated for entitlement purposes as if it were foreign oil which offsets the pipeline tariff for that oil. Cook Inlet oil, on the other hand, is treated as domestic lower tier oil. This means that refiners must pay a fee of $18 per barrel for the Cook Inlet oil that they run, but no entitlement fee for North Slope oil. The result is that Cook Inlet oil—theoretically price controlled at lower levels, costs a refiner several dollars per barrel more than North Slope oil—it is less desirable to purchasers.

7. Due to the small quantity, the revenue loss to the U.S. government if Cook Inlet oil is placed in Tier II would be minimal. The joint tax committee estimates $110 million over a ten-year period; Union believes that the loss would be approximately $105 million.

8. It should be remembered that under the decontrol program and at the 75 percent tax rate the added revenue for a barrel going from Tier I to Tier II is only 12½ percent to the producer. Because of this treatment, these fields are candidates for premature abandonment. It is estimated that there are 600,000,000 barrels of oil in the Cook Inlet recoverable at lower tier prices. If the oil is raised to upper tier, 720,000,000 barrels would be recovered.

Union Oil Company—Economics of Trading Bay Unit, Cook Inlet, Alaska

[1st half 1979]

Items:	$/Bbl
Revenue	$5.81
Operating expenses	1.21
Maintenance	1.00
State taxes	0.61
Overhead	0.05
Federal income taxes	1.70
	4.57
Net Cash Flow After Tax	$1.24

DATA ON COOK INLET OIL

1. There are 13 oil producing platforms set in the Cook Inlet. The average well in the Cook Inlet produces approximately 431 barrels of oil per day.

2. Cook Inlet has an ice problem for approximately 9 months. The tide is 35 feet on an average, and the current is 8 knots.

3. The oil is collected by pipeline which runs for 42 miles to a spot on the west bank of the Kenai Peninsula.

4. The oil from the Kenai Peninsula is 36 gravity, .2 sulphur. This contrasts with North Slope oil which averages 26 gravity, 1.2 sulphur.

5. In Cook Inlet there are approximately 245 producing oil wells. The July production was 105,967 barrels per day. Additionally, there is approximately 20,000 b/d of oil produced in the Swanson River field which is on shore of the Kenai Peninsula.

Cook Inlet (Alaska) crude oil production

[1979 MB/D]

Companies	MB/D (Incl. royalty oil)	Percent
Union	35.3	28.7
Marathon	33.9	27.6
Arco	21.9	17.8
Chevron	11.4	9.3
Mobil	4.1	3.3
Shell	3.3	2.7
Amoco	3.9	3.2
Phillips	3.9	3.2
Getty	3.9	3.2
Texaco	.5	.4
Superior	.5	.4
	123 MB/D	

Mr. STEVENS. I thank the Senator from Kansas. This amendment has been costed out, I am informed, not at the $200 million I said it was, but $110 million with respect to the windfall profit tax. With additional wells, there are an estimated 720 million barrels that could be recovered. Only about 600 million barrels will be recovered unless these additional wells are drilled, so that the minimum loss we are looking at is 120 million barrels of oil. That is over the same period of time.

We are looking, then, at a situation where, in order to maintain production, it is going to cost less than $1 a barrel, and yet to replace that production, if it is lost, the United States will have to pay in excess of $30 a barrel for imported oil. If you go to the spot market, the price is in excess of $40 a barrel.

It seems to me that this amendment makes economic sense. It says to the industry involved that they will have the cash flow to continue the maximum recovery of oil from this field that has been producing over a period of years. It was our second producing field in Alaska, and it should be maintained at maximum production as long as it is possible.

Tier 1 treatment will just not permit the companies involved sufficient revenues after the tax is imposed by this bill, to drill these very expensive wells in order to continue the maximum recovery of the oil.

I do not want to mislead anybody. The Inlet oil production is declining. It will continue to decline over a period of years. But the original estimates for recovery may be maintained if this production can continue by virtue of drilling these additional wells.

The result of this, as I have said, is that the industry will continue to drill the wells, they will maintain this production, if they are given tier 2 treatment.

The revenue that is added per barrel by going from tier 1 to tier 2 is 12½ percent to the producer, and premature abandonment which will take place if it is not given tier 2 treatment.

I am hopeful that the Members of the Senate will support this amendment and will permit the producers to continue the work that is necessary to maintain this production.

I believe the Senator from Kansas has placed into the RECORD the figures he

presented at the time it was considered by the Finance Committee, which shows the breakdown by the companies involved in the 13 platforms and at a producing rate of 123,000 barrels a day.

If any Senator has questions, I will be pleased to try to answer them.

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

The PRESIDING OFFICER (Mr. LEVIN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, I would think that some Senators would like to be heard to speak against the amendment. As I say, I have no objection to the amendment personally, even though a majority of the committee voted against it. I was among those who voted for the amendment that was offered by the Senator from Kansas (Mr. DOLE) when it was before the Committee on Finance.

I hope anyone who wants to speak against the amendment will come to the floor and make himself heard. In order to afford them that opportunity, Mr. President, I suggest the absence of a quorum.

Mr. STEVENS. Mr. President, will the Senator withhold?

Mr. LONG. Yes.

Mr. STEVENS. As has been pointed out to me by the Senator from Kansas, when this matter was before the committee the tax rate on tier 2 was 60 percent.

It is now 75 percent, as it is on tier 1; so the costing out of this amendment is different. It is indicated that the cost of this amendment is now placed at $110 million over the whole period of the bill, as opposed to a figure of $200 million. Consequently, the Senator from Kansas has corrected my figures.

At any event, it is less costly now than when it was before the committee, because of the change in the tax rate respecting tier 2.

However, as I mentioned, the problem here is the possibility of abandonment of these wells.

Who in his right mind would drill a new well in the inlet to get tier 1 oil, when he can go somewhere else and drill a new well to get oil exempt as new oil? It is a problem of maintaining revenues as well as maintaining production as originally contemplated from the field as a whole.

I hope the Senator will permit us to recover the full amount of 720 million barrels from this field.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Louisiana was very gracious in putting in a quorum call so that Senators who may oppose this amendment can come to the floor and do so. I am in no position to speak for it or against it, but I would hope that any Senators who wish to make a presentation against the amendment will come to the floor quickly; otherwise a rollcall vote could occur on the amendment.

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

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. We will contact those who we think might be against it on our side, but the effect of the amendment has changed substantially since it was offered in the committee, because of the tax rate increase on the floor, which reduces the revenue loss; and maybe those who were opposed at a 60-percent rate, plus the fact that now it does not take effect until September 1980, and that also reduces the cost of the amendment, no longer oppose it.

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. PERCY. 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. PERCY. Mr. President, I rise to support my distinguished colleague from Alaska and his amendment with respect to changing the tax status of Cook Inlet oil.

We are all aware of the present and expected continued decline of domestic oil production. The President began the process of decontrol in early June in an attempt to curb long term decline and free the United States from its debilitating dependence on foreign imports. In view of the increased uncertainty of the Iranian oil supply, as well as that of the entire Mideast, we must insure that we do not discourage production of domestic oil from known domestic resources.

In this regard, I note that there are old oil resources that are disadvantaged because of both economic and geographic conditions. In particular, the Cook Inlet of Alaska has resources which will be prematurely abandoned unless corrective action is taken to modify present economic disincentives.

Approximately 1,625,000 barrels of oil per day are produced in Alaska. With only one exception, existing Alaskan crude is treated as tier 2 oil under the Finance Committee bill. Tier 2 oil has a base price of $13 per barrel and is subject—in accordance with the Bradley amendment—to a 75-percent windfall profit tax on the difference between the base price and selling price.

Cook Inlet crude is the exception to the rule. There are approximately 125,000 barrels per day of Alaskan crude produced from Cook Inlet which are classified as tier 1 oil. This oil has a base price of approximately $6 per barrel and, as it is gradually decontrolled, is subject to a windfall profit tax of 75 percent on the difference between base price and market price.

This is a flaw in the tax bill which will have a negative impact on our domestic oil supply unless corrected. The average per barrel cost of producing Cook Inlet crude is higher than any other field in the United States, including Alaska. The oil that is produced in the Cook Inlet comes from 13 oil producing platforms off-shore in the Cook Inlet itself. The inlet has an ice problem for approximately 9 months of the year. The platforms are constantly buffeted by tides in the inlet which average 35 feet with a current of 8 knots.

Despite the fact that the oil from the Cook Inlet is better oil, this is not entitled to as high a price as the remainder of Alaskan oil. Yet the cost of producing this oil averages $2.26 per barrel excluding State and Federal taxes as compared with an average production cost of less than $1 per barrel for all U.S. oil wells.

The production costs have increased 20 cents per barrel in the last 2 years and continue to escalate. The field is in need of additional maintenance which will cost in excess of $500 million between now and 1986 just to keep the field operational. Unless something is done to improve the cash flow from these fields, they will be subject to premature abandonment.

If this oil were treated as tier 2 oil and allowed to receive a base price of $13 per barrel with a tax rate of 75 percent, the revenue loss would be minimal. It is estimated that an additional 120 million barrels of oil, which would otherwise be lost, can be recovered from this field.

Accordingly, Mr. President, I strongly urge my colleagues to support this amendment which will be a positive action to assist the United States in its oil supply.

Certainly, Mr. President, we do not need to be convinced that we need to take every possible step to lessen our dependence on foreign oil. Every day it is becoming more apparent that this is an urgent need for our national security as well as our national economy. Whenever an amendment like this can provide encouragement to recover known oil reserves that would not otherwise be recovered, it is the better part of prudence for us to support it.

I urge my colleagues to approve the amendment of the Senator from Alaska (Mr. STEVENS).

Mr. STEVENS. Mr. President, I am grateful to the Senator from Illinois for cosponsoring the amendment and for the statement he has made. I am delighted to have his support at all times. I certainly agree with him concerning this amendment.

Let me point out again that amendment is different from the amendment presented in the Finance Committee in the sense that it now addresses a situation wherein the tax rate is the same on tier 2 as it is on tier 1 and the revenue loss computations have been changed.

It is my hope that because of the particular circumstances involved in this field, we will have a favorable vote on the amendment.

Mr. President, I will suggest the absence of a quorum and would like to have an agreement for a time certain to vote on this amendment, if we can. I know a number of Senators have indicated that they intend to go out of the building for

lunch. I would like to have the vote occur before lunch, if that is possible.

Mr. NELSON. Will the Senator first yield?

Mr. STEVENS. I yield.

Mr. NELSON. Mr. President, I am advised that the administration does still continue to oppose the pending amendment, even though it has been modified rather significantly. When it was voted upon in the Finance Committee, the cost was about $200 million. Now the rate has been raised to 75 percent and the cost is about $110 million. I cannot speak for those on the committee who took the position against the proposal at that time as to whether or not they now would change their mind, but in my judgment it is time to vote on the amendment in any event.

Mr. STEVENS. Vote.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum only for the purpose of alerting Senators that there will be a vote very quickly.

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.

The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

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

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

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

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

The result was announced—yeas 61, nays 19, as follows:

[Rollcall Vote No. 465 Leg.]

YEAS—61

Armstrong	Helms	Pryor
Bellmon	Hollings	Randolph
Bentsen	Huddleston	Riegle
Boren	Humphrey	Roth
Boschwitz	Inouye	Sasser
Bumpers	Javits	Schmitt
Byrd,	Jepsen	Schweiker
Harry F., Jr.	Johnston	Simpson
Byrd, Robert C.	Laxalt	Stafford
Cannon	Levin	Stennis
Cochran	Long	Stevens
Danforth	Lugar	Talmadge
Dole	McClure	Thurmond
Domenici	McGovern	Tower
Durenberger	Mathias	Tsongas
Exon	Matsunaga	Wallop
Ford	Melcher	Warner
Garn	Morgan	Williams
Hart	Packwood	Young
Hatch	Pell	Zorinsky
Hayakawa	Percy	

NAYS—19

Biden	Durkin	Proxmire
Bradley	Jackson	Sarbanes
Burdick	Magnuson	Stewart
Chiles	Metzenbaum	Stone
Cranston	Moynihan	Weicker
Culver	Muskie	
DeConcini	Nelson	

NOT VOTING—20

Baker	Glenn	Kennedy
Baucus	Goldwater	Leahy
Bayh	Gravel	Nunn
Chafee	Hatfield	Pressler
Church	Heflin	Ribicoff
Cohen	Heinz	Stevenson
Eagleton	Kassebaum	

So Mr. STEVENS' amendment (No. 733) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the next amendment is either that of the Senator from Alaska or that of the Senator from Idaho on the plowback provision.

Mr. BUMPERS. Will the Senator from Idaho yield for a unanimous-consent request?

Mr. McCLURE. Mr. President, I am happy to yield briefly to the Senator from Arkansas for a unanimous-consent request.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, the Saudi Arabians produce 9½ million barrels of oil a day, and all but 300,000 barrels per day of that oil has been jointly owned since 1974 by the Saudi Government and four American companies—Exxon Corp., Texaco, Inc., Standard Oil Com. of California, and Mobil Corp.

The Saudis have complained that American oil companies are reaping unwarranted profits from low-priced Saudi oil. The Saudis are charging $18 a barrel for their oil. Most other OPEC members charge at least $23.50 a barrel.

The principal question is to what extent the oil companies have taken advantage of the high-priced European market by diverting Saudi oil, which could have been refined in the United States.

There was an interesting article on this subject in yesterday morning's New York Times entitled "White House Still Studying Saudi Criticism of Oil Companies in the United States."

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

WHITE HOUSE STILL STUDYING SAUDI CRITICISM OF OIL COMPANIES IN U.S.

(By Steven R. Weisman)

WASHINGTON, December 8.—Two weeks after Saudi Arabia complained that American oil companies were reaping unwarranted profits from low-priced Saudi oil, the Carter Administration has failed to reach a conclusion on whether there was some basis for the Saudi complaints.

Administration officials acknowledged that there was widespread disagreement among them over the accuracy of the Saudi views, as well as uncertainty over what could be done even if they were true.

The issue is critical, energy officials said, because of both domestic and international politics.

Domestically, the Administration has been accused of adopting policies that hand big profits to the oil companies at the expense of consumers. Internationally, the Saudis have threatened to support higher price increases later this month when the Organization of Petroleum Exporting Countries meets in Venezuela.

MILLER GOT SAUDI COMPLAINT

Underscoring the politically sensitive nature of the Saudi accusation, which have been heatedly denied by the oil companies, is the fact that Treasury Secretary G. William Miller, who told reporters about the charges after meeting with Saudi leaders last month, has emphasized that he did not necessarily agree with them.

Other officials said, however, that they believed the Saudi leaders were correct in asserting that American oil companies had failed to pass the full benefits of low Saudi prices to American consumers. But they added that there was no complete documentation yet to prove that the oil companies have taken advantage of the Saudi price policy.

Saudi Arabia sells most of its oil to four American companies—Exxon, Mobil, Texaco and Standard Oil of California—for $18 a barrel. Most other OPEC members charge at least $23.50 a barrel. The price of a barrel of oil on the spot market, which handles oil not covered by long-term contracts, is $36 or more.

Under pressure from the United States, Saudi Arabia agreed early this year to keep its prices lower than those of other oil-producing nations in an effort to curb inflation.

LARGE PROFIT INCREASES REPORTED

The four companies, which are partners in the Arabian American Oil Company, or Aramco, have recently reported profit increases substantially larger than those of most other oil companies.

Critics of the four companies maintain that their retail prices are not appreciably lower than those of other companies. The Aramco partners insist that they are not making extra profits on Saudi oil, and say most of the improved profits comes from overseas operations.

Most industry analysts agree that one reason for the recent surge in profits for the Aramco partners is that they have sold Saudi oil for the highest possible markups in Western Europe, where there are no controls on oil prices.

Some Administration officials have said privately that the oil companies have taken advantage of the high-priced European mar-

ket by diverting low-cost Saudi oil, which might otherwise have been refined in the United States, to refineries in Europe. The oil companies deny this.

Even if this was going on, however, some Administration officials concede that they could not do much to prevent it.

"You're talking about companies operating in jurisdictions that go beyond the United States boundaries," one official said. "This is something that is not readily subject to control by one particular country."

But other Administration officials disagree. "It's true, there's no ready documentation of this," said Stuart E. Eizenstat, President Carter's adviser on domestic affairs. "But if it were true, we could certainly bring the oil companies in and sit them down to talk about it. We could ask for our fair share of Saudi oil."

Administration officials reported that a number of internal investigations have begun to look into the general pricing situation. Preliminary results may become available in the next few weeks.

WAITING FOR DETAILED AUDITS

"One thing is clear to us," said John C. Sawhill, Deputy Secretary of Energy. "The four Aramco partners generally underprice their competitors in the United States. What isn't clear is whether they have done so to the full extent of the differential in their costs. Until we get more detailed audits, we don't really know."

Given the sensitive and potentially explosive nature of the charges, some officials said it was unusual that no hard information had been developed by the Administration and that no position had been developed by the President's advisers.

At the White House, responsibility for the investigation of the oil-pricing situation has been given to Alfred E. Kahn, chairman of the Council on Wage and Price Stability and special assistant to the President on inflation. Mr. Kahn's staff is known to be leaning toward the theory that the Saudis are correct, but officials at the Department of Energy are known to be leaning the other way.

"The battle hasn't really been joined," an Administration official said. "There is some disagreement on a staff level. It makes sense for us to put together some information so we don't leap to conclusions."

"WINDFALL" PROFITS TAX STRESSED

"Maybe we should have been working on this before now," the official conceded, "but our dominant focus has been to try to get the "windfall" profits tax out of Congress. When we're done with that, we can look at this situation."

Administration experts said one obstacle to the investigation is the difficulty of interpreting the numbers and information generated by the oil companies.

Saudi Arabia produces 9.5 million barrels a day of oil, but the United States imports only 1.5 million barrels of this, according to Mr. Sawhill.

"An awful lot of Aramco crude is being sold outside the United States," he said. "Should we be critical of companies trying to maximize their profits by selling crude into those markets where they can obtain the best prices"

AMENDMENT NO. 588

(Purpose: An amendment in the nature of a substitute to title I of H.R. 3919, as reported by the Committee on Finance)

Mr. McCLURE. Mr. President this amendment is the amendment I had offered over a week ago and I then withdrew it because the Senate was then involved in the consideration of the Bradley-Chafee amendment and the substitutes for it. It was thought my amendment was interfering with the progress on that amendment. Rather than have mine involved in any parliamentary debate or any thoughts concerning the procedures, I did withdraw the amendment and got unanimous consent that it be considered at a later time. Now it is that time.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk so it can be stated?

Mr. McCLURE. It is amendment No. 588.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself and Mr. COCHRAN, proposes an amendment numbered 588.

Mr. McCLURE. 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:

H.R. 3919 is hereby amended by striking title I and inserting in lieu thereof the following:

SECTION 1. Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954, as amended (relating to corporation income taxes), is amended by adding after section 12 a new section as follows:

"SEC. 13. EXCESS PETROLEUM PROFITS TAX.

"(a) IN GENERAL.—Notwithstanding other taxes imposed by this subtitle, an excess profits surtax is hereby imposed on the taxable income of all petroleum industry corporations for each taxable year beginning after December 31, 1978. The surtax shall be equal to the surcharge as computed under subsection (b).

"(b) SURCHARGE.—The surcharge is equal to 90 percent of the amount by which the taxable income exceeds the surcharge exemption for the taxable year. Section 11 shall only apply to that amount of taxable income which does not exceed the surcharge exemption for the taxable year.

"(c) SURCHARGE EXEMPTION.—For the purposes of this section, the surcharge exemption for any taxable year shall be the percentage rate of a return, on the capital investment of a petroleum industry corporation, equal to the average rate of return on capital investment for all manufacturing corporations for that taxable year. Determination of the average rate of return on capital investment, by industry and for all manufacturing corporations, shall be made by the Federal Trade Commission and submitted in its quarterly financial reports for manufacturing corporations, beginning with the quarter following enactment of this bill. The Commissioner is further directed to compile and publish the rate of return on capital investment, by industry and for all manufacturing corporations, starting with the first quarter of 1979 and extending through the quarter in which this bill is enacted.

"(d) EXEMPTIONS.—

(1) SMALL CORPORATIONS.—This section shall apply to all petroleum industry corporations having an invested capital structure exceeding $2,500,000.

"(2) SET-ASIDE FUND.—The corporation may establish a special fund to be used according to subsection (f) in which yearly income, subject to the surcharge, may be set aside without surcharge consequence. However, such set-aside funds which are not properly invested within 5 years of the taxable year in which they were earned shall be subject to the surcharge with no further exceptions.

"(e) DEFINITIONS.—

"(1) PETROLEUM INDUSTRY CORPORATION.—For purposes of this section the term 'petroleum industry corporation' means any corporation engaged in the exploration, extraction, refining, transportation, distribution, manufacture, production, and/or sale of any petroleum product as its principal business.

"(2) TAXABLE INCOME.—For purposes of computation of the surcharge imposed by this section, taxable income shall be computed without regard to any deductions allowed by reason of the carryback or carryover of any loss.

"(f) SPECIAL DEDUCTION.—In computing the surcharge imposed by this section, there shall be excluded from income, subject to the surcharge, an amount equal to the investment made in the taxable year or as authorized under subsection (d)(2), for the following purposes:

"(1) exploration or development of new domestic fuel;

"(2) increased domestic productive capacity;

"(3) research and development of new domestic energy sources, fuels, or uses;

"(4) research and development of energy technology affecting:

"(A) location,

"(B) production,

"(C) transportation,

"(D) conversion,

"(E) processing,

"(F) utilization,

"(G) pollution abatement, or

"(H) conservation; or

"(5) other investment reasonably calculated to increase the domestic energy supply or the more efficient use of such energy supply.".

SEC. 2. (a) Section 48(a) of the Internal Revenue Code of 1954, as amended (relating to investment tax credits), is amended by inserting at the end of clause (1)(B)(iii) the following:

"(iv) constitutes a domestic research and development facility for new or expanded energy sources, or

"(iv) constitutes tangible property specifically invested in to increase the domestic energy supply or its more efficient use, or".

(b) Section 48 of such Code is amended by redesignating subsection (k) as (l), and by inserting subsection (j) the following:

"(k) NEW OR EXPANDED ENERGY SOURCES.—

"(1) NEW ENERGY SOURCES.—This term shall include (but not be restricted to) oil shale, tar sand, coal liquefaction, coal gasification, geothermal, solar, hydrogen, and magnetohydrodynamics energy.

"(2) EXPANDED ENERGY SOURCES.—This term shall include (but not be restricted to) the energy sources in (1), plus petroleum, coal, hydroelectric, and atomic energy sources.".

SEC. 3. (a) The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this Act, except as provided for in section 3(b).

(b) The Commissioner of the Federal Trade Commission shall prescribe such regulations and procedures as are necessary to carry out the compilation and publication of rate of return data as directed in section 1(c) of this Act.

SEC. 4. The amendments made by this Act shall become effective with respect to taxable years beginning after December 31, 1978.

Mr. McCLURE. Mr. President, I ask unanimous consent that Senator JEPSEN and Senator GARN be added as cosponsors of the amendment.

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

Mr. McCLURE. Mr. President, as I said, this amendment has already been before the Senate and was subject to some detailed and lengthy debate concerning the details of the amendment.

In very brief terms, this is a genuine windfall profit tax. As distinguished from the tax that has been voted out of the Finance Committee and all the permutations, exceptions, exemption, additions or subtractions from that tax measure which, without exception, had nothing to do with profits, this bill has to do with profits.

The bill that has been reported is an excise tax on domestic oil production. It has nothing to do with foreign oil. It has nothing to do with the profits of domestic companies in foreign operations or foreign companies in their foreign operations. It has only to do with a taxation on the production of oil within the United States, its territories, or its possessions.

It is a misnomer to call it an excess profits tax, because it does not have anything to do with whether there are profits—indeed, whether they are excess or not. It is taken somewhat as given in the public debate that the tax relates to excessive profits by oil companies, and everybody reading the popular press is certain that oil companies have made profits which are excessive and that we do not need to talk about that. We simply are going to tax the illusion which has been created.

It is interesting to note that at least the hearings before the Committee on Finance are entitled "Crude Oil Tax," and that is more accurate than the title of the bill.

However, my amendment is a tax on profits, and it is a tax on profits that are excessive. How do we define what is an excessive profit? How much somebody else made, or how much we made, or just how much the oil companies made?

As a matter of fact, an oil company producing oil, even though it were losing money, would be taxed on its production. Even if the tax on its production drove it from a marginal profit to a marginal loss, that tax still would be levied.

So this tax has nothing to do with the income of oil companies. It has nothing to do with the profits of the oil companies. It has to do with production of oil.

I cannot imagine anything that is more devastating or more detrimental to the production of the energy we have to have in this country than to tax the production, irrespective of profit.

Let us stop for a moment to look at perhaps what we should be doing in terms of excess profits of oil companies and the so-called windfall that will come because of the world adjustment of price because of an OPEC cartel, a cartel that has been effective because Congress for too often has inhibited the production of domestic energy sources and subsidized the production of imported oil.

Time after time after time, the laws we have passed have had the effect of making domestic production more expensive in order to pay money to people who import more oil. We can show provision after provision in law as well as in regulations that have the effect of strengthening the OPEC cartel at the expense of the American people.

If we really want to know why the American people today are paying the price for oil that they are, let us look for a moment at what we have done in Congress and in the administration to strengthen the OPEC cartel rather than weaken it by increasing production here.

Nothing could be more counterproductive than taxing the weak, taxing those who, in the margins of production in this country, do not have excessive profits, in order that we have enough money to subsidize the importation of oil from outside this country, without respect to what that oil costs. It is a prescription, an invitation, to the OPEC cartel to raise the price of oil and increase the cost to the American consumer.

Unlike that approach to the problem, my amendment would undertake to define what is an excessive profit and tax it. I do not know what an excessive profit might be, but I know one thing it cannot be. There cannot be an excessive profit if, as a matter of fact, there is no profit. If there are producers who make nothing because their costs of operation are marginal, they cannot possibly have an excess profit if they have none. If they have a little profit, maybe we will say that is excessive. Maybe they make 1 percent on investment. Maybe they make 2 percent on sales. Maybe they make 3 percent on equity. Maybe they make some other figure less than the average rate of return on investment capital and, by definition, we would call it excessive, therefore a profit, and therefore it should be taxed.

Of course, it will be taxed under the ordinary income tax laws of this country as well as the State in which the company is located. But how in the name of fairness or good Government policy can we undertake to tax without regard to whether it has a profit?

I do not know what is an excessive profit. It could be anywhere in a whole scale. But let us make one arbitrary choice, recognizing that capital will flee the areas where it is taxed or is nonproductive. If people who have money to invest have a choice between investments and if in one area they can invest the money and make a little, they might invest the capital there. If they are denied that choice, they will go somewhere else and invest the capital in some other operation, in some other business venture; and the area that is taxed or limited on its profits or cannot make a profit will find itself unable to raise risk capital.

So I have defined in my amendment the average rate of return on investment for all industries in the United States as an arbitrary point of departure—arbitrary because it simply chooses one figure or one measurement and says that it cannot be an excessive profit if you are not making any more money there than in the average of all other industry in the United States, and arbitrarily say that anything above the average rate of return is an excessive profit.

I happen to believe that is a little counterproductive, because there should be some margin to do a little better than average. But the climate being what it is, I did not even do that. I just said that the average rate of return is what you are entitled to in the oil business; and if you get above the average rate of return, it is excessive.

As a matter of fact, if we are going to attract capital that is necessary to meet our energy needs in the Western industrialized world, we will have to attract capital in massive quantities.

The best estimates I have seen over the last several years as to what is required in the investment of capital for energy production is that we must be investing, over the next 10 years, $1.6 trillion in energy production.

That is at the rate of $160 billion a year. If we do not invest $160 billion a year, on the average, over the next 10 years, we will not have enough energy to meet our needs.

What happens if we do not have energy? Industry begins to slow. Other countries that have sufficient quantities of energy begin to become more economically competitive. We will not be worrying, 10, 15, or 20 years from now, about the intrusion of the Japanese producer into the TV markets or the home appliance market. I think we are all familiar with what has happened in the last several years with respect to foreign production of most home appliances and television and electronic components in the United States.

Most of them are produced overseas. But we will not be worrying about that and we will not be worrying about whether or not Chrysler is in business or not. We will be worried about whether Ford can survive and we will be worried about what happens to General Motors as foreign manufacturers, with a greater and a cheaper supply of energy than we have and a more sufficient supply of energy, become more competitive in the world markets in the production of basic commodities.

It is not a question, then, just of steel mills in Youngstown closing or whether or not Chrysler is bankrupted and the employees of Chrsyler have to find other jobs somewhere else. We will be worried about whether or not the American industrial capacity can meet the competition of the remainder of the world that has not been hamstringing themselves in energy production as we seem bent on doing.

Certainly we cannot get out of the capital markets such a larger percentage of capital as is required by an investment of $1.6 trillion, which is a large proportion of the total available capital for investment, unless that capital investment has the promise of yielding returns that are at least as good as the opportunities on the average throughout the economy.

So if we want to move our available capital into tax free shelters, municipal bonds, nonproductive enterprises, and away from energy, we better be able to

say to them that the opportunities for return on investment are at least as great in the energy field as they are in other industrial enterprises.

If we do under my amendment decide they are entitled to an average rate of return, then what will we do about that which we then define as excessive rate of return?

I propose that we tax the rate above the average rate of return at 90 percent but with a provision that in order to meet our needs they can escape that taxation if, but only if, they put that money back into the production of energy.

If the American people are to be confronted with ever escalating prices for energy, they should at least know that the money they pay for the energy they consume will be devoted to producing the next unit of energy they want to consume. They want to know that next year there will be gasoline to run their automobiles, or gas to heat their homes, or electricity to run all of the things that electricity does for us today. They should be able to say, "When I consume that energy now what I pay for that energy will be devoted to making certain that tomorrow and next year I have more energy to consume at reasonable prices, at prices as reasonable as the world energy markets will permit us today."

Let us look for a moment at some of the figures, and I do not mean to use again all of the data that I put in the RECORD a week ago last Thursday when this was debated the first time, but I think it is instructive to look at least a little at the comparisons between this industry and other industries.

A study was done, at my request, with respect to the financial data on 25 largest U.S. petroleum companies. I believe, after having listened to the debates with respect to stripper wells, small producers, and independents, that we are probably talking about less than the largest 25 oil companies at the worst, and certainly having considered the 25 largest I have covered all of those that we are really talking about. The table that I had printed in the RECORD includes the total revenues of the largest U.S. petroleum companies in millions of dollars for each year starting in 1968 through 1976.

The total revenues for the 25 largest U.S. petroleum companies has risen from $61 billion in 1968 to $273 billion in 1978. These figures that I have just given are in constant dollars.

The net income figures, which are included in that table, are not measured in constant dollars. And they rose from net income in 1968 of $5.8 billion to $13.2 billion in 1978. Incidentally, that $13.2 billion net income in 1978 is slightly less than the amount of money we have appropriated for the Department of Energy in the United States, to give some benchmark for comparison of the size of net revenues that we are talking about.

The net income in constant dollars, that is adjusted for the inflation over the period, with 1968 as a base year shows that net income has risen from $5.8 billion in 1968 to $7.2 billion in 1978. During that same period of time taxes paid by the industry have risen from $8.7 billion in 1968 to $37 billion in 1978.

So where has the windfall already gone? The windfall profit is already a windfall to the Government. Taxes have risen from $8.7 billion to $37 billion, over four times, a 400 percent increase in 10 years in tax revenues to Government. Net income as a percentage of total revenues has dropped over that period of time from 9.5 percent in 1968 to 4.8 percent in 1978. Net income as a percent of total revenues has been cut in half. Taxes as a percent of net income have risen from 151 percent of net income in 1978 to 282 percent of net income in 1978.

As a percentage of total revenue, taxes have decreased slightly. After having risen during the middle of the decade from 14.3 percent in 1968, they went to a high of 17.5 percent in 1973 and have since dropped to 13.7 percent in 1978.

But let us look for a moment at the net income as a percentage of stockholder's equity, which is not exactly the same measurement as is included in the amendment which I have introduced. Again this is on the 25 largest petroleum companies.

In 1968 it was 12.6 percent. In 1978 it was 13.6 percent for an average over the period of 12.9 percent, over the period 1968 to 1978.

If you will look at the figures used by the City Bank Petroleum Group in 1968 the net income as a percent of stockholder's equity was 13.1 percent. In 1978 it had risen to 14.3 percent for an average over that decade of 13.7 percent.

The Chase Petroleum Group, which is a slightly different grouping of companies, showed a net income as a percent of stockholder's equity in 1968 of 11.7 percent, dropping through 1972, and then with a sudden surge of the world price at the end of 1973 and early 1974 when it went up in 1973 and 1974, dropped back in 1975 to a 1978 average of 13.2 percent, and an average over that period 1968 through 1978 of 11.7 percent.

But now let us take a look at what other manufacturing has done in the United States. In 1968, again the City Bank index shows the 1968 average, excluding petroleum, of 13.4 percent as against the same index used by City Bank on their petroleum group of 13.1 percent in 1968, and the average of all industrials, not including petroleum, has risen from that 13.4 percent to 16.5 percent in 1978 as contrasted with 14.3 percent for their petroleum group.

So the figures would indicate that over the decade or in 1978 oil revenues as a percent of stockholder's equity is running slightly behind the average rate of return for all industrials.

Now, that ought to tell us something, and I think it is fair to note also that just as during any period of rapid inventory change, price change, prices rise suddenly, and we saw that in 1974 as the inventory value doubled on the shelves, and it is again now during this current price rise of petroleum, that the oil companies' profits have risen during the last three quarters, and the figures show that very clearly.

But, as was the case in 1971, it is a temporary adjustment period, and they probably will drop off again unless there is a continued escalation of world prices due to OPEC pricing practices largely, and that the average rate of return in the last three quarters for petroleum groups so measured has run slightly ahead of the rest of industry.

If that trend continues they would be subject to taxation for 90 percent of that excess under my amendment. We would not see any more buying retail stores or bidding for circuses, as they have been criticized in the past for doing. Under my amendment they would take that money and put it back into energy production which, I think, is exactly what we wish they would do.

I am always amazed when we debate this to find that there is opposition to doing what the title of the bill says and what the public has been led to believe. We say they have excess profits and that we are going to tax those excess profits. The bill instead taxes without regard to whether they have excess profits or indeed if they have profits at all, and my amendment would do exactly what the title says. It would tax excess profits only. They would have to have profits. They would have to be above the average rate of profit, and it would be taxed unless it is put back into energy production.

Mr. President, it is puzzling to me that we get to the point where in our emotion to somehow react against those who are hurting us, and the consumer is being hurt by energy prices, in our reaction against those who are hurting us, we want to penalize somebody, and we cannot reach the OPEC cartel, and so we are going to whack the energy sellers as though they are the cause of the problem.

Let us look for a moment where the industrial group profits lie. The first on the list—and this list comes from the First National City Bank statistics, the first on the list—alphabetically is autos and trucks whose 1978 profits as a percent of net worth were 17.2 percent; petroleum production and refining was 14.3 percent, running substantially behind autos and trucks. But we are going to tax the oil producers and refiners and we are going to bail out Chrysler. Yet the average rate of return in the auto production is higher than it is in the petroleum field.

Well, we obviously say we are not going to put an excise tax on the production of each unit of automobiles of, say, $1,000 or $400 or $500 per automobile, and soak it to Chrysler. We might say that we will soak it to General Motors, but we are not going to soak it to Chrysler because they do not have profits. They are going broke.

But we are afraid to apply the same kind of yardstick to the energy industry. Why? Because we have been hurt by energy price increases and, as a nation, we want to strike back at those who hurt us. It is a little bit like shooting the messenger who brings bad news. He may not be the source of the bad news, but you did not like the news, so he is shot. We do not like the news of price increases, so we are going to take it out on those who provide the energy.

Let us go down the list—I will not read the entire list—but let us go down the list and look at a few of the others: Drugs and medicine 21.5 percent; office

equipment, computers 22.5 percent; soap and cosmetics 20.8 percent; electric equipment and electronics 18 percent; auto parts 17.8 percent; chemical products 15 percent; household appliances 15.7 percent; aerospace 19.7 percent; soft drinks 22.8 percent. Have you thought about an excess profits tax on Coke? They are making more than the petroleum industry is, making 20.1 percent.

Let us take a look at machinery, 17 percent; printing and publishing 18.4 percent. Let us have an excise tax on the newspapers because they are making more than the oil industry is.

Well, I could go on down the list, but I will not read all of them. I might just look at the total manufacturing average net income as a percent of net worth, which is 15.9 percent, and if you exclude petroleum would be 16.5 percent, while that on petroleum production and refining is 14.3 percent, according to the First National City Bank figures.

Mr. President, it seems to me that if we are going to break the hold of the cartel that now dictates prices to us, we are going to do it through domestic production that provides the needs for our people instead of depriving them of their needs.

We are pursuing a policy of penalizing the industry that holds the promise of providing the needs to our people, and nothing would delight the OPEC cartel more than to just keep our industry weak, force capital investment into other areas, and outside of the United States, force the increases of energy production into foreign countries, and diminish the amount that is produced in the United States, and by that you could do nothing that would strengthen the OPEC cartel more.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. McCLURE. Yes, I would be happy to yield to the distinguished chairman of the Finance Committee.

Mr. LONG. Mr. President, I am advised that the fashion in which the Senator's amendment is drafted makes it subject to an objection under the budget law, and I would think the Senator might want to modify his amendment. It could be modified to meet the objection. That would require unanimous consent, but I have no objection, and I have sought to advise the staff people of the Budget Committee that I propose to give unanimous consent for that.

If the Senator would like to modify his amendment to conform with the budget law, I would be glad to agree to a unanimous-consent request.

Mr. McCLURE. I would say to the distinguished Senator from Louisiana that under the unanimous-consent agreement entered into such an objection would not lie because there is a unanimous consent that this would not be subject to amendment. There would be an up-or-down vote, and that the Senate has already entered into such a unanimous-consent agreement.

Mr. LONG. Well, I do not believe that an agreement that an amendment can be offered, or even an agreement to vote on an amendment, can waive the provisions of the budget law, unless it was agreed to knowing that to be the case. That being the case, I would think the Senator would want to modify his amendment to conform to the budget law.

Mr. McCLURE. Let me just say to the Senator that in spite of that possibility, it has been my feeling that the unanimous-consent agreement probably took care of that.

The PRESIDING OFFICER. The Chair would advise——

Mr. McCLURE. If I may, let me just say that I am perfectly willing to make the small change that is necessary to render the argument moot. I ask unanimous consent that section 4 of the pending amendment be perfected by striking "December 31, 1978" and in lieu thereof inserting "December 31, 1980".

Mr. BRADLEY. Mr. President, reserving the right to object, what was the unanimous-consent agreement as it pertained to further modification? It is my understanding that the agreement as propounded by the Senator from Idaho was that no amendments, motions to table, or modifications would be in order.

Mr. McCLURE. It does not say "modifications," I will say to the Senator.

The PRESIDING OFFICER. The Chair would clarify the situation as follows: The agreement provided that no motion and no amendment would be in order. However, that agreement constitutes Senate action on the amendment, and thereby the right to modify the amendment was lost.

Mr. McCLURE. Was lost?

The PRESIDING OFFICER. That is correct.

Mr. LONG. Mr. President, the point I have in mind is that if the Senator's amendment should be stricken down on a point of order, and if he feels strongly about it, and I am sure he does, all he has to do is make a little technical changing of the amendment and come back, then the time we have spent on the amendment would be wasted. In order to get on with the business, it would seem to me that, first, we should not waive the budget provision of the law, but, second, we ought to let the Senator conform to it. Failure to conform to it would just make us go through the motions if those who want to insist on the budget process are successful. All that would do is displace the Senator's amendment, then he could make a few technical changes to comply with the budget process, come back, and we would have to go through the whole process all over again. That is what I call wasting time.

It seems to me all we have to do is point out to the Senator that the amendment is subject to a budget objection, let him modify his amendment to take care of the matter, and then proceed to vote on the amendment. That way, we will save a lot of time here that would be wasted if we proceeded to strike down the Senator's amendment on point of order. We would be wasting time not only for the Senator, but for ourselves.

Mr. BRADLEY. I understand what the distinguished chairman has said. My question really relates to the unanimous-consent agreement that we entered into and that the Senator from Idaho was aware of prior to submitting his amendment. If we permit him to modify, my question is, would he then allow a motion to table the modified amendment?

Mr. LONG. Mr. President, I do not think that is necessary. It seems to me that, when we had an agreement that the Senator would offer his amendment, it was expected that it would be voted on. I do not feel like arguing about it, but one could contend that when we agreed to vote on the amendment, we agreed to waive the point of order that can be made under the budget law. But I do not think we ought to get involved in all that. It just seems to me that in the spirit of good will and cooperation, we ought to recognize that the Senator had the right to offer his amendment. He would have the right to come back and offer a subsequent amendment that would be modified, and rather than spending a lot of time fighting about a technicality, we would do better to get on with the question itself, and that is whether he had enough votes to justify offering his amendment. If he does, the amendment would be added to the bill. If he does not, it would not. I am positive that would all be worked out. So, rather than cover the ground twice, I think we should cover it one time. We should give the Senator unanimous consent to modify the amendment, and we can bypass all the other technical problems and just vote.

Mr. BRADLEY. This Senator proposed this amendment another time, and there was an amendment to that amendment and he chose to withdraw it. If he desires not to waste the Senate's time, I am sure he wan withdraw his amendment now, rewrite it properly, and have it come up after this unanimous consent agreement is concluded.

Mr. McCLURE. Mr. President, let me just say to the Senator from New Jersey, he not having been on the floor when we started debating the amendment today, that the reason that I withdrew the amendment earlier was to expedite what I thought might readily be later presented by getting some of the other amendments up and disposing of them while you were trying to consult on the Bradley amendment. Instead of expediting procedures, I ended up getting involved in a parliamentary situation not of my making or my desire. In order to take my amendment out of that hassle and to expedite the amendment of the Senator from New Jersey at that time, I withdraw my amendment. Now he finds some reason to believe that because I was trying to expedite the vote on his amendment, I have now prejudiced the Senate. I would hope the Senator does not find it necessary to object.

Mr. LONG. Mr. President, I think the whole matter can be worked out by permitting the Senator to go ahead with his amendment.

Mr. McCLURE. I thank the Senator, Mr. President, I withdraw my request at this time.

The PRESIDING OFFICER. The request is withdrawn.

Mr. McCLURE. Mr. President, I think the Senator from Louisiana was correct when he said that the question ultimately revolves around whether there are enough votes to pass the amendment

or not. If there are enough votes, it will become a part of the bill; or if there are not, it will not. That is the way, I think, to get things done in the Senate, if we are trying to finish this bill sometime before Christmas.

Mr. President, for a more complete explanation the amendment and the statistical data which support it—I have hit the high points here today—I inserted certain matters in the RECORD on November 29, when we were debating this amendment the first time, before, as I say, I got involved in a parliamentary situation not of my own desire or making and withdrew the amendment. That debate appears in the CONGRESSIONAL RECORD of November 29, starting at page S17485 and continuing for several pages thereafter. For those who would like to know in greater detail some of the answers on capital investment, capital expenditures, and various measures of return on investment and properties, I would refer them to the tables and the data that were printed in the RECORD at that time, and I will not ask that the material be printed in the RECORD again at this time.

Mr. President, I think that the distinguished Senator from Mississippi, a cosponsor of this amendment who has been invaluable to me in furthering the amendment and has expressed great interest in it since I introduced it first as S. 89, of which he was then a cosponsor as well, has indicated that he would like to speak to this amendment, and at this time I yield the floor to him.

Mr. COCHRAN. Thank you, Mr. President.

I thank the distinguished Senator from Idaho for yielding to me. I first of all wish to compliment him on the thoroughness and eloquence and directness of the statement he has made in support of the approach that is being recommended in this amendment in the nature of a substitute, for the tax ought to be imposed by the committee's bill.

Mr. President, when we look at the background of this entire chain of events, which has culminated in the recommendation to the Senate and to the other body by the administration that we impose a so-called windfall profit tax on oil producers or oil companies, we find that one of the reasons for the administration and some of the leaders in Congress recommending this as a course of action is that we are going to decontrol, relax Government control and regulation over the price of petroleum energy production in this country.

For what purpose? For the purpose of creating some incentives that are necessary to guarantee that enough capital and enough effort is put into the production of energy that we will be able to meet the growing and increasing demand throughout this country for increasing energy

And why are we interested in that? We are interested in that because we do not want to be so dependent, to the tune of a half of all of our energy needs, on foreign suppliers. Events of the recent past clearly illustrate why it is not in the United States best interest to be dependent in such large measure on these foreign suppliers.

But what have we done, in fact, or what have we seen recommended, in fact, as the answer to helping us achieve this kind of independence and in creating the kind of incentives that are necessary to get the additional production of energy that we need to meet these growing demands? We find that one of the key points, the cornerstone, the central piece in the energy package, ends up being a tax; a tax on so-called profits.

But when we look at the legislation that really comes out of the committee, we find that there is no tax on profits recommended. And to see the newspapers and to see the politicians around the country and in this town continue to talk about the windfall profit tax is the telling of the biggest lie in town. This tax does not have anything to do with profits.

The figures cited by the distinguished Senator from Idaho indicate pretty clearly that there may not even be, in fact, profits being made in energy production that are excessive to the extent that they exceed the average rate of return on investment for manufacturing companies generally in the United States.

But what of the argument that deregulation, decontrol, is going to result in the future in excess or windfall profit? Well, if that assumption is correct, then let us design a package that imposes a tax on that excess.

This legislation before the Senate does not do that. And now it does not even pretend to do that, because the name of the bill has been changed from a windfall profit tax to a crude oil tax, because it is, in fact, an excise tax instead of an excess profit tax.

I am cosponsoring this amendment with the distinguished Senator from Idaho because, Mr. President, it is the only proposal that has been made in this Congress that is, in fact, in reality, an excess profit tax. It imposes a tax of 90 percent—90 percent—on profits made in excess of the average rate of return on investments for manufacturing generally throughout the United States.

How else could you measure excess profits? This is a formulation of national policy that will force, in order to gain an exemption from this tax, businesses engaged in energy production to plowback, to reinvest, profits derived from oil production, the energy business, into further exploration and production of energy. That is the national goal. Everybody agrees with it.

This is the approach that will guarantee that that kind of an investment by American business and industry is made to help us meet the demands that we see coming in the future for energy supply.

Some Senators may say, "Well, what is wrong with just putting a tax on the crude oil production as it is, without regard to profit, as recommended by this committee?" What you are doing is taking capital out of the production of energy. You are diverting resources of the country that would ordinarily be committed to the production of energy away from the production of energy into the coffers of Government, without sufficient commitment by the administration or language in the bill which identifies the use of moneys that will be coming into the Government as a result of this tax.

I am suggesting that one reason why we see less inclination to identify what the money will be used for once it comes to Washington is that it is going to be used to help balance the budget. Is the emphasis going to be placed on identifying and eliminating waste or misuse of Government funds now in existing programs, trying to identify those areas where, maybe, the Government is trying to do too much, and reduce the expenditures where we can to streamline Government? That is not the emphasis.

The emphasis is in more money for Washington. And this bill, we hear, now has developed a following that says we can raise $185 billion to $200 billion—billions of dollars—as a result of this one piece of legislation.

My suggestion, Mr. President, is that we take a very careful and deliberate look at the suggestion that is being made to the Senate by the committee and that we opt, instead, for supporting a piece of legislation offered as a substitute, which is, in fact, an excess profit tax, which will focus the attention of the business community on the need to reinvest proceeds derived from energy production and marketing into additional production of energy.

Again, Mr. President, I compliment the distinguished Senator from Idaho on his initiatives in developing this approach, which I think makes a great deal of sense. It is consistent with administration policy. It will not result in unnecessary tax burdens being imposed on business enterprises without regard to profit. And it will not achieve, in my judgment, what the bill before us necessarily will achieve in practice, and that is higher energy prices with shorter supplies, to boot. What worse situation could we have?

For those reasons, Mr. President, I am enthusiastically supporting this substitute. I urge my colleagues to look very carefully at this as a more sensible approach, a better approach, to solving this very serious problem.

I thank the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator from Mississippi for his eloquent statement, as well as for his cosponsorship of this amendment, which is offered as a substitute for title 1 of the pending bill.

He touched on one point that I think needs to be underscored: It is consistent with the administration's announced policy and objectives. The President is quoted in a publication of November 12, quoting from his statement of last August, as having said this—this is a quotation from the President's statement:

"If the oil companies take the profits and invest them back in the exploration and production of additional oil and gas in our country, then I have no objection to their profits being made," he said last August.

"But what they've done in the past is buy restaurants and motel chains. They tried to buy circuses. They bought department stores. They've taken profits out of oil and not put them back in the ground to develop more energy for you and me."

Mr. President, regardless of how we might feel about directing investment in this country, this amendment is consistent with that statement of the President. It does direct that the profits that are made go back into the production of energy; at least to the extent that those profits are excess, we may have some right to say so. That is what this amendment attempts to do, to say that the money that is generated from the sale of that energy must go back into energy.

Mr. President, you do not have to be a sophisticated economist to know that if people who are selling something do not generate enough money out of the sales to put it back on the shelves, you are not going to be able to buy it. If you go down to the store and buy a can of peaches at the grocery store and the grocery selling that can of peaches does not get enough money out of it to put another can back on the shelf, you will not be able to buy another can of peaches the next time you go there. That is all in the world, in very simple terms, that is required in investment back into the business of producing more energy. If you do not put it back in, the energy is not going to be there.

That is particularly true as the cost for the exploration and production of energy gets more costly. As the cheap and easily found has already been found and produced and consumed, that which is to be found and produced and, we hope, consumed in the future is going to cost more to find it, produce it and market it, it is going to cost us more to consume. But there had better be somebody out there investing money to put it back on the shelf to buy it or that can of peaches will not be there when we are hungry for some peaches.

As a matter of fact, if the next generation wants to have energy that is not produced by the OPEC cartel and sold to us at whatever price they want to sell it, political or economic, we had better get at the business of putting that energy back on the shelf, ready for our consumers to have and to use pursuant to the conservation rules that we are trying to get into effect and pursuant to the kind of energy mix we are trying to stimulate and produce in this country.

I thank the Senator from Mississippi for his contribution and I hope the Senate will give this serious, thoughtful consideration. Maybe, as I have said to one of my friends, this is a proposal too logical to have any chance. I hope that is not true.

Mr. President, I ask unanimous consent that the distinguished Senator from Minnesota (Mr. BOSCHWITZ) be added as a cosponsor of the amendment.

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

Mr. BRADLEY. Mr. President, this amendment would impose, for taxable years beginning after 1978, a 90-percent surcharge on taxable income of any petroleum company with $2.5 million in invested capital. For this purpose, the company's taxable income would be reduced by an amount equal to the average rate of return on capital investment as determined by the FTC for all manufacturing corporations. The surcharge would be reduced to the extent that the company's profits were plowed back into energy areas.

Mr. President, there are a number of reasons that this is not a wise course for the Senate to take. One of those reasons is that the Committee on Finance met for nearly 29 days considering windfall profit legislation. They had a very full and lengthy debate, considered every possible approach to taxing of windfall profit that accrue to oil companies as a result of the combination of decontrol and OPEC oil increases, and came up with the formula that is before the Senate now in the form of the windfall profit tax. What this amendment says is that all those deliberations were unnecessary or wrong and that what the Senate should do is adopt this so-called excess profit tax.

Mr. President, I suggest that this amendment is simply one large plowback provision. The amendment would complicate the tax system by requiring numerous producers to file returns and recompute returns for surcharge and plowback purposes.

For example, if a company made $200 million in profit in a particular year and had invested a capital asset worth a billion dollars, assuming the average rate of return—not for energy industries, not for any particular kind of industry, but for the entire manufacturing sector. Say that rate of return was about 15 percent. Then you would take 15 percent of the billion dollars of invested capital and reduce that from the profit before you even determined what was the taxable income. In this case, the profit of $200 million, with a 15 percent rate of return on invested capital of a billion dollars, would reduce the taxable income from $200 million to $50 million.

Of course, under the amendment, all of that would be deductible on a dollar-for-dollar basis if the company chose to put any of that $50 million or up to $50 million back into energy investment.

Mr. President, the amendment would allow companies to avoid the tax on windfall profits by engaging in activities which they probably would not undertake in the absence of a plowback. I suggest that the determining factor for energy investments in this country, particularly in the oil industry, is the expected rate of return on that investment, and the prime factor in the rate of return is the expected world price of oil. I suggest that if you look prospectively at a world oil price of $40, $50, $60, or even higher per barrel, you are going to find sufficient capital available for investment. Again, I make the point that, under the present bill that is before the Senate, assuming the windfall profit tax that came out of the Committee on Finance, the oil companies would have over $300 billion over a 10-year period for reinvestment. Assuming they invest at double the present rate, which is now about $15 billion or $16 billion a year for exploration and development, they would have sufficient funds for doubling this investment.

So, Mr. President, I suggest that this amendment is just another attempt to gut the windfall profit tax. The more modest proposals for plowbacks were to gut specific categories. This, I grant the Senator from Idaho and the Senator from Mississippi, is a more ambitious plan in that it is an attempt to gut the entire tax and, basically, provide the oil companies with no taxes as a result of the increase in profits, increase in revenues, really, that derive from that combination of decontrol plus OPEC price increases.

Mr. President, finally, I say that there is no real way to determine the breadth of the plowback investments allowed by the amendment. It could equate, in fact, to the Government's subsidization of the oil industry in other areas. I think when we reach that point, it is at least a legitimate question to ask, on the basis of Government expenditures being done in the best way, that we weigh what that expenditure for oil exploration would produce in energy terms versus what it would produce in energy terms in investment in other forms of energy, be it coal or solar or cogeneration or garbage-to-energy, or even conservation.

I suggest, in the short term, that the best return on investment of subsidized capital—which this is—would be in the form of conservation.

For all these reasons, Mr. President, I urge the Senate to reject this amendment and proceed with the business of writing a windfall profit bill that addresses the real problem, which is the increase in company revenues that are the result of the combination of decontrol and the OPEC price increases that prospectively will become even greater with each passing year.

Mr. McCLURE. Mr. President, I have just a couple of observations I might add for the record at this point in response to what the Senator from New Jersey has said.

Obviously, there is a very clear distinction and approach between that which he espouses and that which I advocate. But, certainly, the way to guarantee that OPEC prices will go up to $40, $50, or $60 a barrel, the way to make that most certain to happen, is to minimize the production of energy in this country.

If we really want to serve the OPEC cartel, depress domestic energy production; if we really want to drive prices up, and minimize the opportunities for investment in energy production in this country; if we really want to soak it to the American consumer; just keep on doing what we are doing and inhibiting energy production in this country—I will guarantee that will have this effect.

If, on the other hand, we want to minimize those price increases, we want to minimize the impact upon the consumer, then do what we can to stimulate the production of energy in this country,

along with the conservation which we can and ought to be doing.

If, as a matter of fact, the price goes up in spite of what I say or in spite of what we do to the $40, $50 or $60 a barrel range, and I do not think that is necessary that it should, but if it should happen, that is precisely when my tax would come into play and tax them at 90 percent.

The Senator from New Jersey is a piker. He wants to exempt new production. I want to tax it at 90 percent of excess profits. He wants to exempt categories from taxes. I want to subject them to a tax of 90 percent whenever there is a profit.

It seems to me that is what we ought to be doing, if, as a matter of fact, we are concerned about investment, if, as a matter of fact, we are concerned about excess profits to the oil companies and not just excess windfall revenues to the Federal Government.

Mr. President, I ask unanimous consent that I may be permitted to modify the amendment on page 1 by striking the language before section 1, referring to "striking title I and inserting in lieu thereof the following 'by substituting,' adding after line 23 on page 90 the sentence: 'The amendments made by this section shall cease to apply after September 30, 1980.' "

Mr. President, that would be the effect of making this, as an amendment, to become effective in 1980, leaving title I to be in effect until 1980.

The PRESIDING OFFICER. Is there objection?

Mr. BRADLEY. This is a modification the Senator was speaking of prior, or has he changed that?

Mr. McCLURE. And on page 5 of the amendment, line 23, and section 4, strike the words "This act," and substituting "Section 1," striking on line 24 and line 25, "December 31, 1978," and substituting "September 30, 1980."

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Will the Senator send the modification to the desk?

The amendment, as modified, is as follows:

H.R. 3919 is hereby amended by adding after line 23 on page 90 the sentence "The amendments made by this section shall cease to apply after September 30, 1980." And by adding at the appropriate place in the amendment, the following:

SECTION 1. Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954, as amended (relating to corporation income taxes), is amended by adding after section 12 a new section as follows:

"SEC. 13. EXCESS PETROLEUM PROFITS TAX.

"(a) IN GENERAL.—Notwithstanding other taxes imposed by this subtitle, an excess profits surtax is hereby imposed on the taxable income of all petroleum industry corporations for each taxable year beginning after December 31, 1978. The surtax shall be equal to the surcharge as computed under subsection (b).

"(iv) constitutes tangible property specifically invested in to increase the domestic energy supply or its more efficient use, or".

(b) Section 48 of such Code is amended by redesignating subsection (k) as (l), and by inserting after subsection (j) the following:

"(k) NEW OR EXPANDED ENERGY SOURCES.—

"(1) NEW ENERGY SOURCES.—This term shall include (but not be restricted to) oil shale, tar sand, coal liquefaction, coal gasification, geothermal, solar, hydrogen, and magnetohydrodynamics energy.

"(2) EXPANDED ENERGY SOURCES.—This term shall include (but not be restricted to) the energy sources in (1), plus petroleum, coal, hydroelectric, and atomic energy sources.".

SEC. 3. (a) The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this Act, except as provided for in section 3(b).

(b) The Commissioner of the Federal Trade Commission shall prescribe such regulations and procedures as are necessary to carry out the compilation and publication of rate of return data as directed in section 1(c) of this Act.

SEC. 4. The amendments made by section 1 shall become effective with respect to taxable years beginning after September 30, 1980.

Mr. DOLE. Mr. President, the Senator from Kansas indicates there is a considerable amount of recent interest in the plowback concept. A couple of years ago, the industry thought a plowback would answer some of the questions raised by critics of the industry if, in fact, they would plow back their profits.

For some unknown reason, the industry in testimony this year before the Senate Finance Committee indicated the plowback would not work. They were opposed to a plowback.

So, there was very little sentiment for any kind of a plowback in the bill. Of course, none is in the bill reported by the Senate Finance Committee.

In the last few days, it seems to this Senator that there has been more interest expressed on the Senate floor, on both sides of the aisle, and some in the industry. Certainly, it is something that the American taxpayer and the American consumer understand because they may not like oil company profits, and it is hard to understand the reason for some of the profits because they are very high, particularly on foreign oil, or foreign operations. But most Americans understand that if they are required to put back the profits into more production or more exploration or development, that they will try to find more energy.

In the long run, it will help this country and the consumer and taxpayers.

So this Senator has long felt some plowback would be beneficial. It would sort of keep the feet of the oil companies to the fire and say that if they do not plow back their profits, we will take them away in taxes. That makes some sense.

There is no reason to discriminate against the oil industry. But, on the other hand, this is a national and international problem. It has been heightened in recent days by developments in Iran and other countries.

It seems to many of us in this Chamber that it is time we passed some legislation to encourage more production, to encourage independence, not to punish those who produce in this country, or somehow provide disincentives through the tax system for production of oil or gas.

Mr. President, Senator McCLURE would substitute his own version of a windfall profit tax. Under this version, the "windfall" to be taxed is the excess of taxable income of oil companies over the average rate of return on capital investment for all manufacturing corporations. In other words, the windfall is measured by comparing the profit performance of oil companies with the profitability of the average manufacturing company. Ninety percent of the difference in profits would be taxed. An exemption would be provided for small corporations. Oil companies could exclude from taxable income their investments in domestic energy exploration, research, and development.

Mr. President, the amendment proposed by the Senator from Idaho (Mr. McCLURE) raises an interesting point, because it dramatizes the fatal flaw underlying the concept of an excess profits tax on the domestic oil industry. The flaw lies in the assumption that there are excess profits, that the oil companies will do, and have done, everything they can to squeeze the last penny of profit from the American consumer.

Certainly, that is the view that is widely held by the American consumers, and this Senator does not believe that the oil companies have been very successful in rebutting the claim that many have made.

I have no desire to defend the profits of the oil companies, or of any other companies. The most recent profit figures show the oil companies doing very well indeed. But facts have a way of undermining popular myths, and I would like to mention a few facts that the McClure amendment brings to mind.

The facts are these:

Over the last decade, the oil industry's return on stockholders' equity averaged 13.9 percent compared with a 13.7-percent return for all manufacturing companies—and this includes the abnormal years 1973 and 1974 when oil companies' rate of return rose sharply. The oil industry's rate of return was below that of total U.S. manufacturing in 5 of the 10 years. Oil companies were below nonoil companies in each of the last 3 years.

The Treasury Department's own testimony to the Finance Committee confirmed that the oil industry profits have not been extraordinarily profitable and generally have been slightly below nonoil manufacturing corporations. For example, the Treasury Department pointed out that in 1977, while all nonoil companies sampled had an after-tax rate of return of 14.8 percent, oil extraction companies earned slightly less, 14.7 percent, and integrated oil and refining companies still less, 13.5 percent.

During the first 9 months of 1978, the return on stockholders' equity for 25 top oil companies trailed investment returns in other U.S. industries. The oil companies' return was 13.3 percent last year compared to a 16.1-percent return for the nonoil companies. In the current year's 9-month period, the oil companies' return rose above that of nonoil companies. The return on stockholders' equity for the 25 oil companies was 21.3

percent compared with 16.8 percent for 77 leading nonoil companies.

A Citibank analysis of industries with a high return on net worth in 1978 demonstrated that the oil industry's profitability is far below a number of other industries.

Mr. President, I ask unanimous consent to have printed in the RECORD a table in this connection.

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

Industry	*Return on net worth (percent)*
Oil	14.3
Soft drinks	22.8
Office equipment, computers	22.5
Building, heating, plumbing equipment	21.8
Drugs and medicine	21.5
Soap, cosmetics	20.8
Baking	20.1
Tobacco products	19.8
Lumber and wood products	19.7
Cement	19.7
Aerospace	19.7
Instruments, photographic goods	19.1

Mr. DOLE. Mr. President, foreign operations have been the principal source of oil industry earnings growth. Oil company earnings in the United States compared with their earnings abroad show that domestic operations are relatively less profitable this year. A detailed analysis on 12 large oil companies indicated that nearly 80 percent of profit growth in the third quarter of 1979 was derived from foreign operations.

In other words, a tax on the excess of oil company profits over average industry profits, such as that proposed by the Senator from Idaho (Mr. MCCLURE), is not likely to raise revenues. By most standards of measurement, the profit performance of the oil industry has not been out of line with the average for domestic industries. If the profits of oil companies are not really excessive, the McClure amendment has no profit base to tax.

I note that the McClure amendment includes an incentive for oil companies to invest in new domestic energy development, through exploration, research, development of new technologies, and what have you. I applaud the Senator from Idaho for this feature of his amendment, because it is an idea I have long supported.

Mr. President, some may argue that decontrol will change the profit picture of oil companies relative to that of other corporations. That remains to be seen. It depends in part on how much is invested in developing new domestic energy sources, and profit measurement can be a complicated matter. But if the proponents of the windfall tax thought profits were sure to rise, why did they not propose a tax on profits? Instead they proposed an excise tax on domestic production, and that is what we will have. There should be a fair tax, but the McClure amendment points up the fact that, when we talk of a windfall profit, we are deceiving the American people. That is what concerns the Senator from Kansas.

So I suggest that the Senator from Idaho has done a service in calling this to our attention. Certainly, the oil industry is probably the best whipping boy we have had in Washington for years. Until Khomeini came along, it was probably the favorite sport to pick on the oil industry. I think Khomeini is in first place, and the oil industry is in second place. When Khomeini is gone, or something happens, the oil industry will be back in first place.

By the nature of its business, the oil industry is hard to defend. They do not do a good job of defending themselves. They make a profit and have millions of stockholders.

It is hard to stand up and single out oil or some other energy source as making an excess profit. There will be an effort later today or tomorrow, I assume, to impose a minimum tax on all those exempt categories. So, after weeks and weeks and months and months of debate and discussion, we have decided, in the interest of this country and in the interest of producing energy, that we should exempt certain categories of oil, whether heavy oil, as recommended by President Carter, whether tertiary oil, as recommended by the Senator from Texas, whether it be so-called thousand-barrel exemption, or whether it be all newly discovered oil. There probably is going to be an effort, now that we have done all that, to come back and say: "There is no reason for any more taxes, but we would like to raise another $20 billion or $30 billion or $25 billion; and to do that, we are going to impose a minimum tax across the board on all these exempt categories to raise $25 billion over the next 10 years."

There is no need for that, except that it has been said that we should come out of the Senate with a higher figure for some reason, that we should go to conference and make the figure even higher, and that would indicate to the American people that are doing something about energy. It probably would indicate to the American people that we in Congress are good so far as increasing taxes is concerned, whether it is their taxes or the tax on the industry—which, sooner or later, is going to be passed on to the consumers.

We are talking about a so-called windfall tax which, after the conference completes its work this year or next year or some time, probably will be in excess of $200 billion, by an increase in income taxes and Federal royalty payments, and another $300 billion. That is in excess of $500 billion over the next 10 years.

So I hope that, if and when the so-called minimum tax is offered by whoever will offer it, those who will be voting on the minimum tax will understand that those categories of oil which are now exempt from tax were exempt for a purpose and for a reason. The reason was that the committee felt or the Senate itself felt that we might increase production, we might preserve more oil, if we had certain exempt categories—high cost, for the most part, or newly discovered oil. It made a great deal of sense that they should not pay any tax.

That still leaves the tax enough to raise $156 billion, if we did nothing else on the Senate floor. We would have imposed a tax of $150 billion on the oil industry in the next 10 years and $300 billion in extra income taxes, increased revenues and Federal royalty payments. That would make $450 billion to $460 billion.

So the Senator from Kansas suggests that we could finish work on this entire bill—maybe not today, but tomorrow or Wednesday—if those who want to tax more decide that it is in the interests of this country to start concerning ourselves with production of oil and gas and more production and independence, rather than more taxes.

If a decision is made not to offer the minimum tax amendment, we can vote on the Danforth proposal. So far as this Senator knows, that would pretty much take care of it.

There are a lot of other amendments which are not germane. At least 135 amendments are pending. I assume that most of them could be disposed of very quickly. Some duplicate other efforts.

In any event, if there should be a minimum tax imposed, and the Senator from Kansas would hope that does not happen, then I would also suggest at that time that we take a look at maybe some other version of a plowback that might apply just to the minimum tax.

But in the final analysis it seems to me that the Senator from Idaho has at least demonstrated some of the facts. There should be a fair tax. There will be a tax. The industry does not want any tax. But on balance there should be a tax. There will be a tax. It is this Senator's judgment that taxes we have now imposed in the Chamber and in the Finance Committee which add up to $156 billion over the next 10 years should be an adequate tax.

We have never been told for certain how the money will be spent. We provide for tax credits, business credits, and individual tax credits for conservation of $30 billion over the next 10 years. We take about $70 billion over the next 10 years for low-income assistance, as we should, because their energy costs are going up and we have an obligation to help them meet that added cost. And then there is about $14 billion set aside for mass transit, and there have been other amendments adopted of a few billion dollars. A few billion dollars is a lot of money, but when you talk about this bill a few billion is a very small percentage of the total take.

So I support the distinguished Senator from Idaho and commend him for at least getting this all in proper perspective. The Senator serves on the Energy Committee and understands some of the problems.

It just seems to the Senator from Kansas that we should move on with this bill and we can move on unless there is an effort to impose a minimum tax. Then the Senator from Kansas suggests to those of us who are concerned about the energy problem, to those of us who see it differently than others who want to impose more taxes, it is not going to be

possible to move very quickly on this measure, and it is my hope that we could table any minimum tax amendment; failing that, that we could discuss it at length and even longer than that if necessary.

Mr. McCLURE. Mr. President, I thank the Senator from Kansas for his remarks. I find myself, of course, in agreement with them.

One of the things which I think we should put into perspective is what happens to the American consumer when we fail to reduce at the margin the demand on imported energy. It is not that we have a tremendous worldwide shortage of energy. It is that we have a marginal shortage of energy. If we just had a million barrels a day more of domestic production, or that equivalent, there would be no shortage. The OPEC cartel would lose their ability to dictate price.

So, for the shortage of 1 million barrels a day in the United States we can see the price increase on oil that we produce and oil that we import in the tens of dollars per barrel. It is not just a small price increase. Remember that in 1973, prior to the Middle East war, oil was landed on the east coast of the United States at less than $2 a barrel. Now the cost of production in those OPEC countries has not gone up dramatically. It still costs on the order of 15 cents a barrel to get it out of the ground and onto the ship in countries like Kuwait where the oil fields are very, very productive, and they are very close to the water.

There is one statistic that Senators might be interested in as a means of comparison of the productivity of these oil fields in foreign countries. We have somewhat over 600,000 producing oil and gas wells in the United States onshore and offshore, big producers and small producers, something over 600,000 such wells. We produce about 9 million barrels a day out of those 600,000 wells. In Saudi Arabia alone they have a production rate now of 9½ million barrels a day, which is in excess of what we produce out of our 600,000 wells and they produce it out of 613 wells, not 613,000, 613 wells.

Obviously their cost of production has nothing to do with the price that is charged. Their cost of production has nothing to do with what we pay. We are paying based upon the fact that we consume more than we can produce and that—not the Saudis in this instance—the total world supply is able to be manipulated by events, or otherwise to produce a marginal shortage, not a large shortage, a marginal shortage.

When Iran's production was cut off last December, just about a year ago now, because of the overthrow of the Shah and the unrest in that country, at that time about 10 percent of the world's oil supply was removed. And immediately there was a marginal shortage. It was not totally removed, because in short order the 7½ million barrels a day that they had produced was restored to about 3½ million barrels a day and that difference, 3½ or 4 million barrels a day out of the total world consumption of less than 60 million barrels a day was enough to convert world oil supply from about a 2- or 3-percent surplus to a 2- or 3-percent shortage, and that 2- or 3-percent shortage drove the price from what it had been at relatively high levels to exorbitantly high levels as the price moved from 1973 at $1.90 a barrel landed on the east coast of the United States to $12 a barrel, to $25 a barrel, and the spot market prices on the order of $35 to $45 a barrel.

That was not because there was a tremendous shortage of energy.

If we had been able to produce that energy in this country in the United States alone the world supply would have been in relative balance and the price that we would be paying would still be that which was prior to the 1978 overthrow of the Shah in Iran.

How much are we paying as a result? How much are the consumers of the country paying as a result of our failure to balance our own energy books, to do our own bit in conservation and production in this country? Let me use one little rule of thumb which is pretty easy. For every 1 million barrels a day, a $10 a barrel price increase amounts to $3.65 billion a year. If the price of oil goes up $20 a barrel for every 1 million barrels the consumers are paying at the rate of an additional $3.6 billion for every 1 million barrels a day, and we consume 19 million barrels a day.

(Mr. BRADLEY assumed the chair.)

Mr. McCLURE. Not all of that is imported, and not all of that is decontrolled, so not all of it receives that price increase, but it averages about half of that.

So for every $10 increase the American consumer is paying about $34.5 billion a year, and we are pursuing policies that guarantee that 2- or 3-percent shortfall, and driving up prices that penalize the American consumer at the rate of $34.5 billion a year.

Then we stand around here and quibble about whether some company or other is making too much out of it. We will not even confront the fact that we are talking about a tax on production, not a tax on profits.

All we want to do is soak it to them. I will tell you who is getting soaked; it is the American consumer who is getting soaked by this policy. It is the American consumer who is paying through the nose for the energy supplies he is consuming today. It is not the evil oil companies that are causing that. It is blind politicians who are causing that. It is people who will not look at the facts in the production of oil and energy in this country and conservation of energy consumption in this country who are causing the American consumer to spend billions of dollars extra.

Then to cover up our own failures in the political process we say we are going to tax production in this country, put it into the public sector, and build more big Government.

I cannot imagine any single policy of Government that I have seen in my lifetime that is less defensible than the idea of creating exorbitantly high prices to be paid by the consumers of this country, and then, under the guise of the thing we have created, increasing the tax burden on the American public by the largest single tax increase in the history of the country.

This bill, if passed as the House had it, would increase the tax revenues to the Federal Government alone over the next 10 years, total revenues, equal to all other taxes, all of the revenue of the Federal Government, from 1789 through World War II, the most massive tax increase in the history of this country in the guise of energy policy.

Mr. President, it seems to me we ought to stop for a moment and look at what it is we are doing to the American economy, the American working man and woman who are gradually being forced to pay more and more for energy, forced to pay more and more taxes as a result of it, forced to become less and less competitive, and find their jobs more and more threatened by foreign competitors because the United States is moving in the wrong direction in energy policy.

We will not be debating the luxury of trying to save Chrysler Corp. in a few years from now. It will be industries across this country, as a combination of governmental policies that has priced us out of the world market, and energy policies is one of them.

In the meantime, back at home, politics as usual will be telling them, the American consumer, "It is not our fault that energy prices are high, that is OPEC's; it is not our fault that energy supplies are low, that is the energy companies'; it is not our fault that American industry is no longer competitive, that is management's fault."

At some time the American public is going to turn back and look at the people who made American policy during this period of history and say, "You are the ones who destroyed the American economy, you are the ones who made the French worker more productive than the American worker, you are the ones who drove American producers out of business, you are the ones who priced American products out of the reach of the average working man and woman, and you are the ones who destroyed the security of the future of the American people."

What we are saying here in energy happens to be a large part of, a very large part of, that extremely inward looking, and backward, and perverted public policy.

We have a chance in this amendment to reverse that trend for a moment, not to cure all our problems but to avoid making them worse. It is not a panacea in terms of energy production, but at least it is a step toward more energy production, not less, at least a step toward refusing to take the step of massive tax increases, hoping maybe the American public, the long-suffering taxpayer in this country, might find some relief from taxes as a result of good economic policy, not the certainty of increased taxes that is implicit in this bill if my amendment is not adopted.

Mr. President, I hope people do not bypass the opportunity to look seriously at the economic and energy affects of the legislation that is pending and the op-

portunity to do something better with the amendment which I have offered.

(Mr. ZORINSKY assumed the chair.)

Mr. BRADLEY. Mr. President, the distinguished Senator from Idaho has provided the Senate with one perspective, the long-view perspective, and I feel it is important that all views be considered. But I would suggest to the Senate, in response to both the Senator from Kansas and the Senator from Idaho, that what we are up against is a dependence upon not only foreign oil but finite fossile resources in this country and, in particular, oil.

I would suggest that if anyone would like to peruse any of the studies that have been done about the potential oil production domestically that is possible that, given the present production now of about 10 million barrels a day, by 1990 it is unlikely that we will produce 10 million barrels a day domestically. In fact, we will probably never be at the level of 11.4 million barrels of domestic production which occurred last in 1971. Therefore, what seems to be very clear is that we have to develop other forms of energy, and we have to do it in a very short period of time.

The best way to develop other forms of energy is to stimulate the consumption of those forms of energy. One of the ways we do that is through this windfall profits tax, through saying to oil companies that have benefitted from the combination of OPEC price increases and decontrol, that we want them to have sufficient revenues for investment in exploration and development of oil resources domestically, and in this bill we provide them with the opportunity to double their present investment over the next 10 years in exploration and development.

But, Mr. President, we are also saying that some of the revenues that accrue to those companies as a result of decontrol and OPEC price increases should be diverted to more cost-effective forms of energy.

If we just take the next decade and block off the next 5 years, where do we get the greatest energy relief from our dependence not just on oil but our dependence on insecure oil, Persian Gulf oil, that we now depend on for 25 percent of all of our consumption? We get that from conservation, Mr. President; from conservation, not as a sacrifice, but conservation that means applying technology to the very real problem of reducing that dependence on insecure sources. Conservation does not happen overnight; energy efficiency does not happen overnight, whether it be in the residential sector, in the commercial sector, or the industrial sector, or in the transportation sector.

Mr. President, I believe it is Government's proper role to attempt to encourage conservation investment in this country, and that is what we are doing with some of the revenues in the windfall profit tax bill.

I believe it is the proper role of Government to encourage renewable energy resources, to encourage our coal development, even to encourage to a certain extent the development of synthetic fuels, liquid fuels, made from coal and oil shale. This seems the long view that has a role for many different kinds of energy.

It is true that this is a very large tax increase, a very large revenue flow, and that is precisely the reason why we must use it effectively, so that 5 years from now or 10 years from now we will not be in the same position as we are today. In fact, Mr. President, without a dramatic move to conservation and renewable energy sources, over the next 5 or 10 years we will be even more dependent than we are today on insecure foreign oil sources. Given a projected growth of 3 to 4 percent over the next 10 years, if we do not bring those other sources of energy on line, we could be dependent, not for 8 million barrels a day on foreign sources, but for as much as 10 million barrels, 12 million barrels, or 14 million barrels a day. That is not what I want to see happen, Mr. President, and I do not think it is what the American people want to see happen.

This type of opportunity, as the Senator from Idaho points out, does not come along every year. We should make use of the opportunity to stimulate other forms of energy, to give this country independence from other insecure foreign sources of oil.

The distinguished Senator from Kansas has read into the RECORD several times the profit figures of the various oil companies and their return on investment. Mr. President, I would point out to the Senate that all of these figures are figures from 1977 and before, that are not directly related to what this legislation addresses, which is the precipitous increases in prices that are the result of OPEC, and, prospectively, could be just as precipitous or even more so, given their vise-like grip on the energy future of this country.

I think the Senator correctly points out that the Iranian shortage of late 1978 created shortfalls in the world, and that those marginal shortfalls created a dramatic increase in the spot market price, which led to an increase in the OPEC price in their spring meetings. Mr. President, I would suggest that we do not break that vise-like grip by simply eliminating a significant tax on oil companies, but we break that vice-like grip by very specific policies that are directed at that grip. First, we have to build a strategic petroleum reserve. We have to do it immediately. We have only 94 million barrels in storage today, and we should have a billion by 1985—a billion barrels that could cushion this country in the event of a decrease in supplies from the Persian Gulf markets.

Second, we have to diversify our sources of supply. We have to recognize there is a difference in sources of supply even though they are foreign. The oil that comes from the Persian Gulf is much more insecure than the oil that comes from Mexico, Venezuela, or the Western Hemisphere. We have to break that vice-like grip by becoming serious about energy insufficiency in this country, by insisting that the transportation sector and the automobile industry become serious in their efforts to develop more fuel-efficient cars, by providing more moneys for mass transit, and by assuring that homeowners in this country have the incentives and the information to lead to more energy efficiency in the residential sector.

These are the policies that will, in the short term, over the next 5 or 10 years, break that dependence on Persian Gulf oil.

It is not simply a dramatic transfer of revenues to the oil companies of this world that will assure a reduction of that dependency. Mr. President, I reiterate that this amendment is a very clear attempt to gut the efforts of the Finance Committee over its 29 days of deliberations. It is a simple plowback amendment that, in fact, the oil companies of this country have not suggested and have opposed in hearings before the Energy Committee. The American Petroleum Institute, the Independent Petroleum Association of America, the Mid-Continent Oil and Gas Association, the Rocky Mountain Oil and Gas Association, the Western Oil and Gas Association, Sohio, Exxon, Arco, Gulf, Marathon, all oppose the idea of a plowback. Mr. President, I realize that what we have here is a very simple plowback arrangement, that says simply we will not tax profits, we will not have an excise tax, we will in fact have an excess profits tax, but an excess profits tax that taxes a fraction of the income that accrues to the oil companies.

Mr. McCLURE. Mr. President, will the Senator yield for a moment?

Mr. BRADLEY. For a question, surely.

Mr. McCLURE. I do hope the Senator from New Jersey will repeat that list of people who are opposed to my provision when his colleagues are on the floor. I cannt imagine anything to get my amendment more votes than that list of opponents.

Mr. BRADLEY. Unfortunately, I say to my distinguished colleague from Idaho, the Finance Committee did not have the benefit of his proposal when these entities came before it to testify.

I would simply say the testimony was against the concept of a plowback; and although this masquerades as an excess profits tax, it is indeed a form of plowback.

Mr. McCLURE. Will the Senator yield further?

Mr. BRADLEY. Surely.

Mr. McCLURE. It is not that the Finance Committee did not have the advantage of this proposal, because this proposal was introduced as S. 890 on April 5 of this year. I had introduced it in 1977, and I had introduced it in 1975. So it is not something that has not been discussed before. It is not something new that has been thrown out here without warning. And if, as a matter of fact, all of these producers the Senator is talking about came in and opposed a plowback, they did it with clear knowledge of this proposal.

Mr. BRADLEY. I would suggest to the Senator that in the 29 days of markup and the great number of days of hearings I did not see the Senator come before the Finance Committee to advocate his position. I am sure that it would have been an enlightening session.

Mr. McCLURE. The Senator must surely know that the bill was referred to the Finance Committee.

Mr. BRADLEY. Of course.

Mr. McCLURE. When it was introduced.

Mr. BRADLEY. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, will the Senator from Idaho yield for a question?

Mr. McCLURE. I am happy to yield to the Senator from Iowa.

Mr. JEPSEN. Does the Senator recall what the price of gasoline was some 6 or 7 years ago, just prior to the Government getting involved with the control and regulating of gasoline?

Mr. McCLURE. Well, prior to the Middle Eastern war in the fall of 1973, the prices were in the 35- to 45-cent range in this area, I believe, per gallon.

Mr. JEPSEN. In my area they were about 27 cents. In any event, is the Senator aware that for nearly half a century of the rise of the automobile, from the beginning to the early 1970's, in our Nation the price of gasoline rose all of 10 cents, when no price protection was provided?

Mr. McCLURE. If I recall the figures correctly, up until 1974 the price of gasoline at the retail pump had risen only to the extent of the taxes imposed directly upon its consumption, and that the actual price of the gasoline to the consumer before taxes was lower in 1973 than it was in 1923.

Mr. JEPSEN. Those were the days when you would drive into a gasoline station and they would give you prizes for filling up your tank, like a whole set of tumblers, towels, and gifts. We had all the energy we wanted.

Mr. McCLURE. And those were the days when they competed for your business by washing your windshield, checking your tires and your oil, and a number of other services which they found necessary in order to compete for your business.

Mr. JEPSEN. Then what happened, chronologically? The Government then got involved and starting doing what? Allocation?

Mr. McCLURE. The event that triggered it all was the Middle Eastern war that causes an embargo of oil shipments to the United States. OPEC, the Organization of Petroleum Exporting Countries, had been in existence for a number of years, but when the war caused the embargo to the United States, and there was then a shortage of supply in the United States, the Government got involved in all kinds of allocation schemes, and we began legislating, and have been ever since.

I say to the Senator that perhaps one of the worst things that has happened to us in recent years was the 1954 Supreme Court decision that said that the Federal Power Commission had not only the authority but the congressional mandate to regulate the price at the wellhead of natural gas. And in doing that, they set a price ceiling to a large proportion of the energy within this country and began a massive shift in consumption patterns within this country that led us to start overconsuming natural gas and start underinvesting in alternatives. So ever since 1954, because of Government policy, we have been building toward this crisis.

Mr. JEPSEN. With this windfall profits tax—that is the name that is given to this bill—will it, in fact, be possible, under the thrust of this bill, to take money away from organizations, companies, firms that are producing oil, even though they may be doing so at a loss?

Mr. McCLURE. The Senator is correct. This has nothing to do with profits. This is an excise tax on the production of oil.

It is kind of analogous to putting a $500 dollar a car excise tax on the production of automobiles and slapping it on Chrysler now to help them.

Mr. JEPSEN. Is the Finance Committee, in the Senator's opinion and judgment, aware of this situation?

Mr. McCLURE. I would say that the Finance Committee is certainly aware that this is not a tax on profits; that it is an excise tax on production.

Mr. JEPSEN. I thank the Senator.

Mr. President, I rise in support of this amendment. In fact, I am a cosponsor. Indeed, I rise in strong support of the McClure amendment.

If we must have a windfall profit tax it seems to me that the McClure approach is vastly preferable to the bill we are presently working on. The McClure amendment would substitute a 90-percent tax based on true oil company profits. They would pay a 90 percent tax on the difference between the return on stockholders' equity for oil companies compared to the return on stockholders' equity for all industrial corporations, subject to the provision that all money reinvested in domestic energy production will be exempt from tax.

Mr. McCLURE. Will the Senator yield?

Mr. JEPSEN. Yes, certainly.

Mr. McCLURE. It would be exempt from the excess profits tax, not exempt from all tax under my proposal.

Mr. JEPSEN. Exempt from the excess profits tax, that all money reinvested in domestic energy production, that part, but all the other taxes still apply.

Mr. McCLURE. The Senator is correct.

Mr. JEPSEN. And still would be forthcoming.

It seems absurd to me that the bill we are considering is grossly misnamed a windfall profit tax, because it is not based on profits at all.

Mr. McCLURE. The Senator is correct.

Mr. JEPSEN. It is an excise tax which must be paid by oil companies whether they make any profit or not. Furthermore, it imposes a burden on oil companies at precisely the time when we are most interested in encouraging new domestic production. The McClure amendment would insure that the tax only captures true windfalls while still giving the maximum encouragement to domestic production.

And that is what I thought we started discussing here in this august body earlier this year. If we have an energy problem, we should solve the problem. If we have an energy shortage, then to solve an energy shortage, we should solve the problem in a manner which creates more energy, simultaneously conserving and making better and wiser use of the energy that we have. That all goes together.

And to do that, to sum it up in a few words, the people of the United States of America, as they have always done, if you give them the facts, tell them the truth, they will come up with the right decisions and they will support whatever is needed. But you must have some leadership to do it.

We talk about solving an energy problem—which we have gotten clearly away from—instead we have a windfall profit tax.

It is a political year coming up. I understand that a windfall profit tax was not the name of this original legislation at all, except somebody in the administration said, "Well, politically we have to name it something else: a windfall profit tax."

Then they started badmouthing the big, bad oil companies. By the way, all those big, bad oil companies are owned by millions of Americans, many retired and dependent upon the dividend income to continue to live independently, keep their homes, heat their homes, pay their bills, and buy their food. The corporations do not pay taxes, people do.

Windfall profit tax. Tax those big, bad oil companies. Tax those big, bad oil companies—the companies that have the expertise, and know-how, and wherewithal to solve our energy problem. So we are now talking about raising taxes, taxing the big, bad oil companies; 99 percent of this is political. All the rest has no resemblance to anything that is rational.

We are solving the energy problem by taxing those who produce; taking away all the risk capital; discouraging any of the expertise and the investment—in fact, taking away everything that they will have to invest to solve the problem and produce more energy—and then passing some kind of Christmas political grab bag over here, where we are going to give money to all kinds of people for all kinds of things and subsidize them to consume.

So we end up, simply stated, solving the energy problem in this country by strangling and stifling production and subsidizing consumption.

I have reflected on this. It is unbelievable. It is inane. It makes no fiscal sense, historical sense, or economic sense.

As I said, the fact of the matter is that our Nation's present energy policy consists of discouraging production while, again, I will repeat, subsidizing consumption. The windfall profit tax will not aid in reversing this situation but will merely substitute an explicit tax for the de facto tax presently caused by price controls.

There is absolutely no doubt in my mind, and I think no doubt in the minds of the American people, that we are going to have less production if we pass this windfall profit tax. We are going to be more dependent on undependable foreign sources of oil, and we are going to end up spending billions of unnecessary

dollars on synfuels to compensate for our mistake—synfuels that have not yet been developed, that are going to take some time down the road to produce, sources of energy that should be explored, certainly. The oil companies, which have been producing energy ever since there has been energy of this type, or any other type in this country, would develop synfuels if we encouraged them to. They have the expertise to do it.

Yes, we are going to end up spending all kinds of money to encourage consumption.

But the McClure amendment makes the issue clear: Are we in favor of a true windfall profit tax, or do we just want to grab a few billion dollars of revenue to squander away on more useless programs under the guise of a windfall profit tax? Do we really want to encourage domestic production? Do we really want to have a free enterprise economy based on profits, or are we going to place additional burdens on the very people we must depend on to find and produce more energy as an excuse to expand Government?

The answer is clear: If we continue in the direction of supporting and adding and amending and, ultimately, if it is the goal of this administration, this body, to pass a windfall profit tax, we are going to discourage production. We are going to encourage consumption. We are going to have more and more Government; the same Government that gives us swine vaccine to take care of our health; the same Government that gives us the postal system that cannot get a letter across my town in less than 6 days.

Now we want the Government to come in and solve our energy problem. This country is hampered and hamstrung by the Government. It got into the business of allocating and trying to tell people what they should do with every drop of gas, from the time it was refined, through the distribution system, all the way down to the corner gas station and into someone's tank. And we all know what happened. Farmers ended up not being able to plant their crops because they could not get gas. We had people sitting in long gas lines.

I had a member of my staff who was sitting in a gas line. Someone's temper got short. And he was punched out because he got tired while waiting and fell asleep. He was punched right through the window. This is the type of thing which results from Government handling our energy. Wonderful.

It just seems to me that the bill we are considering has gotten as far as it has because it has been misnamed a windfall profit tax. But I want to make this point very clear in closing: it is not based on profits at all. If, indeed, there are some windfall profits in some particular instances—to go along with the phrase that has been coined here to describe the bill—there may be some justification for a tax. But if we want to encourage production, we should take that money and plow it back, as I am sure the major energy companies in this country already do. Not only they are doing it, but they would be willing to do it on a greater scale that is commensurate with their ability to pay to do so and, at the same time, maintain some basic profit, which is not a dirty word. Profit is what has brought us all the abundance and good things of life that we have in this country.

If we want to really solve the energy problem, let us vote for the McClure amendment, which says to the energy-producing companies, we will tax you on 90 percent of your profits, not the 65 or 70 or 50 or whatever has been politically thrown around and talked about here, but 90 percent of your profits unless you join the team, join hands, lock arms and go down the road with everybody working together in this Nation, and create more energy of all kinds.

This is a most sensible, commonsense amendment. It is very simple. It is easy for the public to understand that we are going to tax the industry, very simply, 90 percent of its profits unless it plows back the money that it makes on decontrol and puts it into creating more energy. That is not too great a distinction. That is the amendment we should have. We should quit trying to fool the public with all this rhetoric. Vote for the McClure amendment. Then we can get to a final vote on this whole windfall profit tax yet, maybe this afternoon, and then get about the business of doing something else.

I thank the Senator.

Mr. McCLURE. Mr. President, I thank the Senator for his remarks. I appreciate his cosponsorship of the bill and of the amendment.

Mr. President, we have all been looking at ways in which we can more efficiently use the energy that we now consume in this country. I agree wholeheartedly with the idea of increasing efficiency in consumption.

Mr. President, one company, in the process of the research they were doing with a hybrid vehicle, one that would use both internal combustion and electricity as a mode of propulsion for that vehicle, developed a new system of conversion of electrical energy for electrical motors. They call it the alternating current synthesizer. They desire to invest millions of dollars in the production of electric motors using this new system. They are prepared to invest that money and it is their estimate that if all electric motors in the United States were today converted to the use of that system, it would save the equivalent of several million barrels of oil per year. They are prepared to invest their millions of dollars in the production of that motor. In the effort to produce it, they desire to buy an existing electric motor company, convert its facilities, and use it for the production of the new motor. And guess what? The Federal Government said, "No, you cannot do that."

Are we serious? Are we really serious about converting to more efficient means of energy consumption, or are we more determined than ever to inject Government into the control of what happens in the energy field?

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

The PRESIDING OFFICER (Mr. RIEGLE). The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. 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 Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. STEVENSON), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

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

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

The result was announced—yeas 29, nays 56, as follows:

[Rollcall Vote No. 466 Leg.]

YEAS—29

Armstrong	Gravel	Schmitt
Bellmon	Hatch	Schweiker
Boren	Hayakawa	Simpson
Boschwitz	Helms	Stevens
Byrd, Harry F., Jr.	Humphrey	Thurmond
	Jepsen	Tower
Cochran	Kassebaum	Wallop
Dole	Laxalt	Warner
Domenici	Lugar	Young
Garn	McClure	Zorinsky

NAYS—56

Bentsen	Hollings	Packwood
Biden	Huddleston	Pell
Bradley	Inouye	Percy
Bumpers	Jackson	Proxmire
Burdick	Javits	Pryor
Byrd, Robert C.	Johnston	Randolph
Cannon	Leahy	Ribicoff
Chafee	Levin	Riegle
Chiles	Long	Roth
Cranston	McGovern	Sarbanes
Culver	Magnuson	Sasser
Danforth	Mathias	Stafford
DeConcini	Matsunaga	Stennis
Durenberger	Melcher	Stewart
Durkin	Metzenbaum	Stone
Exon	Morgan	Talmadge
Ford	Moynihan	Weicker
Hart	Muskie	Williams
Heflin	Nelson	

NOT VOTING—15

Baker	Eagleton	Kennedy
Baucus	Glenn	Nunn
Bayh	Goldwater	Pressler
Church	Hatfield	Stevenson
Cohen	Heinz	Tsongas

So Mr. McCLURE's amendment (No. 588) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 712

(Purpose: To create exploration, development, and production incentives by allowing a tax credit for windfall profit taxes expended on qualified oil and gas development costs in Alaska)

Mr. STEVENS. Mr. President, I call up my amendment No. 712.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 712.

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

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

The amendment is as follows:

On page 66, between lines 6 and 7, insert a new section as follows:

"SEC. 4992. TAX CREDIT FOR QUALIFIED EXPENDITURES IN ALASKA.

"(a) Commencing October 1, 1980, a credit up to the amount of tax imposed by section 4986 shall be allowed as a reduction of the tax imposed by section 4986 to the extent that such moneys are expended on qualified development costs in Alaska, including frontier areas, or on the transportation of oil or natural gas produced in Alaska, including frontier areas, to consumers in other 49 States or Alaska. For purposes of this Act, the term 'qualified development costs' includes but is not limited to the construction and transportation of depreciable assets used for the exploration, development, production, or transportation of oil or natural gas, gas conditioning facilities, lease equipment, and other costs for drilling and equipping wells, intangible drilling expenses, and geological and geophysical costs."

Renumber the existing sections accordingly.

Mr. STEVENS. Mr. President, having spent the weekend up in Alaska in a different climate, I find that I am losing my voice because of a cold. I apologize to the Senate for that, as I wish I could be heard by everyone.

This amendment is designed to offer incentives to the full development of Alaska's potential.

In a very timely report the United Press has just put out on its bulletin at 2:41 p.m. today they made mention of a GAO study which discusses the steady decline of domestic petroleum production.

It says:

Production in the 1990's could stabilize and perhaps begin to grow slightly because of new Alaskan and Outer Continental Shelf production along with a significant growth of new enhanced oil recovery output.

The study concluded that:

Any policy designed to encourage oil and natural gas production must offer incentives to explore the most promising areas, Alaska and the Outer Continental Shelf.

Let me repeat that.

The GAO has concluded that:

Any policy designed to encourage oil and natural gas production must offer incentives to explore the most promising areas, Alaska and the Outer Continental Shelf.

That is precisely what my amendment does. It covers Alaska and the frontier areas which, as we all know, are the Outer Continental Shelf areas.

The impact of this amendment would be that revenues from Prudhoe Bay, the largest producing field in the United States today, would be plowed back into the development of those very promising areas of Alaska.

These areas are the old Naval Petroleum Reserve, which we now call the National Petroleum Reserve, the Arctic Wildlife Range when it is open, the Beaufort Sea, the Chuckchi Sea, the Bristol Bay, and the Gulf of Alaska.

The Prudhoe Bay field itself is not fully developed. Fantastically high investment amounts are required to complete development of that field.

Contrary to what has been reported, this field is not excessively profitable. Even with no windfall profit tax and at the full upper tier price of $13 per barrel, only a 15-percent rate of return in 1979 dollars is expected from that field.

Mr. President, discriminatory tax treatment could adversely affect a future investment decision regarding the Sadlerochit, the first producing area of the Prudhoe Bay field.

As I pointed out in the Chamber the other day, it costs 10 times as much to lift a barrel of oil on the western portion of that formation as it does to lift the first production on the eastern portion of that formation.

At risk, in terms of failure to produce all of the recoverable oil there is 700 million barrels of oil. The Sadlerochit Reservoir contains nearly 25 billion barrels of oil in place and it is anticipated that the ultimate recovery will be somewhere around 10 billion barrels for the whole field.

A small percentage of increase in the recovery would add a large volume to the reserves. An additional recovery of 5 percent from the Prudhoe Bay area would add 1.25 billion barrels of oil to our reserves. A plowback, as I propose, would add encouragement to develop new processes and new projects to enhance the recovery of this area.

There are other frontier, high-risk areas in my State, as I mentioned.

I expect that we will see substantial debate on this amendment because it does amount to granting a plowback of the moneys received in excess of $13. That is the tier 2 minimum figure as I understand it.

We want to see the cash flow from the first part of this enormous area put back in the pool to insure the total development of the Prudhoe Bay resources. The construction of additional facilities is necessary to carry those resources to market.

It just so happens that this field has associated gas and, as we produce the oil, we produce the gas. Unless we produce the gas, the time is going to come when we will not be able to produce the oil.

One of the ancillary benefits of this amendment, is that it will provide the mechanism for the financing of the Alaska Natural Gas Transportation System which was selected by the President. That system will cost, according to current estimates, including the western and eastern legs of the line, a total of $15 billion.

Let me go through some of these figures, which are startling considering that they apply just to one area. In order to bring about the full development of the Prudhoe Bay field, which includes the additional well sites, the low pressure system, the water injection facilities, the gas injection facilities, and the total development of the west end of the field, it will cost $15 billion to finish the development of this field.

The expansion of the trans-Alaska pipeline system would be required to carry full production from Prudhoe. It is now operating at approximately 1.3 million barrels a day. To get it up to designed capacity of 2 million barrels a day, will involve additional costs for pump stations and new tanks and facilities at the terminal. This means another $1 billion. Because this field is located so far from other production, a gas conditioning plant must be constructed for this field alone, and that gas conditioning plant is absolutely essential for the safe transportation of this gas. The heavy liquids must be taken out of it before it can be transported. The gas conditioning plant in 1978 dollars is estimated to cost $2 billion.

As I said, the entire gas pipeline will cost $15 billion and the construction of an east-west oil pipeline, that is, a pipeline such as the Northern Tier pipeline to take our oil from the west coast to the east, will cost approximately $1 billion. In other words, there is a cash flow requirement for the Prudhoe area, alone, between now and 1990 of $35 billion to complete the production facilities for this field.

These figures are not speculative. They apply to a reservoir whose potential is proven. We know what the estimates are for recovery, and we know that recovery could be enhanced.

The requirements to complete transportation facilities to take the oil and gas to market are known. The problem is locating the money. In any traditional situation the first revenue from a field would be used to complete its development. Unfortunately, the windfall profits tax now will take roughly $30 billion in a period between now and 1990, from the revenues of the Prudhoe field—from that first producing area $30 billion will go to the Treasury of the United States, rather than into the development of this field.

It will delay the development of the Prudhoe Bay field excessively, and it will probably increase the cost of this oil and gas to the consumers of the country because if the industry is to develop this field it will have to go out and borrow money at excessively high interest rates. Instead of having invested after-tax dollars and developed the depreciable assets needed to fully produce the Prudhoe Bay area, the company will have to borrow money.

I think the Senate would be remiss if it did not recognize that my State

offers the sole chance for us to be at all near to self-sufficient in the near term. The companies involved will move, to develop these facilities as rapidly as they get the money to do so.

However, their plans are subject to the availability of money, the returns from the sale of the Prudhoe Bay production that is going to market now at the rate of 1.2 million barrels per day.

In addition to that, if the Kapurak Reservation in Prudhoe Bay is to be developed, an additional $0.34 billion plus, must be found.

The exploration of the Arctic Wildlife Range, which would be authorized by the Alaska land bill reported from the Senate Energy Committee, would cost $0.8 billion. Beyond that, the development costs alone in the Arctic Wildlife Range will, I am told, approach $20 billion.

Exploration of the national petroleum reserve in Alaska, the old naval petroleum reserve—upon which the President and Secretary of Interior announced plans to permit for the first time private exploration and development—will be very expensive.

Exploration alone is estimated at $1.7 billion. The development costs there will be about $15 billion.

The exploration of the Beaufort Sea—and tomorrow the bids will be open for the joint Federal-State lease sale—exploration alone is estimated at $5 billion.

The Chuckchi Sea, north of the Bering Sea, is another one of the very promising areas. Our Nation's potential for the development of oil and gas in that area is estimated to cost $5 billion for exploration and development costs.

Now, if we look at the projection of the need for capital to pursue the program the GAO has outlined for us, in these, the most promising areas, we must provide a mechanism to continue assured cash flow.

My amendment offers that in terms of a tax credit. It is only a tax credit against the windfall profit tax for qualified expenditures, and those qualified expenditures are investments in depreciable assets used for exploration, development, production, or transportation of oil or natural gas, gas conditioning facilities, lease equipment, and other costs for drilling and equipping wells, and the normal depreciable costs involved in the exploration and development of new prospects for production of oil and gas.

It has been suggested to me that I limit this to a percentage of the amount that would be plowed back in. I have discussed that with the distinguished manager of the bill, and I intend to so amend this amendment before it is voted upon to meet his suggestion to allow a credit for up to 50 percent of the amount expended for these qualified development costs.

It is my understanding that thus limited, the cost of this amendment would be $6 billion, although committee staff inform me their estimate would be $10 billion at 50 percent. My information from the people in my State was $6 billion. In any event, the impact of it would be to provide a credit for 50 percent of the money actually put into development of additional facilities for production of known resources.

That is the real point of all this. The money otherwise going to Treasury during the period of this tax will be put into the development of a known area—the major producing area of the United States. There is no reason, Mr. President, why we should not attempt to recover that production, and see that the Prudhoe gas is taken to market.

Mr. President, when it begins to be delivered, the Prudhoe Bay gas alone will back out the equivalent to, in terms of barrels of oil, the amount of oil we imported from Iran. The reserves constitute 13 percent of the known supply of natural gas in the United States. The producers are presently reinjecting this gas instead of selling it to customers in the United States, who are vitally in need of it in places where curtailment is taking place, and who could be served in a very short time if financing was available to build a pipeline to get it to them.

To take the revenues from the production of our first major oilfield in Alaska and put the money into the Treasury instead of allowing industry to put it into production of more oil and gas is a policy that is not going to result in the production of any additional supplies.

I hope every Member of the Senate will read the very timely report from the United Press which outlines the necessity for a policy which is designed to give incentives to production.

I do not know what better offer there could be for the industry to produce additional supplies. If it puts its money into the ground in Alaska, it will not be subject to the windfall profits tax to the extent of 50 percent of the investment in the depreciable facilities. I am hopeful that the Senate will study the matter.

I have agreed to yield to my good friend from Delaware so that he might offer an amendment that he wishes to pursue.

It is my hope, before I yield, because I know my friend will take some time on his amendment, and others may want to comment on it, too, that if there is a motion made concerning the Senator from Delaware's amendment, it will be solely to his amendment to my amendment. I hope it will not be to my amendment to carry his amendment because I would like to have a chance for the Senate to decide whether it should follow the advice in the GAO report.

Today it has given us its advice, to design a policy to encourage oil and gas production, and that policy must offer incentives to explore the most promising areas, which it lists as Alaska and the Outer Continental Shelf.

My amendment is designed to that end. It is not designed to allow just any expense incurred by the oil industry to be written off against the tax. This amendment requires that the investment must be in depreciable assets associated with the exploration and development of new natural gas or oil from Alaska or from the Outer Continental Shelf.

I ask unanimous consent to have printed in the RECORD an article from the Oil Daily, of Monday, November 12, 1979.

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

[From the Oil Daily, Nov. 12, 1979]

ATLANTIC RICHFIELD'S SPENDING INTIMATELY TIED TO ALASKAN OIL

LOS ANGELES.—Just as the Aramco partners are securely linked to Saudi Arabian oil, Atlantic Richfield Co. is linked to Alaskan oil—and the company's proposed capital spending plans for 1980 clearly illustrate this link.

But Claude Goldsmith, Arco vice-president for financing and tax, is quick to point out that the capital spending budget proposed for next year rests heavily on the windfall profits tax and crude oil decontrol programs now being thrashed out in Congress.

Other companies, while recognizing the serious problems of the windfall tax idea, have said 1980 capital spending is not closely linked to the outcome of Congress' debate. They note that the tax will hurt them down the line, rather than next year.

"This is uniquely not the case with Arco," Goldsmith told The Oil Daily. "The windfall profits tax is the major element of influence that will dictate our 1980 budget."

WINDFALL TAX FACTOR

Goldsmith said Arco will have a huge capital spending budget between $2.5 billion and $3 billion—but it will only be that large if the windfall tax aims for the smaller end of the revenue generation scale—that proposed by the Senate Finance Committee.

That budget dwarfs the anticipated $1.8 to $1.9 billion capital spending program of 1979.

The largest single item in the proposed 1980 budget is $400 million for further development of North Slope oil fields. Arco proposes $150 million in 1980 for transportation projects—most of which will be eaten up paying for two Alaskan trade tankers and the ongoing expansion of the Alaska pipeline.

Of the proposed $2.5 to $3 billion budget, up to $1.6 is set aside for domestic exploration and development. The exploration portion alone may approach $600 million—about 20 percent of which will be devoted to exploration in Alaska. This is the percentage to be generally followed in Arco's five-year exploration plans, said Goldsmith.

He noted another important Alaskan connection for Arco—current bills.

BIG BORROWER

"During 1973 to 1977, we and Sohio were among the largest borrowers in the world," he said, referring to capital commitments to the pipeline and Prudhoe Bay development.

"The large quantity of debt limits what we can borrow," he explained, adding that this means there may be strings attached to income other than where it should be spent. Though servicing of Alaska projects debt is not part of the capital expenditures budget, the presence of the debt creates a need for caution—particularly when one considers the uncertainty of the windfall tax outcome.

Arco adopted a similarly cautious stance during 1977 and 1978, said Goldsmith. During 1975, when revenues were $7.75 billion, Arco's capital expenditures were $1.75 billion. In 1976, when revenues were $8.9 billion, capital expenditures were only $75 million greater than in 1975. Revenues reached $11.4 billion in 1977, but capital spending dropped down to less than $1.7 billion. Capital spending dropped again in 1978, when

revenues were $12.7 billion and spending was $1.36 billion.

BUDGET SLOWS

Goldsmith said Arco's budget during that time slowed in large part because the potential for profitable investment in domestic exploration and development seemed poor. Government policy influenced decisions heavily.

As recently as June, Arco's concern about government interference showed up when the company committed practically nothing to Outer Continental Shelf lease Sale No. 48, Southern California, where Chevron USA, Phillips, and Exxon made heavy capital commitments.

The difficulty of developing offshore California projects is familiar to Arco. The company had to wait a long time to run a pipeline to shore from its existing Santa Barbara Channel platform.

In yet another example of Arco's concern about the windfall profits tax outcome, the company has budgeted no money for 1980 to start a major carbon dioxide injection project in its West Texas field. That field is Arco's largest domestic producer outside Alaska—yet without regulatory reform, this $300 million project won't produce an acceptable rate of return, Goldsmith noted.

SPECIAL ATTENTION

The carbon dioxide project would not necessarily be started next year, but Goldsmith confirms that it typifies projects in need of special attention from government tax policy.

"If they do the right things with decontrol and the windfall tax, I think you'll see a lot more secondary and tertiary projects," he said. "We're very bullish on that CO-2 project."

Goldsmith said Arco will continue to be active in U.S. Gulf lease play, noting that the company only spends more for leases in Alaska.

Arco differs from other majors in its relatively small international exploration and development commitment. Goldsmith said about $142 million is set aside in the proposed 1980 budget.

RESPONSE TO TAX

This situation underscores the importance of favorable domestic oil policy to Arco—which leads Goldsmith to remark, "We have decided that capital spending will be lowered in response to the windfall tax bill."

On other fronts, the proposed 1980 budget includes $400 million for refining, marketing and transportation. Part of this will be committed to a $100 million fluid cracking unit to upgrade Arco's Philadelphia refinery, a 185,000-barrel capacity plant.

Exploration in the Rocky Mountains will continue at a vigorous pace, being less likely to be impacted by the windfall tax.

Goldsmith felt compelled to comment on the relationship between Arco's net income and it's plans for finding and developing new petroleum and energy reserves.

A quick calculation showed Arco's net income to be just over $1 billion for the 12 months September 1978 to September 1979. The capital expenditures budget for 1980, given the proper regulatory and tax environment, would be three times that amount.

Mr. NELSON. I wonder if the Senator will yield for a question before yielding the floor.

Mr. STEVENS. I will be happy to do that.

Mr. NELSON. Since there are one or more Senators on our side who wish to address this question, does the Senator from Alaska have some notion about how much more time his side will be taking?

Mr. STEVENS. It is my intention that I yield to the Senator from Delaware, in order for him to bring up his amendment, get a vote on it, and then come back to a discussion of my amendment.

Mr. NELSON. I wonder if the Senator from Delaware could advise about how much time he intends to spend on his amendment.

Mr. ROTH. Mr. President, I would hope we would complete action within, say, 30 minutes.

Mr. BRADLEY. Mr. President, reserving the right to object, since I was out of the Chamber, what is it that the Senator proposes to order?

Mr. STEVENS. I had agreed to yield to the Senator from Delaware to offer an amendment to my amendment. Then I assume there would be a motion to table his amendment—there have been motions to table similar amendments in the past—and then we would come back to the discussion of my amendment thereafter, I hope.

Mr. BRADLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRADLEY. Is this amendment amendable under the unanimous-consent agreement?

Mr. STEVENS. I sought an agreement——

The PRESIDING OFFICER. The Chair is advised that the amendment of the Senator from Alaska is open to amendment.

Mr. STEVENS. I sought that it not be subject to amendment, and was unsuccessful. May I inquire, before I yield to the Senator from Delaware, does he have a substitute for my amendment?

Mr. ROTH. Yes.

Mr. STEVENS. If that is tabled, we can still come back to the discussion of my amendment, assuming there is a motion to table. I do not want to predict defeat for my friend's amendment, but should this occur I would like to return to my amendment. Mr. President, I yield to the Senator from Delaware.

Mr. BRADLEY. Mr. President, has there been a unanimous-consent request made?

Mr. STEVENS. It does not require unanimous consent.

Mr. ROTH. It does not require unanimous consent.

The PRESIDING OFFICER. Just to clarify, the Senator from Alaska has proposed a unanimous-consent request. He has now concluded that is not necessary.

Mr. STEVENS. No, Mr. President, it was my intention to yield to the Senator from Delaware for the purpose of offering a substitute for my amendment. It is my hope that after he does that, he will agree to a time limitation on his amendment, so that we might pursue my amendment when that is completed.

I yield to the Senator from Delaware for the purpose of offering a substitute amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. BRADLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator yield for a parliamentary inquiry?

Mr. STEVENS. I have yielded to the Senator from Delaware.

Mr. BRADLEY. Can the Senator from Alaska yield to the Senator from Delaware for the purpose of offering an amendment?

The PRESIDING OFFICER. Not if there is an objection.

Mr. STEVENS. Then this establishes a precedent that if a Senator requests another Senator to yield for a specific purpose, the Senator may not do so. That was my intention, to yield to the Senator from Delaware for a specific purpose, as he requested me to do. That was for the purpose of his offering an amendment to my amendment. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

UP AMENDMENT NO. 873

(Purpose: To limit total budget outlays to certain percentages of the gross national product)

Mr. ROTH. Mr. President, I send my substitute amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) for himself, Mr. STONE, Mr. DOMENICI, Mr. DANFORTH, Mr. DOLE, Mr. MCCLURE, Mr. WALLOP, Mr. PROXMIRE, Mr. WARNER, Mr. ARMSTRONG, Mr. SIMPSON, Mr. COCHRAN, and Mr. GARN offers an unprinted amendment numbered 873 as a substitute for the Stevens amendment.

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

Mr. BRADLEY. I object, Mr. President. Please read the amendment.

Mr. NELSON. Mr. President, just for clarification, a parliamentary inquiry.

The PRESIDING OFFICER. Objection is heard. The amendment will be read.

Mr. NELSON. I have a parliamentary inquiry. Has the Senator from Alaska yielded the floor?

The PRESIDING OFFICER. The Chair would advise the Senator from Wisconsin that objection was heard to the unanimous-consent request to dispense with the reading of the amendment, so the amendment now must be read, unless there is a unanimous-consent agreement to vitiate the need to read the amendment.

Mr. NELSON. Mr. President, that was not my inquiry. Did the Senator from Alaska yield the floor to the Senator from Delaware?

Mr. ROTH. That is correct.

Mr. STEVENS. The Senator was going to offer an amendment.

Mr. ROTH. My amendment has been offered.

Mr. STEVENS. I yielded to him for the purpose of offering an amendment. Go ahead and continue to read the amendment.

Mr. EXON. Mr. President, a point of order.

The PRESIDING OFFICER. The Chair would advise the Senator that we are still discussing the previous parliamentary inquiry, and as soon as we handle that matter, we will certainly respond to the Senator from Nebraska.

Mr. ROTH. Regular order, Mr. President.

The PRESIDING OFFICER. The Chair would advise that we are following the regular order at the present time.

Several Senators addressed the Chair.

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

Mr. STEVENS. Mr. President, either I have the floor or the Senator from Delaware has the floor.

Mr. ROTH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. Mr. President, if I may recall what has transpired, I was recognized, I sent my amendment to the desk the clerk began reading it, and I asked unanimous consent that we dispense with the reading of the amendment. Objection to that request was heard.

Mr. STEVENS. That is correct.

Mr. ROTH. So it would seem to me that the regular order at this time would be the reading of the amendment.

The PRESIDING OFFICER. The Senator is correct, although a separate question was raised as to whether or not we had proceeded in the proper fashion; so an effort was made to reconstruct, to see if the rules had been followed, so the discussion that has been ensuing was to retrace the steps that had been taken to see if in fact we had proceeded in the proper fashion. That is the occasion for the delay.

Mr. ROTH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. What is the pending amendment?

The PRESIDING OFFICER. Well, assuming that we have followed the proper order, it would be the amendment of the Senator from Delaware.

Mr. BRADLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair would advise that the amendment offered by the Senator from Delaware (Mr. ROTH) is the pending order of business. A unanimous-consent request that the reading of the amendment be dispensed with was objected to. Therefore, the amendment is in the process of being read and now will be read.

Mr. NELSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NELSON. Mr. President, this Senator is not trying to delay things. I would be prepared to vote on the amendment of the distinguished Senator from Alaska (Mr. STEVENS) and the distinguished Senator from Delaware (Mr. ROTH) at any time. I thought I had heard a unanimous-consent request, or a request made to yield to the Senator from Delaware for the purpose of introducing an amendment, without the Senator from Alaska losing his right to the floor. I do not believe that that is permissible under the rules.

Was that the request?

Mr. STEVENS. Mr. President, I made no such request.

Mr. NELSON. Then my parliamentary inquiry was: Did the Senator from Alaska give up the floor and does the Senator from Delaware have the floor?

The PRESIDING OFFICER. The Chair would advise that the Senator from Alaska (Mr. STEVENS) surrendered the floor. The Chair would further advise that even though the Senator from Delaware was recognized and offered the amendment being read, upon conclusion of the reading of the amendment it is not necessary that the Senator from Delaware will gain the floor, though he is free to seek it. He, in turn, lost the floor when he offered the amendment.

The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH), for himself, Mr. STONE, Mr. DOMENICI, Mr. DANFORTH, Mr. DOLE, Mr. MCCLURE, Mr WALLOP, Mr. PROXMIRE, Mr WARNER, Mr. ARMSTRONG, Mr. SIMPSON, and Mr. COCHRAN, proposes an unprinted amendment numbered 873.

In lieu of the language proposed to be inserted by the Senator from Alaska (Mr. STEVENS) insert the following:

SEC. LIMITATION ON BUDGET OUTLAYS

For each fiscal year ending after September 30, 1980, the total budget outlays of the Federal Government shall not exceed an amount equal to the following percent of the estimated gross national product for such fiscal year:

21.0 percent in fiscal year 1981.

20.5 percent in fiscal year 1982.

20.0 percent in fiscal year 1983.

19.5 percent in fiscal year 1984 and thereafter.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. PRYOR). The Chair recognizes the Senator from Nebraska (Mr. EXON).

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

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROTH. Mr. President, in order to allow a vote on this amendment, I move, in accordance with section 904(b) of the Congressional Budget Act of 1974, to waive the provisions of titles III and IV of that act with respect to the pending amendment.

Mr. President, the amendment I am proposing sets limits on the total amount of Federal spending as a percent of the GNP. Specifically, this amendment limits Federal outlays to 21 percent of the projected GNP in fiscal 1981, 20.5 percent in fiscal 1982, 20 percent in fiscal 1983, and 19.5 percent in fiscal 1984.

This amendment sets the same limits on Federal spending as adopted by the Senate last year on a 65 to 20 vote under the Nunn-Chiles-Bellmon-Roth amendment.

I am offering this amendment in order to meet the concerns of those Senators who opposed my amendment last week to limit total budget receipts. A number of Senators voiced their concerns that a limit on tax revenues would result in budget deficits if Federal spending was not limited.

Therefore, I am today offering this amendment to limit Federal spending as a percent of GNP.

Despite all the talk about fiscal austerity and responsibility, Federal spending, as a percent of GNP, will actually increase in fiscal years 1980 and 1981 over fiscal 1979 levels.

Over the last 25 years, spending as a percent of gross national product has averaged 19.9 percent. Yet spending is projected to be 21.9 percent of GNP in fiscal year 1980, 21.4 percent in fiscal 1981, 20.6 percent in fiscal 1982, 20.4 percent in fiscal 1983, and 20.2 percent in fiscal 1984.

In a $2.5 trillion to $3 trillion economy, every percentage points equals $25 billion to $30 billion.

Federal taxes are projected to increase as well, reaching 21.9 percent of GNP in fiscal year 1981, the highest level ever reached in this country's history.

Mr. President, we must not allow spending and taxes to increase unchecked. We must put the Senate on record now in support of less spending, lower taxes, and a balanced budget in fiscal 1981, and beyond.

By making a commitment now to limit spending levels to 21 percent of GNP in fiscal 1981, we will be setting a spending target of approximately $589 billion. This spending limit of $589 billion for fiscal 1981 will put the Senate on record in support of a $12 billion spending reduction from the levels established by the second budget resolution.

Mr. President, I emphasize that this amendment is directly related to the windfall profit tax bill.

Two weeks ago, on the Senate floor, the chairman of the Budget Committee made a long speech urging the Senate to increase the windfall profit tax. In his speech, the chairman of the Budget Committee did not discuss the impact of the windfall profit tax on energy policy. In fact, his statement had little to do with energy. His entire speech was on the need to raise more taxes in order to enable Congress to continue to expand Federal spending programs.

Mr. President, the windfall profit tax will be more than just an energy bill. It is one of the largest tax increases ever enacted by the U.S. Senate, which, in the final analysis, will be paid for by the American people; and the disposition of the revenues raised by the bill is totally related to the bill itself.

I, for one, do not believe that the windfall profit tax should be used to fuel an expansion of Government spending programs. I do not believe the windfall profit tax should be used to expand the size of Government.

By placing limits on Federal spending, we will insure that the additional tax revenues raised by the bill are not used on Federal spending.

Specifically, this amendment would reduce Federal spending by approximately $12 billion in fiscal year 1981. Under current revenue projections, it would result in a budget surplus of about $25 billion which would be available for either tax cuts or a reduction of the national debt.

Mr. President, my amendment is not a partisan amendment. In the House, the same legislation has been introduced by Representative JIM JONES of Oklahoma, and it has widespread support.

In addition, President Carter is firmly committed to reducing spending as a percentage of GNP to below 21 percent by fiscal year 1981; and the distinguished Senator from Massachusetts (Mr. KENNEDY) said recently that he was in favor of reducing Federal spending to 18.9 percent of GNP.

Mr. President, there will be those who will argue that the Federal Government's budget needs are so great that we cannot limit Federal spending. But instead of worrying so much about the demands for more Federal spending, I believe we must direct our thinking and start worrying about the needs of the private economy.

Rather than allowing spending to increase unchecked every year, we must examine and eliminate inefficient and duplicative Federal spending programs. Rather than spending billions of dollars a year on unemployment and welfare programs, we must increase economic growth to create enough real jobs to reduce the need for these spending programs.

As I said, this amendment sets the same limits on Federal spending as the Nunn-Chiles-Bellmon-Roth amendment did last year. I hope the Senate will have the wisdom to reaffirm that decision.

I believe that the state of our economy has made it essential, even more essential, that we bring some certainty into the economic picture by mandating where we plan to go.

As I pointed out, similar legislation is being offered, in a bipartisan approach, in the House. It is sponsored by Representative JONES of Oklahoma, as well as Mr. FRENZEL of Minnesota. I am pleased to say that on this side, a principal cosponsor is the distinguished junior Senator from Florida.

As I pointed out last week, when I attempted to cap revenue, our economy is in a most serious plight. We are seeing plants being closed down, employees laid off. As a matter of fact, two of the most important industries of the American economy, the steel industry and the automobile industry, are in deep trouble.

It is no secret here that we will have to deal with the Chrysler emergency before we go home, if that organization is to continue as a viable automobile manufacturer and provide jobs for well over 100,000 people.

It is no secret that the U.S. steel industry is no longer competitive in many areas of steel and fabricated steel products, with their foreign competition, whether it be that of Japan or Western Europe or the developing countries.

It is no secret that if this country is to continue to discharge its responsibility as a world leader, if it is to continue to be a strong nation which will be listened to carefully, we cannot afford to have these industries become second best.

Mr. President, it is no secret that one of the principal reasons we are in such difficulty is that because this country has become an all-consuming Nation and not a saving Nation, we do not have the funds to invest in plant and equipment which are needed to modernize our industry, whether it be steel, automobiles, chemicals, or some other area.

I think it is most important that we take steps now—not next year, for the convenience of the politicians, but now—that will help provide the kind of certainty that will encourage the individuals in the private sector to take the steps that will again get this country moving upward.

At this time, Mr. President, I am happy to yield to the distinguished Senator from Florida.

Mr. STONE. I thank the distinguished Senator from Delaware.

Mr. President, I am pleased to join Senator ROTH in offering this amendment to limit Federal spending as a percentage of the gross national product. While I am principal cosponsor, along with Senator HEINZ of Pennsylvania, of a constitutional amendment to limit Federal spending and am working hard toward the adoption of this amendment, I believe that the Congress must take immediate and effective action to impose a limit on Federal spending.

The amendment we offer today is nearly the same as H.R. 5371, introduced in the House of Representatives by Representative JONES of Oklahoma. It would limit Federal outlays as a percentage of the projected gross national product—starting at 21 percent in fiscal year 1981, 20.5 percent for fiscal year 1982, 20 percent for fiscal year 1983, 19.5 percent for fiscal 1984 and thereafter. The President and Congress, by a special procedure, can suspend this limitation when appropriate.

The simple historical facts point to the need for the adoption of this amendment. Federal spending as a percentage of GNP has risen from a 12 percent to 16 percent range during the peace years following World War II to the current range of 20 percent to 22 percent in the years following American withdrawal from the Vietnam war. In 1947—the first post-World War budget—the Federal Government's budget was $29.5 billion. The fiscal year 1980 Federal budget is estimated to be $548 billion. This kind of continuing growth is unacceptable.

Mr. President, I believe that the contining, high level of Federal spending is one of the primary reasons underlying the inflation which eats away at every American's pocketbook and it can be reduced without adversely affecting any necessary Government program or service. Government waste alone, if eliminated, could save the American taxpayer billions of dollars each year.

Mr. President, since coming to the Senate I have supported a variety of approaches to reduce Federal spending. I have supported a series of across-the-board percentage reductions to individual appropriation bills—several of which were adopted—amendments to reduce the total outlay figure in the Senate's budget resolution, and most recently I have introduced and am working for the adoption and the submission to the States for ratification of a constitutional amendment to limit Federal spending. Indeed, Mr. President, believe that Federal spending is such a serious problem that the adoption of a constitutional amendment is necessary to solve the problem. Nevertheless, I strongly support the pending amendment because I believe it is a movement in the right direction and will contribute greatly to the restoration of fiscal integrity to the Federal Government.

I commend my colleagues on the Senate Budget Committee who continue to work diligently to implement the Budget Act of 1974 which encouraged the Congress to consider budget requests within overall budget targets. Because of the Budget Act, the Congress has improved its ability to consider requests for money in the context of an overall Federal budget policy. Unfortunately, however, the budget process alone cannot cure the spending habits of the Federal Government. Adoption of this amendment will improve the discipline of the Congress to deal with Federal spending. Federal spending would be appropriately tied to

the productivity of our Nation, making sure that the Federal Government does not discourage economic growth in the private sector by taking too large a share into the Federal Treasury.

Mr. President, there are some who criticize this amendment and other similar efforts to bring Federal spending under control as too rigid and severe. I respectfully suggest that recent history demonstrates that the time has arrived when the Congress must adopt rigid and tough measures to bring Federal spending under control. Until it is brought under control, inflation will continue to undermine the well-being of our citizens and discourage investment in our economy. Controlling Federal spending offers the responsible road toward tax reduction and a balanced budget. It is not a shortcut to these goals, but it is the way which will put our economy back on the right track and will restore the confidence of our people in their economic future.

Mr. President, I ask unanimous consent that the table on spending limitation which I have be printed in the RECORD.

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

ROTH-STONE-DOMENICI-DANFORTH-DOLE SPENDING LIMITATION AMENDMENT

The amendment would limit Federal outlays to 21 percent of the projected GNP in fiscal 1981, 20.5 percent in fiscal year 1982, 20 percent in fiscal 1983, and 19.5 percent in fiscal 1984. The amendment sets the same limits on Federal outlays as adopted last year under the Nunn-Chiles-Bellmon-Roth Amendment.]

	Fiscal years—			
	1981	1982	1983	1984
Second Budget Resolution outlays	601	653	707	762
Percent of GNP under Second Budget Resolution	21.4	20.6	20.4	20.2
Percent limitation on outlays under proposal	21.0	20.5	20.0	19.5
Outlays under proposal	589	651	693	736
Spending restraint	−12	−2	−14	−26
Budget surplus available for tax cuts and/or reduction of national debt	+25	+24	+34	+54

Mr. STONE. Mr. President, in conclusion, I simply say that the value of our dollar, which is eroding away through inflation, should be seen as being backed by national production. It has been a long time since we had a gold standard. The value of our dollar is the value of our national production. When the Federal Government spends more than the national production increases that is the measure of inflation.

This amendment, as well as the constitutional amendment to which I referred, would make the appropriate linkage so that without a too rigid or too severe restraint we would attain balanced budgets and attain a reasonable value for our dollars so that they will buy about as much next month as they buy in the current month. That is the appropriate goal for us to seek in handling our budget policy in Congress.

I support this amendment and I urge its adoption.

I thank the Senator from Delaware for yielding to me.

Mr. ROTH. Mr. President, I am happy to yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Delaware (Mr. ROTH) for once again setting forth a proposal that would bring sound sense to the management of the Nation's economy. Senator ROTH's amendment would limit Government spending as a percentage of GNP. The limitation would be 21 percent of GNP in fiscal 1981, 20.5 percent in fiscal 1982, and 20 percent in fiscal 1983, and 19.5 in fiscal 1984. The Roth amendment would be implemented by reference to the projected GNP for each fiscal year. The amendment would not shrink the size of the Federal Government, nor would it hamstring policymakers in Congress or the Executive. All it would do is stabilize the size of Government so that Government will not continue to grow at the expense of the private sector.

Mr. President, I support the Roth amendment. Like the Roth Tax Limitation Amendment, which the Senate considered last week, the Roth Spending Limitation Amendment will stabilize the size of the Federal Government at approximately the level it has been at for the last quarter century. Spending could still rise each year, but only in line with the growth of the economy. The Federal Government would not continue to grow, year after year, at the expense of the private sector. Rather, Government would grow along with the private sector.

I have introduced legislation, S. 13, and a constitutional amendment, Senate Joint Resolution 5, that limit spending to a percentage of GNP. I think it is a sound, commonsense concept. I also believe that it is necessary, although it is unfortunate that such limitations need to be imposed. But Congress has shown its inability to restrain the size of Government, so I conclude that an external discipline must be imposed. Then we will come to grips with the problem as we make our spending decisions. Certainly there can be little disagreement that the perpetual growth of Government cannot go on as it has.

Mr. President, I know that many of my colleagues on the other side of the aisle will say, "This is a delaying tactic," or "This is an attempt to win easy political points." That is not so. Were all my colleagues so attentive to the needs of the Government and the people as is Senator ROTH, this kind of effort would not be needed. But Senator ROTH is compelled to remind us, as I hope he will again and again, that getting Government off the backs of the people must be our highest priority. The Senate in the past week has declined to plan for further tax limitation, and has declined to eliminate the inflation tax penalty. The Senate has consistently voted for big Government and for evergrowing government.

Thanks to Senator ROTH, we have another opportunity to show that we can act responsibly and wisely to set our economic course, and that we do heed the concerns of the American people. I urge my colleagues not to let this opportunity slip by this time. The people of this Nation are watching our efforts closely and with concern, and we should not let them down again. The people want new and sensible ideas, and we are offering them. Sooner or later the Senate will need to respond, and I suggest that it respond now.

Mr. President, I simply again thank the distinguished Senator from Delaware and the Senator from Florida for their efforts for again setting forth the proposal to bring sound sense to the management of the Nation's economy. I think the amendment has been properly and accurately described.

I believe that this is the appropriate time to at least address the issue. Many of us have introduced legislation.

I think it is a sound commonsense concept held by nearly every Member of this body and both parties.

Mr. ROTH. Mr. President, I wish to make it very clear that I do not intend to take a considerable amount of time to bring this to a vote.

I wish to say to our distinguished majority leader, if I could have his attention.

Mr. ROBERT C. BYRD. Is the Senator talking to me?

Mr. ROTH. Yes. I just wanted to point out, I say to the leader, that it is not my intent or those of us who are cosponsors, which include Senator STONE, Senator DOMENICI, Senator DANFORTH, Senator DOLE, Senator MCCLURE, Senator WALLOP, Senator PROXMIRE, Senator WARNER, Senator ARMSTRONG, and Senator SIMPSON to be irresponsible. I noticed in the Washington Post yesterday that the distinguished majority leader did say that by offering my amendment last week, if I correctly understand the statement, it was somewhat demagogic and irresponsible.

I hope that that was a misquote because, as I pointed out earlier, I feel that when we are talking, as we are on a windfall profit tax, about substantially raising revenue, particularly when it is raised by the chairman of the Budget Committee that we need these funds for future Government spending, it is proper and appropriate for those of us who disagree with that approach that we offer alternatives.

I also point out to the distinguished majority leader that other Senators on both sides of the aisle are offering amendments that would cut taxes. One amendment is being brought back under unanimous consent to deal with a problem of interest, to deal with a problem of promoting savings. So I think if it is appropriate for those from the majority side to raise such issues through amendments it is only proper for the minority side to do the same.

I regret as a practical matter that my amendment was not voted up or down, as I think the Senate should have done,

but it was necessary to resort to parliamentary tactics to block a direct vote.

That particular amendment, which would have capped revenue along very much the same lines I am capping spending this year, lost by five votes.

As I pointed out in my earlier statement, several Senators had indicated that they did not like a cap revenue unless something was done on spending. What I am pointing out today is that this amendment we are offering which will cap spending along the same lines of the Nunn-Bellmon-Chiles-Roth amendment of last year does have the effect, of course, of dealing both with spending and revenue.

That is so because any revenue unnecessary for these limits will either have to be returned to the taxpayer in the form of tax relief or can be used to reduce the national debt, both of which I believe are desirable goals.

Mr. President, I am ready at any time for a vote on my motion for a waiver. I yield back the floor.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I find it a bit surprising that my good friend from Delaware should look upon the point of order which is enshrined in the Budget Act as somehow a denial of parliamentary rights on the part of Senators to vote on the substance of their amendments.

Mr. President, there is very little discipline or enforcement discipline built into the Budget Act. A majority of the Senate at any time can upset any recommendation of the Budget Committee, any provision of a budget resolution. There is no extraordinary majority required. Indeed, under the first budget resolution, which the Congress approves in the spring, Mr. President, there is absolutely no discipline except the discipline of information that can be brought to bear upon enforcing the targets of the first budget resolution.

The only discipline written into the Budget Act is the point of order against violations of the Budget Act or budget resolutions under that act. What is the point of order? The point of order is a red flag provided for by the Budget Act to put the Senate on notice that the proposition before it is in violation of the congressional budget process.

Now I gather my good friend from Delaware, if he had his way, would abolish the point of order under the Budget Act, and deprive it, denude it, of all disciplinary force at all. If it is not improper somehow, impolite, discourteous to use the point of order when it properly lies with respect to an amendment of my good friend from Delaware, well, surely, it ought to be used. If it is not proper to use it against his amendment then it is not proper to use it for anybody, and what little discipline is left in the Budget Act goes out the window.

So I must say, Mr. President, the distinguished Senator from Delaware was a member of the committee that wrote the Budget Act. We discussed at great length what kind of discipline we could write into the Budget Act, and I recall the distinguished Senator being in the forefront of those who argued that even a point of order was not strong enough discipline.

But when now that anemic kind of discipline is applied to an amendment offered by the Senator from Delaware somehow that is improper. It denies him the right to an up or down vote on his amendment.

Mr. President, the point of order is an anemic enough source of discipline. We ought to protect the budget process against the surge of emotional propositions, popular propositions, created on the threshold of an election year. It is anemic, but we need it. Indeed, stronger discipline than that is needed. I am sorry my good friend from Delaware is all for talking about the need for budget discipline but totally opposed to the procedural safeguards that we have to enforce budget discipline. What is budget discipline if it cannot be enforced?

With respect to the amendment we have before us, let us look to the Nunn-Chiles-Bellmon amendment to which frequent reference has been made over the past couple of weeks, Mr. President.

The distinguished Senator from Delaware refers to my discussion on budget demands of the eighties a few weeks ago as an argument for greater spending in the eighties. I have heard twisted arguments before, but that one beats most of them.

The fact is, Mr. President, that that presentation tested the achievement of Nunn-Chiles-Bellmon goals, which include a limitation of outlays as a percentage of GNP of 19.5 by 1983, and a balanced budget.

The fact is, Mr. President, that the Senate Budget Committee produced a budget resolution for fiscal year 1980 which was completely in line with Nunn-Chiles-Bellmon, completely in line with it. But then what happened on the floor? A proposal was made on the floor to increase defense spending by 3 percent in real growth in fiscal year 1980, 5-percent real growth beyond inflation for fiscal year 1981, and 5 percent in 1982.

The distinguished Senator from Delaware voted for that. The distinguished Senator from Kansas (Mr. DOLE) supported that. The distinguished Senator from Florida (Mr. STONE) voted for that increase, and that blew those targets.

Now, what happened to all this holier-than-thou commitment to outlays as a percentage of GNP? That commitment was not yet a year old when they voted to break it. And yet these three Senators argue today that it is such a simple matter to set a spending percentage and then somehow automatically spending will be reduced.

What is involved is not the merits of defense spending or any other categorization of defense spending. The fact is that at the first opportunity they voted to breach their own ceilings.

Now, 21.0 of GNP is the outlay limit the distinguished Senator from Delaware suggests for fiscal 1981. It is not enough to accommodate the increase in defense spending for which he voted last month. Then the percentages decline to 19.5 percent of GNP in 1984.

What is the situation with respect to the second budget resolution? For fiscal 1981 our outlay ratio is 21.2 percent of GNP, and the pending amendment is 21.0. For 1982 our ratio is 20.4, the pending amendment is 20.5, which is higher. For fiscal 1983 our number is 19.6, the pending amendment is 20.0 which is higher. For fiscal 1984 our number is 18.8, the pending amendment is 19.5 which is higher.

Mr. President, you always know when it is near the end of a congressional session. First, Congress adopts a binding budget resolution for the year. Then a few weeks later someone proposes to rewrite it, and that is what the Roth amendment would do. It is subject to a point of order.

But there is something a little bit different about this attempt to rewrite the congressional budget. The Roth amendment would authorize significantly greater spending than the congressional budget contains. That is right. The Roth amendment would spend $41 billion more than the congressional budget over the next 5 years. I suspect that fact comes as a surprise to the cosponsors of the amendment, but it is a fact, and there is no denying it.

The Roth amendment contains limits on spending higher than those in the congressional budget for 1982, 1983, and 1984. Only in 1981 would the Roth amendment contain lower spending than Congress has already planned, and those reductions would probably have to come out of defense, since that is where the Senate voted the 1981 increase.

This amendment illustrates why the budget act provides a point of order against writing budget resolutions on nongermane bills. These budgeting-on-horseback, shoot-from-the-hip budgets seek to short circuit a year's hard work by Congress on its own budget. Drafted over a weekend, as this one was, their sponsors seem to believe they can see the future and plan for it more clearly from some corner of the Senate cloakroom than the rest of the Congress after thorough debate on two budget resolutions in the course of a full year.

So it should come as no surprise that sooner or later an amendment like this one which purports to cut the budget actually would increase it.

In fact, it might interest Senators to know that the spending limits in this Roth amendment are different from others he proposed last week on December 6 in S. 2090, a separate bill; different from others he proposed 11 months ago, in S. 34; and inconsistent with the tax limitation amendment to the windfall bill he offered last week.

If both the Roth tax limitation and spending limits bills were enacted and followed, the budget would be in deficit

in 1981, 1982 and 1983, when taxes under the tax limit bill would fall $14 to $18 billion each year below the spending authorized by the Roth spending limit.

That is what I call consistent budgeting; that is what I call prudent budgeting, when the author of both amendments, a week apart, proposes to write into law budget deficits of that magnitude, in the name of fiscal restraint.

Mr. President, I believe these vigilante attempts to make multi-year budgets on nongermane bills are foolish and destructive. That is why the budget act provides a point of order against them.

I do not question Senator ROTH's desire to cut the budget. But I do question the four contradictory formulas he has introduced this year to do it.

For example, last Wednesday he offered an amendment to limit taxes to 19.5 percent of GNP in 1983 and 1984. The next day he introduced a bill to allow spending to rise to 20 percent of GNP the same years. That would produce a deficit of at least $18 billion in 1983 and at least $20 billion in 1984 compared to his tax limit of the day before. Now, 3 days after that bill, he offers an amendment which would allow more spending than taxes in 1981, 1982, and 1983 than last week's tax limitation. Today's Roth budget would produce deficits of at least $14 billion in 1981, $16 billion in 1982, and $18 billion in 1983, compared to his tax limitation proposal.

The Roth amendment would also allow more spending than the sense of the Congress resolution adopted as part of the Revenue Act of 1978. That 1978 act, in its so-called Nunn-Chiles-Bellmon amendment, calls for a limit on Federal spending $14 to $18 billion lower each year than today's Roth amendment. So the Roth amendment would authorize more spending than either the current congressional budget or the Nunn-Chiles-Bellmon amendment to the 1978 Revenue Act.

I must, however, note one area in which Senator ROTH has outdone the budget process. Congress labors all year long to produce just two budget resolutions, which we hope will help steer a sound and consistent economic course. Senator ROTH has produced three different budgets in 6 days, surely some kind of a record for variety, if not consistency.

So I would say to my fellow Senators, if you like variety, if you love spending, if you want deeper deficits, vote for this week's Roth budget amendment. If you want to uphold the budget process and its lower spending totals, vote against the Roth budget amendment.

And I say to those Senators who vote for the Roth budget, if it loses, do not despair. Congress still has 2 weeks to go, plenty of time to consider several more new budgets.

Mr. President, I would like to state what seems to me to be a very simple fact: These numbers reflecting outlays as a percentage of gross national product area very simple ratio betwen outlays and gross national product. Now, Mr. President, if we should adjourn today without enacting a single additional spending bill, and then in December, or what remains of December and January, the gross national product plunges, as it did in 1974, then spending as a percentage of gross national product would rise. I repeat, without Congress having voted, without a single additional penny appropriated, if gross national product should decline, spending would rise; because, with higher unemployment, the cost of unemployment insurance would rise as an entitlement under existing law.

So you can adopt an amendment calling for a certain level of Federal spending as a percentage of the gross national product, but there is no way for it to hold down the forces of the economy. Indeed, what you really ought to do—and I really recommend this to Senator ROTH, so that he may do the complete job—is, first, write into this bill the unemployment rate that he is going to maintain by law for fiscal year 1981, whatever it is, and the inflation rate.

If he does those things, and manages to write a law that effectively implements those two economic assumptions, and then in addition to that writes into the law money supplies and interest rates in order to reflect monetary policy as well, then he might have some chance of assuring that the GNP, which is the denominator in his equation, would be consistent with his pending amendment.

Mr. President, obviously you cannot write the performance of the economy into a piece of legislation. And apparently Senator ROTH's perception of the economy varies from day to day over a 6-day period, because he has produced three different budgets in that period.

I do not pretend to that kind of expertise. But I know that you cannot do it that way; and I know, finally, Mr. President, that the congressional budget process has done well in limiting spending in the next 4 years, and even better, than the pending Roth amendment.

So, Mr. President, the Roth amendment is as much subject to a point of order as his amendment of last week. In due course, I will make that point of order; but I gather that Senator ROTH intends to move or has already moved to waive the budget process.

Mr. ROTH. I have made such a motion.

Mr. MUSKIE. I take it that will be subjected to a motion to lay on the table, and if the motion to lay on the table carries, I will then make the point of order.

Mr. ROTH. Mr. President, I would like to first make it clear that the Roth-Stone amendment does require additional savings over the second budget resolution.

Using the figures that the distinguished chairman of the Budget Committee used last week in his discussion of the budget and revenue needs, it was pointed out that in 1981 the projected GNP would be $2.8 trillion and under the second budget resolution the percent of outlays of GNP would be 21.4 percent.

What we are proposing for fiscal year 1981 is 21 percent, or a savings of 4 percent which, using those same GNP figures, would amount to $12 billion.

In 1982, the second budget resolution would spend 20.6 percent of the gross national product, whereas, my amendment would only permit 20.5 percent, or a savings of $2 billion.

In 1983—and, again, I emphasize that I am using the same GNP figures that were used last week by the chairman of the Budget Committee—the second budget resolution would provide for 20.4 percent spending for outlays of gross national product, whereas, the Roth-Stone amendment would only permit 20 percent, a savings of .4 percent, or a spending restraint of $14 billion.

In 1984, the second budget resolution provides for outlays of 20.2 percent, in contrast to 19.5 percent in my amendment. That is .7 percent less, or a spending savings of $26 billion.

It is not accurate to say that the second budget resolution provides for less spending than the Roth-Stone amendment. Actually, we would save, in those 4 years, an additional $54 billion.

And I know that Senator Dirksen, years ago, said that a million here or a million there will soon add up to some millions, and maybe that could be said about billions. But $54 billion, even in these days of inflation and trillion-dollar economy, is a tremendous amount of money.

I would just like to underscore what those limitations of the Roth-Stone amendment would mean. It would mean that there would be a budget surplus available, either for tax cuts or reduction of the national debt, of $25 billion in 1981, $24 billion in 1982, $34 billion in 1983, and $54 billion in 1984, which comes up to $137 billion that would be available in that 4-year period, either for tax cuts or for reduction of the national debt.

Mr. President, what we seek to do here is to make these limitations mandatory, to require the Federal Government and Congress to reorder the priorities of spending.

I, for one, think the American people do not expect us to continue all programs now in existence and to permit them to continue to be inflated by the percentage of inflation. There are few American families, working families, who will be so fortunate. Many hard working people, with both the husband and the wife working, in many cases the children working, are finding that they cannot even keep up with the increase in the cost of living. And, if they do, if they are among the fortunate few, then they find that they must pay higher taxes because of the progressivity of the income tax rate.

So the fact of the matter is that it makes no difference, they still have less purchasing power and a diminishing standard of living because of inflation. That is what we are trying to remedy. We are trying to change the direction. We cannot continue and permit every program.

I think most American people feel that we need a stronger defense and, perhaps, in order to do so, we are going to have to hold down another expenditure. I suspect a majority of American people, for example, would say we should spend less for foreign aid and more for defense in the interest of the free world, and that that would be a sensible reorder of priorities.

But I am not here to argue this program or that program, or how we should bring about this reordering of priorities. I am saying, Mr. President, that it is time we set the policy in the spending area in such a manner that we will take steps to again permit the economy to grow, for the standard of living of the American people to go upward and, of course, ultimately that means more income, not only for American people, but for the Government itself.

Mr. President, I yield back the floor.

Mr. EXON. Mr. President, I will ask some questions, once again, to try to untangle the conflict that seems to appear here with the figures in front of us.

The Senator from Delaware knows I did not vote for his amendment that he had on the floor of the Senate last week. And, in my statements at that time, I believe he understood why I did not support him. I did not support him because I was convinced at that time, and I suspect that most people would agree—and maybe the ladies and gentlemen of the press might agree to print it—that had we adopted the amendment that was offered by the Senator from Delaware last week, we would have increased the deficit.

If I understand the Senator from Delaware at this time, and that is why I once again am trying to make a decision on this compatible with my feeling that it is critical that the United States of America balance its budget, his amendment may be in order.

And yet, when I first saw on the news tickers this morning the statement that the Senator was going to offer still a new approach to budgeting, I was very much intrigued with the percentages that he outlined at that time.

The press dutifully reported that the Senator from Delaware said that he will introduce an amendment this week that limits Federal outlays of 21 percent of gross national product in fiscal year 1981; 21.5 percent in fiscal year 1982; 20 percent in fiscal year 1983; and 19.5 percent in fiscal year 1984.

Mr. ROTH was quoted in this story as saying, "This would create a budget surplus which could be used either for tax cuts or to reduce the national debt." It went on to say, "By linking the windfall profit tax to a percentage of the Federal expenditures, instead of a percentage of the Federal tax receipts, as he did in his losing effort last week, ROTH hopes to gain enough support to win this time."

I say to my friend from Delaware that this is one vote that he has a chance to pick up. But I want to make sure that I understand what we are doing.

After I read this, I started doing a little calculation on the percentages which have been referred to. I listened to our distinguished chairman of the Budget Committee, with whom I have had the great honor of working on the Budget Committee, and, indeed, as the Senator from Maine has said we have worked hard and long on these things. But I certainly want to give credit where credit is due. At least in this instance, it seems to me the Senator from Delaware has backed away from his position I could not support last week because the position he offered to us at that time would have increased the deficit of the Federal Government.

There is not anything very much new about the fact, as has been brought out by the discussion here today, that indeed on our present course we will have budget surpluses that can be used beginning in 1981 to reduce taxes. I was hopeful that when we reached that point and after we reached it, after we were sure that we were not continuing to spend more money than we take in, then certainly that was the time we should reduce taxes.

I think the key and the crux of the discussion here today is whether the amendment offered by the Senator from Delaware this week will indeed do what he maintains it will do, or whether or not it will do what the chairman of the Budget Committee says it will do, which is to simply increase spending.

Certainly, my calculations, after I looked this over, and after I read the usually reliable news report of this morning, would have indicated after my first realization that maybe the Senator from Delaware indeed had something here. I began to compare the figures. It appears to me that if we would adopt the Roth amendment, despite the fact that I share his concern for ever increasing appropriations, it might be that the chairman of the Budget Committee is right. I would hope that before we vote on this we would have a chance for further discussion between my good friend from Delaware and my good friend from Maine, who seem to be telling the U.S. Senate directly opposite stories as it affects spending.

Mr. President, I yield the floor.

Mr. MUSKIE. Will the Senator yield?

Mr. EXON. I yield the floor.

Mr. MUSKIE. Mr. President, the issue being discussed has to do with what assumptions one makes about gross national product and what it will be in years that have not yet occurred. The estimates of what GNP will be in a given year are constantly being revised.

I have before me a table which apparently the distinguished Senator from Delaware used. It had to do with my discussion on budget demands in the eighties a couple of weeks ago which used estimates based on that table. The top line in that table is described as nominal GNP. The numbers for 1980, 1981, and 1982 are the base line assumptions in the budget resolution. The subsequent years in the table for the decade are simply an attempt to establish a trend line, without claiming to have a crystal ball, as to what the actual facts with respect to GNP will be. Economic development is a cyclical thing. It is not a flat line or a straight line through a decade. It has high years and low years.

If you will look at the footnote at the bottom of that table, Mr. President, you will see the following words: Transition to the trend assumption—that is after the three base line periods—might entail a period of above trend growth in nominal GNP followed by a period below it or a gradual decline in inflation accompanied by another transitory phase of slow growth and rising unemployment.

So those numbers are simply an attempt to portray trend lines in order to put the budget picture for the eighties in the clearest perspective possible, taking into account the Nunn-Chiles-Bellmon amendment.

The actual economic projection for the 5-year period that the budget resolution is based upon is somewhat more economically robust than indicated in the table. The table contains the three GNP figures for 1980, 1981, and 1982 from that actual CBO projection. The 1983 and 1984 numbers in the chart and those for the rest of the decade are derived from an assumption that Congress will reach the Nunn-Chiles-Bellmon outlay and balanced budget targets not later than 1988.

If one were to use the actual CBO projections for 1983 and 1984, using the 5-year outlays assumed in connection with the second concurrent resolution, one would then get the GNP ratio like the 20.0 and so on I have previously described, lower than proposed in the pending amendment.

But in the meantime, may I say to the Senator, the Commerce Department revises the Government's GNP statements every year as new data is obtained and analyzed. This year, for example, fiscal year 1978, was revised from the $2,108 billion on which the budget resolution was based, to $2,128 billion. Such reestimates make a difference as to the ratio that you get.

Those numbers were not available at the time the Budget Committee made its report on the budget resolution. They were not available to Senator ROTH from that report or the table. I am not questioning his good faith. But they do make a difference to any projection of the ratio between outlays and GNP given the latest data on GNP for those 5 years.

Mr. President, I ask unanimous consent that this memorandum be printed in the RECORD so that Members may get that much more exposure to this esoteric art if they wish it.

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

COMMITTEE ON THE BUDGET,
Washington, D.C., December 10, 1979.

MEMORANDUM

To Senator MUSKIE
From Susan Lepper and Cornelia Motheral
Subject Revised Basis for Projected GNP

The projections of GNP used as assumptions by the Senate in the Second Concurrent Resolution for FY 1980 were based on the estimates of 1978 actual GNP that were the latest available in June 1979.

Late in July, the Commerce Department carried out its routine annual revision of GNP data for the three previous years. These

revisions incorporate tax return data and more complete surveys of economic activity. The level of current-dollar GNP in calendar 1978 was revised up by some $20 billion or 0.9 percent.

GNP projections are typically made in terms of rates of change rather than levels. The upward revision of the actual base therefore implies a proportional upward revision of projected levels in future years. The table below shows GNP for fiscal years 1979 through 1984 on a revised GNP basis, compared with the economic assumptions used in the SCR.

Estimates of GNP, billions of current dollars

	SCR	Revised basis
CY 1978, actual	2,108	2,128
Projected, fiscal year:		
1979	2,291	[1] 2,313
1980	2,500	2,523
1981	2,806	2,832
1982	3,177	3,206
1983	3,581	3,614
1984	4,009	4,046

[1] Actual.

Mr. MUSKIE. The fact is that the projections of the ratio between outlays and GNP will vary as the economic picture unfolds, as current and historical data are reestimated, as they will be the first of next year. So you will get different projections. That is why it is difficult, may I say to the Senator, to try to control spending by controlling that ratio.

The ratio is not the driving force; the ratio is the reflection of the outlays versus GNP. If either the numerator or the denominator changes, then the ratio will change.

Senator ROTH seeks to keep the numerator constant. That is he wants to keep the outlays constant or at some fixed level. But if, in the meantime, economic forces change the GNP denominator, that is, if the country is more prosperous, you will get a larger denominator, and you will get a lower ratio of Federal outlays to GNP. But if you have a recession, which everyone seems to be predicting, then the GNP denominator is going to shrink and the spending ratio is going to rise.

That is why this approach to controlling spending is simply not realistic. The GNP ratio is a measure of what you are doing or not doing, so it is a valuable guideline to policy, and if it starts escalating, you ought to know why. But the pending amendment is like trying to control sickness by breaking the thermometer. The thermometer does not cause the temperature; it simply measures it. That ratio that the Roth amendment focuses on does not cause the spending, it simply reflects it as a proportion of GNP. As such, it is a very unreliable kind of control measure just as the Nunn-Chiles-Bellmon was this fall, when the Senate sent defense spending up through the roof.

I hope that I have succeeded, at least somewhat, in explaining what I can personally say can be a very confusing issue.

Mr. EXON. Will the Senator yield for a question?

Mr. MUSKIE. Yes, I do.

Mr. EXON. What my friend from Maine has just said about the measuring device that we are using here leads me to believe that the measuring device being used here is just as fragile as the measuring device that was written into that magical bill that I have heard so much about since I came here, known as Nunn-Bellmon.

Mr. MUSKIE. That is right.

Mr. EXON. Yet, it seems that, since I have been here in the U.S. Senate, somewhere along the line, Nunn-Bellmon seems to have been written, a magical scroll, if you will, for spending in the U.S. Senate not unlike the New Testament is to Christianity. That is not necessarily so, if I understand the remarks made by the chairman of the Committee on the Budget.

Mr. MUSKIE. That is correct. I think it is an interesting benchmark to which we ought to do our best to adhere.

Mr. EXON. Does the chairman of the Budget Committee maintain what he said in his original statement, that if we adopt the Roth amendment, we shall be authorizing increases in expenditures over the positions currently taken by the Senate Budget Committee?

Mr. MUSKIE. That is correct, but it is conceivable—I cannot probe Senator ROTH's mind—that if he had had available to him the latest corrections of projected GNP, he might have come up with a different formula. That I have no way of knowing.

In any case, on the basis of the formula he has chosen and on the basis of the latest GNP figures, that is the case.

Mr. EXON. Would it be fair, then, to say that, on what the chairman of the Budget Committee knows now, he can honestly say that the amendment offered by Senator ROTH would then place us in a position not to control spending, but to increase it, if it were adopted?

Mr. MUSKIE. It would be a higher ceiling.

Mr. EXON. I thank the chairman.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I point out that the statement that the Roth-Stone amendment will result in more spending is just not true. We took the very figures the chairman of the Budget Committee inserted in the RECORD just 2 weeks ago, on November 27, 1979, at page 33592, the very figures that were adopted in the second budget resolution.

It is perfectly true that the estimates in these outyears are, at best, guesstimates, and you could try to change those guesstimates to make them prove whatever you want to. The fact is that the Roth-Stone amendment, again using the same figures as the second budget resolution, which is what this Congress is abiding by, would require a spending restraint of $54 billion more than the second budget resolution. The mandatory limits that would be imposed by this legislation would be the lowest ever.

The water can easily be muddied when we are talking about hundreds of billions of dollars. You can change the assumptions on which these figures are based and try to prove whatever you want, but the fact is that we are limiting the percentage; by 1984, it will bring it down to 19.5. We feel that by adopting these mandatory provisions, we, first, provide for savings and, second, create certainty in the budget picture.

I yield back the floor.

Mr. MUSKIE. Mr. President, I gather, if I understand what the good Senator from Delaware said, that, once the Budget Committee and the CBO have taken a reading on the state of the economy, that should be it for some indefinite period in the future and we have no right to reestimate and we have no right to make the computations that are necessary to bring our estimates and projections up to date, that we somehow have to be frozen into a period that is convenient for the Senator from Delaware.

Mr. President, let us just look at the ratios that we are talking about. Senator MAGNUSON, last week, proposed spending ratios for 1981, 1982, and 1983 which were 21, 20, and 19 percent, respectively. The Roth amendment, which is before us, has the same ratio for 1981—21—but is higher, at 20.5 percent than MAGNUSON in 1982 and higher by 20 percent to 19 percent than MAGNUSON in 1983.

Then let us take the Jones bill on the House side. The Jones amendment proposes 21, 20, and 20 percent targets. ROTH is 21, 20.5, 20. The budget resolution is 21.2 for 1981, which is higher than ROTH, but then it is 20.4 for 1982 and 19.6 for 1983, which is lower than ROTH.

Is the distinguished Senator from Delaware arguing that I should apply my ratio to a different estimate of GNP than his so that his will result in lower spending, even though his ratio is higher? What kind of logic or nonsense is that?

He says that we should use the GNP figures that were in this 10-year trend chart, which was not a hard data chart for those 10 years; it is a trend chart. He says that he is using those GNP numbers from that chart. Well, if I use the same GNP figures, but if my spending ratios are lower—that is, the congressional budget ratios—then, obviously, they are going to produce less spending. I do not think any kind of twisted logic by the sponsor of this amendment can arrive at a different result.

If, on the other hand, he reserves the right to use his own GNP projection which, applied to his ratio, produces lower spending, then I think we have not an even ballgame. But I think those ratios speak for themselves, Mr. President, and I do not think further discussion is necessary.

Mr. ROTH and Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I shall take just a few moments. I am ready to vote, and I assume everybody else is.

We are talking now about an amendment which has been voted on by this body a number of times, as recently as last week, and defeated. I have generally been sympathetic to amendments which deal with indexing, because I have great empathy for the people of this country,

who are losing their disposable incomes and who are not going to sit still forever with their incomes being eroded on the order of 5 and 6 percent per year. But I have never been convinced that indexing is a good solution. It has not worked in those countries which have tried to index inflation, and I am not at all sure it will work in the case of taxation.

Second, I have studied a little economics. As a matter of fact, I had a minor in economics in undergraduate school. One thing I learned was that the determination of the gross national product is a very imprecise science. It has only been a few weeks since the Treasury Department said there are $170 billion of transactions in this country every year which are unreported and on which no taxes are collected. Maybe we have been worrying too much about the low rate of productivity in this country.

Maybe productivity is not that low at all. If we add all that unreported income, it is possible that our productivity rate is equivalent to that of West Germany or Japan, the paragons of productivity.

There is a way to reaffirm the faith of the working people of this country that Congress will not sit idle and see them destroyed.

We are talking about sympathy for the people who are demanding a tax cut, people who are suddenly realizing how onerous the social security tax can be and how onerous it is going to be starting in January 1981.

We are sitting here now debating a bill that is going to levy, in effect, a tax of $100 billion to $300 billion a year on the American consumer, the same people we profess to be so concerned about now.

When the President decontrolled the price of oil, he took an action which, over the next 10 years, will force American people to pay $1 trillion to $3 trillion more for essential energy.

He is my President. I think he does a great job in most areas. I disagree strongly with him on that.

But that decision has been made. The President has asked the U.S. Congress, to keep faith with the American people by recapturing some of this $1 trillion to $3 trillion to alleviate the terrible burden that is going to be placed on them.

And who is it that says the House bill of $270 billion is too much? Who is it that wants to give everything to the oil companies in the name of incentive?

I find it inconsistent to say, "I want more defense, but I want a balanced budget." Those people want more of everything. They want a balanced budget and they want to produce synthetic fuels for millions of dollars, but they will not recapture any of this money, which the American people are paying, in order to balance the budget.

If we want to cut taxes, cut spending, Where are we going to cut it?

There is something inconsistent about this whole process, Mr. President.

Last week a few of us in this body voted against the Helms amendment to reestablish the deduction of the State and local gasoline tax. It was not a very happy vote, not for the Senator from Nebraska, not for the Senator from Maine.

I would love to go home and tell my people that we reinstituted it, even though most people do not itemize and get any benefit from it. But it was $43 billion in lost revenues.

If we want tax cuts and to balance the budget, we have to cut spending.

If we want to cut taxes and lower the social security rate, tell me how to do it.

Do we want the American people to have a tax cut and stand in this body and say in the same breath that we will levy $100 billion to $300 billion more against them?

The Roth amendment would not even begin to give the American people the benefit necessary to balance the burden which we are levying on them here by adopting a weekened, nothing windfall profit tax.

I stood here during the Panama Canal debate. It was not a very happy time for me because I voted for it. What did I hear from all those people opposed to it? "You are breaking faith with the American people. They do not want the Panama Canal Treaty."

Well, Mr. President, every poll I have seen says 80 percent of the American people want the stiffest windfall profit tax we can pass.

Why is it not applicable now? We all know why it is not applicable. We all know production of oil in this country will decline. Even the Senator from Alaska put a UPI story on everybody's desk this afternoon. It says that production will decline steadily between now and 1990, and I agree with that. I have said it all along.

So, Mr. President, I am in wishing to have a tax cut. I may even vote for an irresponsible tax cut one of these days because I want the American people to have it so badly but everybody cannot be irresponsible on the same day around here. So I will have to pick and choose the time. Somebody has got to be concerned about who is keeping the store.

So, tell me where we want to cut the spending. Do we want to take it out of defense?

The President says he wants a 100,000-man strike force that will cost an additional $9 billion over the next 5 years, above that 3-percent to 5-percent increase in real dollars we have been talking about, and I intend to vote for it. I intend to be for it. But I intend to be responsible about where the money is coming from.

Do we want a balanced budget? Then vote to cut spending.

We have to make up our minds. We either raise taxes or raise the deficit, and we cannot cut taxes and raise defense spending all at the same time.

We cannot help the American people when we say we want this tax cut for them and at the same time we wink and say, "But we will lay another hundred billion on you on top of this."

So, Mr. President, nobody in this body derives any pleasure from having to ride home and say to the folks that he voted for the tax increase. Nobody wants to say the social security taxes will go up precipitously in 1981.

If everybody had the good sense to have voted for my amendment the other day, we would not have to say that.

But as long as I feel the absolute necessity to be responsible and consistent about spending and about a balanced budget and defense spending, I must very reluctantly again oppose the amendment of the Senator from Delaware.

I yield the floor, Mr. President.

Mr. ROTH. Mr. President, this Senator is ready for a vote and has been for a considerable period of time.

I know that a number of Senators have other demands on their time. I hope in the interest of expediting whatever other action is going to be taken tonight that we could have an immediate vote.

Mr. President, I ask for the yeas and nays on my motion for the waiver.

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

The yeas and nays were ordered.

Mr. ROTH. As I say, Mr. President, I yield the floor and am ready for a vote now.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the final disposition of the motion by Mr. ROTH to waive the provisions of the Budget Reform Act that there be a 20-minute time limitation on the amendment by Mr. STEVENS, the plowback amendment by Mr. STEVENS, to be equally divided between Mr. STEVENS and Mr. LONG, if Mr. LONG opposes the amendment, and if Mr. LONG does not oppose the amendment that I be in control of the time.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object——

Mr. ROTH. Mr. President, reserving the right to object, in order to make certain I understand, and I did not intend to object, in the event the waiver is granted, it is my understanding that it would carry over until the time of the motion to reconsider or a motion——

Mr. ROBERT C. BYRD. What I am saying is that upon the final disposition of the distinguished Senator's motion to waive the provisions of the Budget Act, that there then be 20 minutes for debate on the amendment by Mr. STEVENS, the plowback amendment, which is an amendment in the first degree, the time to be equally divided leaving open the right to—well, I see what the Senator is talking about.

If the motion to table the motion by Mr. ROTH to have the Budget Reform Act provisions is successful, that there then be a time limitation for debate on the plowback amendment by Mr. STEVENS limited to 20 minutes, which would leave

open the motion to table. It would not waive any right.

Mr. ROTH. If the motion to table is not carried, I ask the distinguished majority leader what would happen then?

Mr. ROBERT C. BYRD. Well, I guess we would recess for the evening. [Laughter.] That is about as close as I can come.

Mr. ROTH. I withdraw my objection.

Mr. DOMENICI. Mr. President, reserving the right to object——

Mr. STEVENS. Mr. President, reserving the right to object—and I shall not object—I did have a modification of my amendment at the desk. As I understand the situation, if the amendment becomes subject to a time agreement I could not modify it without unanimous consent. I will ask if the majority leader will permit me at this time on my reservation to modify my amendment. It would not change the situation with regard to the Senator from Delaware's amendment, but my basic amendment would just be modified.

Mr. DOMENICI. Mr. President, I have been waiting for some percentages so that I could speak for about 2 or 3 minutes on the Roth amendment. If they do not arrive I would nonetheless like to speak for no more than 5 minutes.

As I understand it, you are preparing to lay down the order for the day. Could you provide before the tabling motion that I have 5 minutes?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 5 minutes, that I may yield the floor for 5 minutes, to Mr. DOMENICI for the purpose of his making a statement, and then that I may be again recognized for the purpose of moving to table.

The PRESIDING OFFICER. Is there objection? As I understand, the majority leader is withholding his first unanimous-consent request?

Mr. ROBERT C. BYRD. I withdraw the request for the time being.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, I would like to get my little old modification. It reduces the credit to 50 percent, and it is drafted so that it applies only to those assets north of the Brooks Range. It is in the Prudhoe Bay area north of the Arctic Circle. It is a much more limited amendment than my basic amendment. I would like to modify that, if I can.

Mr. ROBERT C. BYRD. I personally have no objection, but I do not see any member of the Finance Committee on the floor just now. They are in the area. There is nobody on this side of the aisle, and I would prefer to wait, unless Mr. DOLE would change his affiliation and come over to this side of the aisle. Further I ask the distinguished acting Republican leader to withhold his request.

Mr. DOLE. I have no objection.

Mr. STEVENS. Very well. It will come up at the time of the time agreement.

Mr. ROBERT C. BYRD. I yield the floor under the previous understanding.

The PRESIDING OFFICER. Without objection. The Senator from New Mexico is recognized for not to exceed 5 minutes.

Mr. DOMENICI. I thank the majority leader.

Might I say to my good friend from Maine that I was not here today when he made his entire argument, but I certainly would not want the RECORD to indicate that in supporting a statute, a law, that would mandate 21 percent of all GNP in 1981, 20.5 in 1982, 20 in 1983, and 19.5 in 1984, and I repeat, in voting for a national statute that would mandate that, I would not want anyone to think the Senator from New Mexico was, therefore, voting for more expenditures by the Federal Government rather than less.

I know the Senator clearly believes that is the case. But I would just like to explain to the Senate why I do not believe that is the case.

Mr. MUSKIE. Mr. President, will the Senator yield on that?

Mr. DOMENICI. I have only 5 minutes. I yield for a response. As the Senator understands I have not spoken today.

Mr. MUSKIE. There is no such conclusion. My conclusion is that trying to project GNP is such an imprecise and uncertain science that one cannot be sure as to what would be the result of either policy course. If you make the same assumptions then we can make hypothetical conclusions about which course represents the highest spending level.

Mr. DOMENICI. I thank the Senator from Maine.

Now let me say to the Senate, I recall the argument of the distinguished Senator from Maine with reference to a 1981 budget—and if I have quoted the Senator wrong, I would be delighted to yield the floor, but it seems to me that in past debates on the tax limitation, he indicated that we were mandated to come in with a balanced budget in 1981, and therefore we did. Am I correctly interpreting the remarks that the Senator made?

Mr. MUSKIE. We were mandated by the Long amendment on the debt ceiling legislation to produce two options for a balanced budget. One was a balanced budget for the first time in 1981, the other a balanced budget for the first time in 1982. The second, of course, would have been a more liberal, expanding budget than the first; but both the Senate Budget Committee and the Senate opted for the balanced budget in 1981, and that is what the present budget resolution is based upon.

Mr. DOMENICI. I want to say to the Senate—and I am trying my best to state the law as it is—everyone should know there is no limit on the budget for 1981, 1982, 1983, or 1984 that relates, today, to a percent of the GNP, whether it is the percent that Senator ROTH proposes here today, or the percent that Senator MUSKIE extrapolates as being the Budget Committee's outyear projections. I repeat, there is no statutory mandate as to an exact percentage of the GNP, that expenditures must balance the GNP. There is no mandatory statute.

Mr. MUSKIE. Will the Senator yield?

Mr. DOMENICI. Not at this point.

Mr. MUSKIE. Does not the Nunn-Chiles-Bellmon amendment?

Mr. DOMENICI. Yes, and I will recite that. That is no mandatory statute. It says it is the policy of Congress that that shall be the case. There is no statute on the books that says, "When the Budget Committee goes into conference, here is a law that you measure your performance against, and it is a percentage of the GNP, fixed firmly by law."

It can be argued that the Senate Budget Committee, in its outyear projections, has some kind of percentages in it, and that they are in some way related to Nunn-Bellmon-Chiles. Incidentally, they break Nunn-Bellmon-Chiles in the first year, but nonetheless, there is no statute on the books now.

Mr. MUSKIE. Will the Senator yield?

Mr. DOMENICI. In just 1 moment, I say to the Senator.

Mr. MUSKIE. You have made that point at least six times, and I would like to respond.

Mr. DOMENICI. I want to make the balance of my point, and then you can make yours.

Mr. MUSKIE. I cannot respond in any way when you are making your argument. The Senate Budget Committee produced a budget resolution that tracks Nunn-Chiles-Bellmon all the way through.

The PRESIDING OFFICER. The Senator's 5 minues having expired, the Senator from West Virginia is recognized under the previous order.

Mr. DOMENICI. I ask unanimous consent, since Senator MUSKIE has been using part of my time, for 2 additional minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield the floor for 2 minutes for the purpose of a statement by Mr. DOMENICI, without losing my right to the floor.

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

Mr. DOMENICI. I thank the distinguished majority leader, and I thank the Chair.

The House does not have any outyear projections in its budget, and it seems to me that if we had a law, it would bind the House as well as the Senate.

Second, the House is considering a percentage limitation. I wonder why they are considering it, if it is totally ineffective.

I would agree with the chairman of the Budget Committee that the GNP varies over the years; there is no question about that. But we are trying to establish by statutory law a percentage of the GNP the Budget Committee can use in the outyears. I do not believe it is fair to say that a statutorily binding percentage is going to cause us to spend more than some outyear goal that is binding on no one, because there is no law to back it up.

That is the only reason why I have taken to the floor. I believe it would be historic, in fact absolutely incredible, in the light of the percentage increases every year with the budget process, if we could come up with 19.5 percent of the GNP, or whatever it is, in 1984, and I do not believe it is fair to find that that is an increase in expenditures, when it is being measured against something that is not a statute, not a law, nothing

more than the sense of Congress, followed up by outyear projections of the Budget Committee that are binding on no one.

I yield the floor.

Mr. MUSKIE. Mr. President, will the majority leader yield me 1 minute? I have been patiently listening to this argument, and I would like to respond to it.

Mr. ROBERT C. BYRD. I ask unanimous consent to yield the Senator 1 minute, without losing my right to the floor.

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

Mr. MUSKIE. Mr. President, I am not saying that the amendment mandates more spending. It permits more spending. Here is the second concurrent resolution, in support of what I have said.

Moreover, contrary to the Senator's statement, the House has adopted outlay aggregates which reflect a budget limitation.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, this amendment is not germane to the bill. This is not a general revenue bill. I wish it were; I might offer an amendment myself.

The amendment is not only nongermane to the bill, but a point of order would lie against it under the provisions of the Congressional Budget Act. Inasmuch as the Senator from Delaware has moved to waive the provisions of the Budget Act, he concedes that point.

We are going through the same motions as we did last week. It is really a playback. The amendment is slightly changed, but that is the situation we find ourselves in. We vote down a nongermane amendment, and then the authors come back the next day or the next week with more nongermane amendments just slightly changed, until it becomes really dilatory. I am not criticizing the Senator from Delaware for being dilatory, but when these same amendments, same procedures, and same motions come up over and over again, we are not making any progress on the bill itself.

So, with apologies to the Senator from Delaware, I move that his motion be laid on the table, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion offered by the Senator from Delaware, pursuant to section 904(b) of the Congressional Budget Act, to waive the provisions of titles III and IV of that act with respect to the amendment of the Senator from Delaware.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second legislative clerk called the roll.

Mr. CHILES (after having voted in the affirmative). Mr. President, on this vote I have voted in the affirmative. If Senator STONE were here, he would vote "nay." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. STEVENSON), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Hawaii (Mr. INOUYE), and the Senator from Florida (Mr. STONE) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

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

The VICE PRESIDENT. Are there any other Senators wishing to vote?

The result was announced—yeas 43, nays 40, as follows:

[Rollcall Vote No. 467 Leg.]

YEAS—43

Bentsen	Gravel	Muskie
Biden	Hart	Nelson
Boren	Heflin	Pell
Bradley	Hollings	Pryor
Bumpers	Huddleston	Randolph
Burdick	Jackson	Ribicoff
Byrd, Robert C.	Johnston	Riegle
Cannon	Leahy	Sarbanes
Cranston	Levin	Sasser
Culver	Long	Stennis
DeConcini	McGovern	Stewart
Durkin	Matsunaga	Weicker
Exon	Metzenbaum	Williams
Ford	Morgan	
Glenn	Moynihan	

NAYS—40

Armstrong	Heinz	Roth
Bellmon	Helms	Schmitt
Boschwitz	Humphrey	Schweiker
Byrd,	Jepsen	Simpson
Harry F., Jr.	Kassebaum	Stafford
Chafee	Laxalt	Stevens
Cochran	Lugar	Talmadge
Danforth	McClure	Thurmond
Dole	Magnuson	Tower
Domenici	Mathias	Wallop
Durenberger	Melcher	Warner
Garn	Packwood	Young
Hatch	Percy	Zorinsky
Hayakawa	Proxmire	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Chiles, for

NOT VOTING—16

Baker	Goldwater	Pressler
Baucus	Hatfield	Stevenson
Bayh	Inouye	Stone
Church	Javits	Tsongas
Cohen	Kennedy	
Eagleton	Nunn	

So the motion to lay on the table was agreed to.

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

Mr. MUSKIE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE addressed the Chair.

The VICE PRESIDENT. The Senator from Maine.

Mr. MUSKIE. Mr. President, I make the point of order that the Roth amendment is out of order under section 306 of the Budget Act.

The VICE PRESIDENT. The amendment offered by the Senator from Delaware contains matters clearly within the jurisdiction of the Budget Committee in violation of section 306 of the Budget Act. Therefore, the point of order is sustained.

The question recurs on the amendment offered by the Senator from Alaska.

AMENDMENT NO. 712, AS MODIFIED

Mr. STEVENS. Mr. President, I shall be very brief. I have a modification of my amendment at the desk.

The VICE PRESIDENT. The Senate will be in order.

Mr. STEVENS. Mr. President, I have a modification of my amendment at the desk.

The VICE PRESIDENT. The Senator has a right to modify his amendment.

The amendment, as modified, is as follows:

On page 66, between lines 6 and 7, insert a new section as follows:

"SEC. 4992. TAX CREDIT FOR QUALIFIED EXPENDITURES IN ALASKA.

"(a) Commencing October 1, 1980, a credit up to the amount of tax imposed by section 4986 shall be allowed as a reduction of the tax imposed by section 4986 to the extent that such moneys are expended on qualified development costs in Alaska, including frontier areas, or on the transportation of oil or natural gas produced in Alaska, including frontier areas, to consumers in other 49 States or Alaska. For purposes of this Act, the term 'qualified development costs' means 50 percent of costs incurred for the construction, reconstruction, erection or acquisition of depreciable assets used for the exploration, development, production or transportation of oil or natural gas (including gas conditioning facilities) located north of the Arctic Circle, but only if the original use of the asset begins with the taxpayer. In the case of assets used for the transportation of oil or natural gas, qualified development costs shall be limited to pipelines for the transportation of natural gas produced north of the Arctic Circle to the other 49 States.

Renumber the existing sections accordingly.

Mr. STEVENS. The amendment provides that 50 percent of the moneys to develop the Prudhoe Bay area and to provide a gas pipeline to bring Prudhoe Bay gas to the south 48 will be taxed against the windfall profit tax paid on Prudhoe Bay oil.

The effect of that will be that if the industry puts up the $15 billion to carry out this program, there would be approximately a $7.5 billion tax credit against the windfall profit tax to allow them to go into the other areas of Alaska and offshore Alaska.

I point out that Atlantic Richfield announced its spending program for the next year. That spending program of $2.5 to $3 billion for 1 year was announced to be contingent upon the windfall profit tax being along the lines proposed by

the Senate Committee on Finance. As we all know, this windfall profit tax is much greater than that. I hope that the Members of the Senate will recognize that if we are to develop the Prudhoe Bay field—we are talking, incidentally, about approximately 6.7 billion barrels of oil that could be recovered. It is in a known area. That oil can be recovered. It is an increase in production from the level we now have of 1.2 billion up to 3½ billion barrels a day. That will bring us 6.7 billion barrels of oil in 8 years. So, roughly, what that calls for is a $1-a-barrel tax credit for the investments required to bring this oil out of the ground and to build a gas pipeline.

Mr. President, Federal assistance is going to be required one way or another to build that gas pipeline. The best way I know is to provide a credit against the windfall profit tax. To the extent that the producers of the Prudhoe Bay oil agree to put money into the gas pipeline, they will get a 50-cent credit for every dollar they put in against the windfall profit tax. I think it is a good amendment and I hope it will be supported.

Mr. MAGNUSON. Will the Senator yield?

Mr. METZENBAUM. Will the Senator from Louisiana yield to me for 1 minute?

Mr. MAGNUSON. Will the Senator from Alaska yield to me?

Mr. LONG. First let me say, Mr. President——

Mr. MAGNUSON. May I ask a question first?

Mr. LONG. Yes.

Mr. MAGNUSON. When the Senator is speaking of gas pipeline, is he speaking of natural gas?

Mr. STEVENS. I am speaking of the natural gas pipeline. That is 10 percent of the known reserves.

Mr. MAGNUSON. Not a crude oil pipeline?

Mr. STEVENS. This is a natural gas pipeline. This amendment as drawn now limits the credit to the cost of pipelines for the transportation of natural gas produced north of the Arctic Circle to the other 49 States.

Mr. MAGNUSON. That is very important to us.

Mr. LONG. Mr. President, I want to take 1 minute.

Mr. President, the committee bill was better to Alaska than was the House bill. We moved up from tier 1 to tier 2, but that was what Atlantic Richfield asked for. They would have liked to have it all be totally exempt. They said they would like to be in tier 2. We gave them that. They have a tremendous amount of new oil to be brought in in Alaska. All that will be exempt. We voted here today to move up from tier 1 to tier 2. If there is going to be a need of putting more money into Alaska, Mr. President, any more tax incentives or more grants, I should think the administration would recommend it one of these days.

This amendment would further reduce the revenue in the bill by $7.2 billion, aimed entirely at Alaska. Mr. President, we on the committee, I believe, were good to Alaska. We were as good as we could be. As a matter of fact, if anything, we have been accused of being too good to the industry. It seems to us we have gone far enough in helping Alaska for the time being.

If there is a problem of building these pipelines or drilling these wells later on, if the administration suggests to us there is a problem, we shall be glad to help. For now, I think this will be $7.2 billion less revenue than we should vote. I think we should stand by the committee's position.

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

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

The yeas and nays were ordered.

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

Mr. ROBERT C. BYRD. Mr. President, this will be the last vote unless it is one of those cliffhangers.

The assistant legislative clerk called the roll.

Mr. BOREN (after having voted in the affirmative). On this vote, Mr. President, I have a pair with the Senator from Nevada (Mr. CANNON). I voted "aye." If Mr. CANNON were here, he would have voted "nay." I, therefore, withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. STEVENSON), and the Senator from Florida (Mr. STONE) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The PRESIDING OFFICER (Mr. MATSUNAGA). Are there any other Senators who wish to vote?

The result was announced—yeas 31, nays 51, as follows:

[Rollcall Vote No. 468 Leg.]

YEAS—31

Armstrong	Helms	Schmitt
Bellmon	Humphrey	Schweiker
Boschwitz	Jepsen	Simpson
Chafee	Kassebaum	Stevens
Cochran	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Garn	Magnuson	Warner
Gravel	Mathias	Young
Hatch	Percy	
Hayakawa	Roth	

NAYS—51

Biden	Heflin	Pell
Bradley	Heinz	Proxmire
Bumpers	Hollings	Pryor
Burdick	Huddleston	Randolph
Byrd,	Jackson	Ribicoff
Harry F., Jr.	Johnston	Riegle
Byrd, Robert C.	Leahy	Sarbanes
Chiles	Levin	Sasser
Cranston	Long	Stafford
Culver	McGovern	Stennis
Danforth	Matsunaga	Stewart
DeConcini	Melcher	Talmadge
Durenberger	Metzenbaum	Tsongas
Durkin	Morgan	Weicker
Exon	Moynihan	Williams
Ford	Muskie	Zorinsky
Glenn	Nelson	
Hart	Packwood	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, for.

NOT VOTING—17

Baker	Cohen	Kennedy
Baucus	Eagleton	Nunn
Bayh	Goldwater	Pressler
Bentsen	Hatfield	Stevenson
Cannon	Inouye	Stone
Church	Javits	

So Mr. STEVENS' amendment (No. 712), as modified, was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further plowback amendments?

Mr. ROBERT C. BYRD. Mr. President, what is the order now?

The PRESIDING OFFICER. If there are no further plowback amendments, the question recurs on the amendment of the Senator from West Virginia to the amendment of the Senator from New Jersey.

Mr. ROBERT C. BYRD. Mr. President, I understand that the distinguished Senator from Connecticut (Mr. RIBICOFF) and other Senators are ready to offer a minimum tax amendment. If it is agreeable, I think we might as well proceed.

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

Mr. ROBERT C. BYRD. I yield.

Mr. PACKWOOD. I have two amendments that I have discussed with the chairman of the Finance Committee and Mr. DOLE, and they are noncontroversial.

Mr. ROBERT C. BYRD. We will come back to those shortly.

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

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. As I understand the parliamentary situation, the Senator from Kansas and the Senator from Washington have plowback amendments which could be called up at this time.

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. The Senator from Kansas—I cannot speak for the Senator from Washington—is willing to set aside his amendment by agreement, without losing my right to offer the amendment following the submission of the minimum tax amendment.

Mr. ROBERT C. BYRD. I am willing to ask unanimous consent, but I think that at some point we should know

whether or not the distinguished Senator from Kansas is going to offer his plowback amendment. We have been setting it aside. It constitutes a sort of formidable obstacle, sitting out there under the order.

I hope that at some point we either offer it or set it aside; because if we are not going to follow the order, I think the Senator should have his opportunity to offer the amendment. If he is not going to do that, I think the order should be vitiated.

However, for this time, and leaving that question for a later date, I ask unanimous consent that Mr. RIBICOFF be recognized to call up a minimum tax amendment and that upon his having done that, Mr. BUMPERS then be recognized to call up an amendment to the minimum tax amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Missouri reserves the right to object.

Mr. DANFORTH. I have a couple of amendments which I do not believe the committee will accept. I was wondering when, if ever, I could get them in. It seems to be dragging out longer and longer, and the Senator from Kansas now, apparently, is going to keep his right to offer amendments hanging more or less in perpetuity. It does have a somewhat chilling effect on other Senators who may have amendments to offer.

So I was wondering if there was any effort either to set up some sort of new time agreement or whether this was just going to go on, with the Senator from Kansas and the Senator from Washington forever blocking out other amendments.

Mr. ROBERT C. BYRD. May I say, on behalf of the distinguished Senator from Washington, that he will withdraw his amendment from the order.

Mr. President, I ask unanimous consent that the order with respect to the amendment by Mr. JACKSON be vitiated. That leaves only Mr. DOLE's amendment as an obstacle.

[Laughter.]

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

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

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. I view it as an opportunity, not an obstacle.

In any event, I do not think it has been in the way of anything too much. We have been moving along pretty rapidly, and I would be happy to set it aside for the Senator from Missouri. I just want to leave it there in case something happens. I do not know what it could be. I may want to withdraw mine tomorrow or Wednesday. But I do not want to interfere with the rights of the Senator from Missouri.

Mr. STEVENS. Mr. President, reserving the right to object, as I understand the order, plowback amendments still would be in order. There is only one more that has a priority. Is that not correct?

Mr. ROBERT C. BYRD. That is right. There was a sort of general understanding that we would get the plowback amendments out of the way, and we named a series of them, by the authors we tried to protect at the time. I think that was a sort of understanding. It was not an order of the Senate, however.

Mr. STEVENS. I hope I can make the record plain—reserving the right to object—that I may still try some combination that would get my good friend from Louisiana on my side so far as plowback is concerned.

The House bill treated Alaska Sadlerochit-Prudhoe Bay oil as old oil, postulated at $30 a barrel, with a 50 percent tax. The tax is $11.25. The Senate has been so generous that we have given tier 2 treatment, but taxed at 75 percent. The tax on Prudhoe Bay oil is $12.75 a barrel. So in our love and kindness for Prudhoe Bay oil, we have stretched out the development period.

We have not gotten any incentive at all toward the development of the one last known reserve we have. I hope that sometime I can convince my good friend from Louisiana that I am not going too far to at least get the treatment in terms of the tax dollars that the House had so far as Alaska oil is concerned.

I do intend to try to offer an amendment again to deal with this subject, if I can.

Mr. ROBERT C. BYRD. Mr. President, I renew my request with respect to the Senator from Connecticut and the Senator from Arkansas.

Mr. DANFORTH. Mr. President, reserving the right to object, I inquire of the majority leader whether or not there is going to be any sort of agreement or attempts to reach an agreement with respect to subsequent amendments and the order of calling up such amendments; also, what plans, if any, the majority leader has with respect to filing a cloture motion.

Mr. ROBERT C. BYRD. I said on Friday that I was going to file a cloture motion that day. But at the request of the then acting Republican leader, Mr. TOWER, I said I would refrain from doing so until today. So I am prepared to offer one today.

Mr. DANFORTH. Is that the plan?

Mr. ROBERT C. BYRD. Yes.

Mr. DANFORTH. To offer one today?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. We could not vote on it today, without unanimous consent.

Mr. ROBERT C. BYRD. We could not vote on it.

Mr. DANFORTH. So it would be voted on——

Mr. ROBERT C. BYRD. The day after tomorrow.

Mr. DANFORTH. The day after tomorrow.

I wonder if I could inquire further——

Mr. ROBERT C. BYRD. The amendment of the distinguished Senator from Missouri would be germane even if cloture—one of his amendments, I am told, would be germane.

Mr. DANFORTH. Yes.

Mr. President, I was hoping to preserve an option with respect to both.

Mr. ROBERT C. BYRD. That can be done only by unanimous consent. Otherwise, a cloture motion under rule XXII would obtain.

But if the minimum tax amendment is disposed of in the meantime the Senator could call up his nongermane amendment. If he could get a vote on it before cloture is invoked that would be to his credit. Otherwise it would fall if the point of order were made under rule XXII once cloture is invoked if it is not germane. But I understand one of his amendments would be germane in any event.

Mr. DANFORTH. Yes. That is my understanding also.

Is there any effort in the majority leader's unanimous-consent request to have a time limit on the amendment to be offered by Senator RIBICOFF?

Mr. ROBERT C. BYRD. There is not at the moment. It may very well be we could get a time agreement tomorrow or perhaps even dispose of an amendment tomorrow. There will be several Senators who want to speak on it. So I do not want to attempt to get an agreement on it this evening.

Mr. DOLE. If the Senator will yield, could we get a time agreement on the motion to table at 11 o'clock on Wednesday?

Mr. LONG. Mr. President, assuming that the Ribicoff amendment is laid down, after the amendment has been debated long enough so everyone understands what it is—at the moment we do not understand it—if someone does not move to table, I would move to table. Because if it had not come to a vote after a reasonable amount of debate, I would feel compelled as manager of the bill to move to table to see where the votes are and to get on with the business.

As I say, I do not plan to debate the amendment at length. But some others may.

If the debate drags on, I hope to have a test of strength, to see where the votes appear to be, by making a motion to table. If the motion to table is carried, of course that settles it. If it fails then, of course, it is within the right of anyone to debate the amendment if he wants to, but we would see where we stand then.

Mr. DOLE. If the Senator will yield further, we will have a little test with a cloture motion being filed. That will come on Wednesday. I thought this would fit right in with that.

Mr. LONG. I hope we would have a vote on the amendment up or down before the cloture motion is voted on. But, of course, if not, that will be that.

Mr. RIBICOFF. If the Senator will yield, I have no desire to stretch out the time on this amendment. As far as I am concerned, we can set a time certain. I do not know about the opposition.

Mr. ROBERT C. BYRD. May I say, Mr. President, to the distinguished Senator from Kansas, I am not interested in delaying the Senate. After reasonable length of time, like the distinguished Senator from Connecticut (Mr. RIBICOFF), I am willing to have a vote and see where the Senate stands on the

minimum tax, and I am sure the other cosponsors will be willing, also.

We will be the last to enter into any cabal to delay action on this bill. That will never be the case on this side.

Mr. LONG. Mr. President, if the Senator will yield, I get weary of delay, especially when my side is prevailing, but I hope the Senator will not refer to those who happen to be debating at length against something as a cabal. It seems to me as though the Senator himself, our great majority leader, has participated in some rather extended debates on occasion that would reflect even on him to suggest it is something unworthy for someone to exercise his right to debate something at length.

I hope we can pass this bill this week and settle the whole thing and lay the bill on the President's desk long before Christmas. At the same time, I do not think that we should reflect on someone who exercises his right to debate, at considerable length, an amendment that involves many billions of dollars in taxes.

I hope my distinguished leader would not suggest that because one never can tell where that ball will bounce.

Mr. ROBERT C. BYRD. Mr. President, I had no realization whatsoever that I was implying that anyone was entering into any cabal to delay action on this bill. The last would be Mr. LONG. He is attempting every way he possibly can to expedite action on the bill. He is committed to placing a bill on the President's desk that the President would be "pleased to sign." And I know that Mr. LONG would be the last man around here to break his commitment.

I simply said what I said to assure the distinguished Senator from Kansas that there is not going to be any disposition on the part of any of us who are supporting the minimum tax amendment to delay the Senate, and if any Senator inferred otherwise I apologize to that Senator and say I assure him I meant to cast no reflection on any Senator.

Mr. DOLE. If the majority leader will yield, I am not sure we will give the same assurance on those opposed to the minimum tax, but certainly we will give a test on a motion to table, and the cloture will be filed, and whatever happens I guess will happen, but I think it does do some good to have this little plowback hanging out there. It may shut off some nongermane amendments in the process until we get cloture, so I may be doing the majority leader a service.

Mr. ROBERT C. BYRD. It may be a blessing in disguise.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Alaska reserves the right to object.

Mr. STEVENS. I wish to have the request stated if I may.

The PRESIDING OFFICER. The request is that the Senator from Connecticut and the Senator from Arkansas be allowed amendments.

Mr. ROBERT C. BYRD. Or someone.

Mr. RIBICOFF. Senator BRADLEY is in that, also.

Mr. ROBERT C. BYRD. Mr. BRADLEY in Mr. BUMPER's stead.

Mr. STEVENS. Is there a time agreement involved in the request?

The PRESIDING OFFICER. There is no time agreement.

Mr. STEVENS. Does the request in any way prevent the offering of the plowback amendment of the Senator from Kansas?

Mr. DOLE. My rights are preserved.

The PRESIDING OFFICER. Not if made subsequent to the three amendments to be offered.

Mr. DOLE. Three amendments or two?

The PRESIDING OFFICER. Two amendments.

Mr. STEVENS. Two.

Mr. DANFORTH. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Missouri reserves the right to object.

Mr. DANFORTH. It seems to me the problem with this procedure, given the fact a cloture motion is going to be filed, given the fact that we have, as I understand it, an amendment in the second degree and then Senator DOLE has a plowback amendment, and there may be other plowback amendments that would be offered, the problem with this procedure, as I understand it, is that the likelihood of anything else coming up between now and Wednesday afternoon is fairly close to zero.

Mr. ROBERT C. BYRD. Not necessarily. Mr. LONG has indicated that after a reasonable time for debate if no one else moves to table he will and he may consider tomorrow afternoon would be a reasonable time for debate or in the meantime we may agree to a vote.

Mr. LONG. I am happy to see the Senate agree to a vote on the Ribicoff amendment. But I think it should be debated. I do not think we should just take anything for granted before understanding the amendment. It is a significant amendment. The Senator should explain it and we should have a chance to hear some of the arguments on both sides. But as far as I am concerned, I think that this Senator would be willing to enter an agreement to vote on it. But I cannot speak for others, Mr. President.

Mr. ROBERT C. BYRD. This is the type of amendment that all Senators may want to be notified about. Who knows, perhaps we can reach an agreement tomorrow to vote early Wednesday morning.

Mr. LONG. This much I know, to ask for a unanimous-consent agreement on the Ribicoff amendment at this moment would be a waste of time. The Senator ought to explain it first, have some debate, and then see where we go from there.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. Mr. President, further reserving the right to object, I do not want to be a hindrance to the majority leader, and I have told him that, I think, several times.

Mr. ROBERT C. BYRD. The Senator has.

Mr. DANFORTH. A week or so ago.

Mr. ROBERT C. BYRD. As a matter of fact, he offered to bring up this amendment this evening, but unanimous consent would be required.

Mr. DANFORTH. Yes. But I would very much like to see this bill moved along and I do not want to be an unnecessary hindrance. But, frankly, I cannot understand how it could be to my interests to go along with this particular unanimous-consent request unless there could be some provision for my bringing up my amendment and getting a vote on it before there is a vote on cloture.

Mr. ROBERT C. BYRD. It would be perfectly agreeable with me if that be done.

Mr. LONG. Mr. President, if it is the amendment I think it is I am not going to agree to vote on it. I might be agreeable to vote on a motion to table after the amendment has been discussed long enough for Senators to begin to understand what it is all about. But I am not willing to agree to vote on the Danforth amendment at this point. Any Senator who is opposed to it has a right to move to table the amendment, and I would think after it has been debated for a while a motion to table will be made.

I am not seeking to deny the Senator an opportunity to explain the merits or discuss his amendment, but I am not ready to vote on the Danforth amendment at this time just as some Senators are not willing to vote on the Ribicoff amendment at this point. It is all right with me to agree after the Ribicoff amendment is disposed of that the Danforth amendment be the next in order. I have no objection to that.

Mr. DOLE. It would be in order in case of cloture.

Mr. DANFORTH. Yes.

Mr. LONG. I am not willing to agree that a nongermane amendment would be germane after cloture is invoked, Mr. President. The Senator has an amendment with which I am familiar that is germane to the bill, I am opposed to it, but it is germane, and we would have a right to vote on it after cloture. If he has one that is not germane, I am not willing to agree to vote on it, if it is what I think it might be. If the Senators shows it to me, and I agree that it should be considered germane, that would be different, but I am not ready to agree to it now.

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

Mr. ROBERT C. BYRD. Mr. President, I do not yield the floor for that purpose.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. I wonder if I could yield for the moment to Mr. PACKWOOD and let him dispose of his amendments which he has indicated he thinks would be acceptable?

The PRESIDING OFFICER. Does the Senator from West Virginia withdraw his unanimous-consent request?

Mr. ROBERT C. BYRD. I withdraw the request for the moment in the interest of making some progress on the bill.

AMENDMENT NO. 746

(Purpose: To modify the energy tax credit for cogeneration)

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I call up amendment 746.

The PRESIDING OFFICER. The clerk will report.

Mr. ROBERT C. BYRD. That would require unanimous consent also, would it not?

The PRESIDING OFFICER. The Senator is correct. Is there objection?

Mr. STEVENS. Reserving the right to object, I want to know what the procedure is here now?

The PRESIDING OFFICER. There is a pending amendment of the Senator from West Virginia to the amendment of the Senator from New Jersey, and in order to have it set aside and offer another amendment it would take a unanimous-consent request.

Mr. PACKWOOD. I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Yes, with the understanding that there be a time limit thereon of not to exceed 6 minutes equally divided, and in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, further reserving the right to object, it does not disturb the Senator from Kansas' amendment?

The PRESIDING OFFICER. Yes. The Chair was not reminded of that fact, but that is so.

Mr. STEVENS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is a yielding here for the purpose of offering an amendment, two amendments, and considering them. Who has the floor when that is over?

The PRESIDING OFFICER. The unanimous-consent request is merely to have the Senator from Oregon offer his amendments with a time limitation of 6 minutes on the first one.

Mr. STEVENS. I understand the majority leader had the floor coming back to him after this is over?

Mr. ROBERT C. BYRD. I am yielding the floor. I am asking unanimous consent for Mr. PACKWOOD with 6 minutes on his amendment.

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

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an amendment numbered 746.

Mr. PACKWOOD. 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 114, strike beginning with line 15, down through line 19, page 114, and insert in lieu thereof the following:

"Equipment installed in connection with a boiler or burner which uses oil or natural gas as a fuel in significant quantities, other than a boiler or burner (or a replacement for such a boiler or burner) which as of January 1, 1980, used natural gas as a fuel in significant quantities, shall not be treated as cogeneration equipment for purposes of this paragraph. For purposes of this paragraph, the term 'significant quantities' means more than 25 percent, determined on the basis of annual Btu input of fuel from all sources.".

Mr. PACKWOOD. Mr. President, in the bill is a provision for tax credit for certain cogeneration. In it we made a mistake, and, in essence, we said if any oil or natural gas was used, the business would not be eligible for the cogeneration credit. Even if it is totally using oil now and reduces its oil use of 30 percent, and 70 percent of the other Btu energy is nonnatural gas or nonoil, they would still not be eligible for the credit.

A number of industries have to use some slight natural gas or oil either for startup or to stabilize the temperature of the flame even when they are reducing the oil and even when they are cogenerating, so this amendment would simply define as a significant use of oil or gas 25 percent or over determined on the Btu input of the fuel from all sources.

I have checked it with the majority, with Senator LONG, and with Senator DOLE, and with the Treasury Department, and there is no objection to the amendment.

With that I yield the floor, and if there is no other discussion, I ask for a vote.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I have no objection to the amendment.

Mr. DOLE. The Senator from Kansas has no objection.

The PRESIDING OFFICER. Is there further debate? The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

AMENDMENT NO. 747 (AS MODIFIED)

(Purpose: To make certain State alternative energy programs eligible for industrial development bond financing)

Mr. PACKWOOD. Mr. President, I ask unanimous consent at this time to call up amendment No. 747. I would again agree to 3 minutes on a side.

Mr. ROBERT C. BYRD. Mr. President, I am sure the Senator has already indicated it would be accepted, but I think for the RECORD I would have the duty to inquire as to what it does before I agree to a time limit.

Mr. PACKWOOD. Yes. This is an amendment with respect to the fact that the State of Oregon will have on the ballot for May bonds which the State will issue where they will make loans for wind energy, solar energy, and geothermal energy. I am sure the bonds probably qualify as industrial revenue bonds, but the amendment would make it clear that they are, and they would be treated as industrial revenue bonds for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. ROBERT C. BYRD. Under the same conditions.

Mr. PACKWOOD. Mr. President, I would like to modify the amendment and send to the desk a slightly altered version. I will assure the majority when I explain what it is it is a very minor alteration to make sure there is no revenue loss.

Mr. ROBERT C. BYRD. I have no objection.

Mr. PACKWOOD. I send to the desk a modified version of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD), for himself and Mr. HATFIELD, proposes an amendment numbered 747, as modified.

Mr. PACKWOOD. 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, as modified, is as follows:

At page 136, between lines 18 and 19, insert the following:

(c) RENEWABLE ENERGY PROPERTY.—Section 103, relating to interest on certain governmental obligations, is amended—

(1) by adding at the end of paragraph (6) of subsection (b) the following:

"(7) RENEWABLE ENERGY PROPERTY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to any obligation issued as part of an issue substantially all the proceeds of which are to be used to provide renewable energy property, so long as—

"(i) the obligations are general obligations of a State, and

"(ii) the authority for the issuance of the obligations requires that taxes be levied in sufficient amount to provide for the payment of principal and interest on such obligations.

"(B) RENEWABLE ENERGY PROPERTY DEFINED.—'Renewable energy property' means any property used to produce energy (including heat, electricity, and substitute fuels) from renewable energy resources (such as wind, solar, geothermal, biomass, waste heat, or water)."; and

"(C) Interest paid pursuant to bonds qualified under this paragraph may not be taken into account for purposes of withholding, estimated tax payments, or any other purpose under the Internal Revenue Code of 1954, prior to October 1, 1980."

(2) by redesignating subsections (7) and (8), as (8) and (9).

Mr. PACKWOOD. As I explained, there will be in May on the ballot a provision for the State to be authorized to issue bonds for the purpose of making loans to small business for geothermal energy, solar energy, and wind energy. I am quite sure these probably now qualify as industrial bonds, but to make sure there is no problem with that qualification, this amendment would clarify that.

The alteration I made in it was to say that any interest anybody might receive on these bonds, if they receive it prior to October 1, 1980, they cannot declare it on their quarterly return so it would cause a revenue loss in fiscal 1981.

I am prepared to vote on the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. LONG. I have no objection.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PACKWOOD. I yield back my time.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I renew my request anent Mr. RIBICOFF and Mr. BRADLEY.

Mr. STEVENS. Mr. President, reserving the right to object, as I understand, that means that we will have the minimum tax amendment laid down, with an amendment to that submitted by the Senator from New Jersey. Is that the request before us?

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. There is no time agreement on it?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Alaska reserves the right to object.

Mr. STEVENS. I do not object, Mr. President.

Mr. DOLE. Mr. President, reserving the right to object, do I preserve my rights under this request?

The PRESIDING OFFICER. The Senator from Kansas reserves the right to object.

Mr. DOLE. No; do I preserve my right under this request?

Mr. STEVENS. To call up his plowback amendment.

Mr. DOLE. To call up my plowback amendment.

The PRESIDING OFFICER. The Senator from Kansas would preserve his right.

Is there objection to the request of the Senator from West Virginia?

Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 776

(FORMERLY UP AMENDMENT NO. 874)

(Purpose: Providing a graduated tax on certain oil)

Mr. RIBICOFF. Mr. President, in behalf of myself, Mr. LEAHY, Mr. NELSON, Mr. MOYNIHAN, and Mr. JACKSON, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for himself and others, proposes an unprinted amendment numbered 875.

Mr. RIBICOFF. 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 79, between lines 14 and 15, insert the following:

"SEC. 4993A. SPECIAL RULES FOR CERTAIN OIL.

"(a) TAXABLE CRUDE OIL.—Notwithstanding the provisions of section 4988(a) (1), (2), or (3), newly discovered oil (other than newly discovered oil produced north of the Artic Circle), incremental tertiary oil, qualified stripper oil and heavy oil shall, subject to the provisions of this section, be treated as taxable crude oil which is tier 3 oil.

"(b) RATE OF TAX.—Notwithstanding the provisions of section 4987(a)(2), the amount of the tax imposed by section 4986 with respect to any barrel of crude oil treated as taxable crude oil under subsection (a) shall be—

"(1) 20 percent of the windfall profit on such barrel in the case of incremental tertiary, newly discovered oil, qualified stripper oil and heavy oil.

"(c) BASE PRICE.—In the case of newly discovered oil, qualified stripper oil, incremental tertiary oil, and heavy oil, the base price shall be determined by substituting '16.30' for '15.30' in section 4990(e) the inflation adjustment for any calendar quarter under section 4990(b) shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after March 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

AMENDMENT NO. 777

(FORMERLY UP AMENDMENT NO. 875)

(Purpose: Providing a graduated tax on certain oil)

Mr. BRADLEY. Mr. President, in behalf of myself, Mr. ROBERT C. BYRD, Mr. BUMPERS, Mr. RIBICOFF, and Mr. STEWART, I send to the desk an amendment to the amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) for himself and others, proposes an unprinted amendment numbered 875 to unprinted amendment No. 874.

Mr. ROBERT C. BYRD. 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 79, between lines 14 and 15, insert the following:

"SEC. 4993A. SPECIAL RULES FOR CERTAIN OIL.

"(a) TAXABLE CRUDE OIL.—Notwithstanding the provisions of section 4988(a) (1), (2), or (3), newly discovered oil (other than newly discovered oil produced north of the Arctic Circle), incremental tertiary oil, and heavy oil shall, subject to the provisions of this section, be treated as taxable crude oil which is tier 3 oil.

"(b) RATE OF TAX.—Notwithstanding the provisions of section 4987(a)(2), the amount of the tax imposed by section 4986 with respect to any barrel of crude oil treated as taxable crude oil under subsection (a) shall be 20 percent of the windfall profit on such barrel in the case of incremental tertiary oil, newly discovered oil, and heavy oil.

"(c) BASE PRICE.—In the case of newly discovered oil, incremental tertiary oil, and heavy oil, the base price shall be determined by substituting 16.30 for 15.30 in section 4990(e) and the inflation adjustment for any calendar quarter under section 4990(b) shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after March 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a cloture motion. I do this because I said on Friday I would file cloture motion on Monday.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the reported amendment in the nature of a substitute to H.R 3919, an Act to impose a windfall profit tax on domestic crude oil.

Robert C. Byrd, Bill Bradley, Edmund S. Muskie, Gaylord Nelson, Richard Stone, Alan Cranston, John A. Durkin, Paul Sarbanes, Claiborne Pell, Henry M. Jackson, John Glenn, George McGovern, Daniel Patrick Moynihan, J. James Exon, Carl Levin, Edward Zorinsky, and Donald Stewart.

Mr. ROBERT C. BYRD. Mr. President, I offer this cloture motion on behalf of myself and the other Senators whose names have been read. I think it is incumbent upon the Senate to proceed as expeditiously as possible with this bill. If cloture is invoked, nongermane amendments would be ruled out of order, and that, for the most part, is really one of the basic reasons why I have requested that cloture be invoked.

The Senate is now in its fourth week on this bill, and I think a good many Senators have had an opportunity to call up their nongermane amendments. The Senator from Kansas attempted the other day to obtain unanimous consent that there be no further nongermane amendments, and that request was objected to. I thought it was a very reasonable request.

So I hope Senators will proceed now to call up their germane amendments once the minimum tax amendment is disposed of one way or the other, and the Senate may then proceed to invoke cloture, and thus preclude the further offering of nongermane amendments.

We have seen nongermane amendments offered; we have seen them defeated, and we have seen them changed slightly and reoffered, and I would hope the Senate would have done with the offering of nongermane amendments and get on with final action on the bill.

Mr. President, today is the 10th of December, and if the excess profits bill and the conference report thereon and the Chrysler legislation and any conference report thereon are not disposed of by December 21, then the Senate will go out until December 27, 2 days after Christmas, and return for consideration of those measures; and, of course, if they are not disposed of then, by the 31st, the Senate would go over until after the first of the year and would come back in on the 3d, 4th, 5th, or 7th, or along there

I have not fully decided—I suggest it would be, perhaps the 7th—and would continue until action on those two measures has been completed. If action can be completed by the 21st or certainly no later than the 22d, on those two measures and the conference reports thereon, then the Senate could go out for the Christmas holidays without having to return until after the first of the year; and then, in the light of the Iranian situation, it would be my intention to proceed as I stated on last Friday, to keep the Senate in a position to call itself back in the event that the international situation requires.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I would just say to the distinguished majority leader that I certainly hope we can finish action on this bill this week. If the motion to table the so-called minimum tax proposal carries, of course, that would speed up action on the bill. Even if the motion to table carries by a bare margin, it might speed up action on the bill. It is not the intent of anyone on this side of the aisle, that the Senator from Kansas is aware of, to frustrate the efforts of the distinguished majority leader. Many of us are opposed to the minimum tax. In fact, I do not know of any Republican who is for the minimum tax. That does not mean that in the final analysis they might not support some compromise or combination of a tax with the windfall plowback provisions, which is one reason why the Senator from Kansas would like to keep his plowback in the picture.

I think it does another thing also. It serves to negate a lot of nongermane amendments. I do not know of any other nongermane amendments that can be brought up without unanimous consent, with that amendment pending, and that might be helpful until cloture is invoked.

Mr. ROBERT C. BYRD. It has not been too helpful thus far, but it could have been if objections had not been made.

Mr. DOLE. On this side, we have been encouraging Senators not to offer nongermane amendments.

Mr. ROBERT C. BYRD. The only problem was, the amendment in the first degree was agreed to, and then there came along another amendment in the second degree, with last week revisited.

Mr. DOLE. That is not going to be possible any more now, with the Senator from Kansas' amendment; so I would hope we would not have any more nongermane amendments, though I know there are some. I know the Senator from North Carolina would like to bring up some modification of the gasoline tax exemption.

So we would hope we might reach some agreement on voting on a motion to lay on the table. Maybe that can be agreed upon tomorrow.

Mr. ROBERT C. BYRD. I would hope that on tomorrow we could agree to a vote on disposing of the minimum tax amendment. I would hope we could have an agreement which would allow Senators who may be away from the Senate an opportunity to come and vote on that amendment.

Mr. DOLE. That is why, if we would reach some agreement tonight to vote on Wednesday, it would give everyone an opportunity to be here.

Mr. ROBERT C. BYRD. It is perfectly agreeable to me, if it is to the manager of the bill, to reach such an agreement.

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

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Is that on the motion to table the amendment, or on the amendment itself?

Mr. DOLE. On the motion to table.

Mr. ROBERT C. BYRD. The motion to table.

Mr. LONG. Mr. President, I want to make it perfectly clear that as far as I am concerned, it would be all right with me to vote on the pending amendment itself. I think I understand it, and I am willing to enter into a unanimous-consent agreement to vote on it. Why does the Senator not ask, and see if he can get unanimous consent? If he can get consent, fine. Otherwise we can proceed without consent, and that would mean someone could make a motion to table.

Mr. ROBERT C. BYRD. All right. I thank the distinguished manager of the bill. I think that is a reasonable position.

I ask unanimous consent that the vote occur at 11 a.m. on Wednesday on the amendment by Mr. BRADLEY, and others.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. The Senator from Kansas could now move to table the tax amendment. We might get an agreement on that.

Mr. STEVENS. Will my friend yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. It is my understanding that we have a problem on agreeing tonight, because of the absence of Senators who did not realize we would have an agreement on voting on the amendment.

We would have no trouble in agreeing to a vote to table the motion on Wednesday.

Mr. LONG. Mr. President, it does not require an agreement for someone to move to table. But I would be willing to agree with the majority leader that either I, or whoever wants to do so, would move to table the pending amendment, either in the first degree or second degree, at whatever time tomorrow the majority leader might suggest.

Mr. ROBERT C. BYRD. Mr. President, as the distinguished manager of the bill has said, any Senator, at any time he can get recognition, may move to table the amendment. It does not require an agreement as to a time certain to vote on the tabling motion. But I think it would be beneficial for Senators to know when such tabling motion would be made.

I, therefore, ask unanimous consent that Mr. LONG, or his designee, be recognized at 11 a.m. on Wednesday to make the tabling motion.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I thank the majority leader. I hope that this would give us an opportunity for the managers of the bill to set this amendment aside temporarily during the day tomorrow, if possible, and take up other amendments that might be disposed of prior to the time of the cloture petition.

Mr. ROBERT C. BYRD. Mr. President, I join in that hope.

Mr. STEVENS. Mr. President, reserving the right to object, there is one other question about this, and that is this vote would be scheduled to take place at the same time the cloture vote would take place under the petition that has just been filed. I wonder if we might clarify that, as far as the majority leader is concerned.

Mr. ROBERT C. BYRD. Yes; I would ask unanimous consent that the vote on the motion to table occur at 10:30.

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

Mr. LONG. Mr. President, on Sunday December 9, 1979, an article bearing the headline: "Senator LONG: 'If Missouri Succeeds in Taxing Louisiana, I'll Get Back at Missouri'," appeared on page A3 of the Washington Post and was distributed nationally.

I wish to clarify any misconception that may have arisen from this article.

First of all, the article contains a misquote. I did not say "If Missouri succeeds in taxing Louisiana, I will get back at Missouri." What I said was "If the Senator from Missouri succeeds in taxing Louisiana, if I can find a way to do it, I shall surely tax Missouri. I just do not see the point." The correct quote can be read on p. 35082 of the RECORD of Friday, December 7, 1979. Just to be certain that I was being fair, I went back and checked the original transcript of my comments with the Office of the Senate reporter. The original transcript of the Senate reporter's notes shows the quote exactly as it appears in the RECORD.

What concerns me is that this article makes it appear as if I would be vindictive toward the fine State of Missouri and toward that State's honorable Senator, JOHN DANFORTH, if Senator DANFORTH's amendment were to succeed. This is certainly not the case and I hope Senator DANFORTH and the people of Missouri understand this.

The Danforth amendment seeks to tax the States in an unprecedented method. If the amendment were successful, there would be little or no immunity left a State from Federal taxation. Under those circumstances all States would eventually feel the burden of Federal taxation.

I do not have in mind any proposal to tax the State of Missouri. But, even so, I should think that eventually Missouri would suffer along with the other 49 States if what little immunity that exists for the States is stripped away.

WINDFALL PROFIT TAX

● Mr. GARN. Mr. President, on October 30, 1979 I wrote to Treasury Secretary Miller requesting an official departmental response by November 5, 1979 to important questions concerning the merits of passing a windfall profit tax. The discourteous, condescending reply I received from Assistant Secretary for Tax Policy, Donald Lubick, arrived 2 weeks late. While such behavior is unbecoming, and I trust uncharacteristic, the

content of the letter finally in my possession should be of considerable interest to my colleagues as we continue our debate on passing a windfall profit tax.

The evidence that crude oil price decontrol will not lead to a massive infusion of cash into integrated oil company coffers continues to mount. The reality is that prices paid by American consumers for refined products already reflect OPEC pricing; yet the Treasury Department gamely insists on maintaining an increasingly untenable position.

Mr. Lubick argues that prior to the imposition of price controls on crude oil, spot prices for gasoline sold in New York City were higher than those prevailing in Rotterdam. Since they are now equal, as many observers have pointed out, this is the best evidence he can cite that price controls on crude oil keep prices at the pump down.

A moment's reflection shows that U.S. refined product prices cannot exceed those charged abroad. If domestic prices do, or ever did, exceed those charged elsewhere, then the big oil companies are not as good at taking advantage of profit opportunities as is commonly believed. With no risk, they could simultaneously buy refined products on the European spot markets and sell them at a profit in the New York market. And they could repeat this very profitable, risk-free exercise indefinitely.

Yet, if American consumers are paying world prices for refined products and domestic prices cannot be higher than prices prevailing on the world market, how will decontrolling the price of crude oil, only one input in the production process, lead to significant additional funds for integrated oil companies? If the industry is already charging top dollar, then industry revenue will not go up due to decontrol, simply because market forces—the laws of supply and demand—will prevent such an occurrence.

However, a windfall profit tax will definitely increase industry costs. Any attempt to pass on these costs in today's market will fail. Consequently, industry profitability will decline.

Currently, the industry's rate of return is a very attractive 23 percent. The windfall profit proposal will likely reduce this figure to 10 percent or less, below the return available for investing in Treasury securities. As a result, domestically refined product production will decline, at a time when we need desperately to expand domestic refining capacity.

Substantially lower industry profits will mean a weaker U.S. economy. To finance the exploration and development of additional energy sources, integrated oil companies will rely more heavily on the credit markets since their other source of financing drastically shrinks. The inevitable result will be the crowding out of other investments needed to raise productivity and slow inflation.

More pressure on the credit markets will drive interest rates higher, further delaying recovery of a housing industry already reeling from record interest rates.

At this point I would like to insert in the RECORD my original letter to Secretary Miller and the reply from his designated correspondent Assistant Secretary Lubick.

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

U.S. SENATE,
Washington, D.C., October 30, 1979.

Hon. G. WILLIAM MILLER,
Secretary of the Treasury,
Washington, D.C.

DEAR SECRETARY MILLER: If the Windfall Profit Tax bill recommended by the Senate Finance Committee is passed by Congress and the President's phased decontrol program continues, then the financial incentives facing independent oil producers will improve while the financial incentives for refiners and integrated producers will fall. In many cases, the rate of return for refiners and integrated producers may fall below that available for investing in comparatively risk-free U.S. Treasury Securities now yielding 13 percent. This raises the serious question of whether the Senate Finance Committee tax will prove counterproductive.

Since the overall rate of return for refiners and integrated producers is the relevant factor in determining whether cash raised from operations is reinvested in oil production and refinement or used to purchase financial securities, a precipitous drop in the consolidated reward from producing and refining crude oil is likely to result in less domestic crude oil and refined product availability after this tax and decontrol program than under a continuation of present policy. The reduction in domestic oil supplies may prove severe if integrated companies, who supply 75 percent of domestically produced crude oil, are forced by profit considerations to allocate their capital elsewhere, like Treasury securities.

The conclusion that refiners and integrated producers will find the rate of return unattractive after the Senate Finance Committee windfall profits tax is applied against company revenue, even after decontrol, rests on the case that their ability to "pass through" high domestic crude oil costs from decontrol have been overstated. U.S. refiners and integrated producers must operate in a world marketplace they do not dominate; their share of the world market is too small. Any attempt to sell refined products in the U.S. at prices higher than those prevailing worldwide, net of transportation costs, will result in losing sales to foreign firms. The "law of one price" is operative worldwide as the table below shows and places tight constraints on any cost pass through attempt by U.S. companies.

AVERAGE ANNUAL WHOLESALE PRICES FOR REGULAR GASOLINE ACROSS CONTINENTS

[In cents per gallon]

Year	New York Harbor spot price	Rotterdam, Holland spot price	Average U.S. dealer tank-wagon price (excluding tax)
1975	33.5	32.6	35.8
1976	35.5	37.1	39.0
1977	38.4	36.4	42.5
1978	42.8	42.6	43.7

Source: Data from the Platts Oilgram Service.

Future OPEC price increases, since they will affect the costs of all foreign refiners and integrated producers, will be passed through, but higher costs from decontrol, which are unique to U.S. companies, cannot be passed through. Under decontrol, and the WPT, refiners and refiner subsidiaries of integrated companies will find their profit margins sharply eroded because of the inability to "pass through" higher costs due to foreign competitive pressure. Refiners will have to absorb the entire cost of higher domestic oil from decontrol.

Integrated producers would be largely unaffected by decontrol only if there were no Windfall Profit Tax. Any reduction in income from their refining subsidiaries caused by higher domestic crude oil prices would be captured by their producing subsidiaries which supply them. The damage done to integrated company incentives will occur because the WPT will be levied on intercompany transfer payments, and it will flow through to the bottom line of these companies.

Unless it can be shown that revenues raised by the WPT will be used to raise energy availability through synfuels production and conservation by an amount greater than a reasonable estimate of reduced oil production caused by the tax, then a vote in favor of it is not in the interest of national security.

These qualitative conclusions follow from representative financial statements drawn up to cover likely profitability of independent producers and integrated oil companies under a continuation of existing policy and under immediate decontrol, coupled with the Senate Finance Committee WPT proposal.

By November 5, 1979, I would appreciate receiving any thoughts on this matter that the Department of the Treasury may have in determining whether more or less energy availability will result from passage of a Windfall Profit Tax. In responding, please direct your energies toward the financial economics facing individual companies, as I have done, to determine the loss of domestic production caused by a tax.

To determine the amount of energy availability increased by the tax, please show how the specific revenues raised from an individual integrated oil company will be used and document the specific energy increase by source these new funds will purchase.

Sincerely,

JAKE GARN.

BALANCE SHEET—ABC INDEPENDENT OIL CO.

Assets:	
Cash	$1,000,000
Equipment	6,000,000
Land and leasehold interests	1,000,000
Oil and gas reserves	6,000,000
Total	14,000,000
Liabilities:	
Bank loans	4,000,000
Paid-in capital	10,000,000
Total	14,000,000

Notes to ABC Independent Oil Company Income Statements:

CASE 1

(1) Sales Revenue consists of $1,300,000 from natural gas sales, and $5,340,000 from selling to a U.S. refinery 201,000 tier 1 barrels, 210,000 tier 2 barrels, and 56,000 tier 3 barrels.

CASE 2

(2) As before 467,000 crude oil barrels are produced, but now they are sold at $23.50 per barrel. Natural gas revenues remain at $1,300,000.

(3) Windfall profit tax liability is $8.35 per barrel.

INCOME STATEMENT—ABC INDEPENDENT OIL CO.

Case 1. Continued price and no windfall tax.

Sales revenue	$6,640,000
Operating costs	2,000,000
Royalty payment	800,000
Amortized equipment expense	1,200,000

INCOME STATEMENT—ABC INDEPENDENT OIL CO.—Continued

Exploration and development	500,000
Severence and property taxes	800,000
Profit	1,340,000

Pre-tax rate of return on shareholders equity: 13.4 percent.

Case 2. Immediate price decontrol and senate financing committee version of windfall profit tax.

Sales revenue	$12,300,000
Operating costs	2,000,000
Royalty payment	1,500,000
Amortized equipment expense	1,200,000
Exploration and development	500,000
Severance and property taxes	1,400,000
Windfall profit tax	3,900,000
Profit	1,800,000

Pre-tax rate of return on shareholder's equity: 18.0 percent.

BALANCE SHEET—INTEGRATED PETROLEUM, INC.

Assets:	
Cash & Marketable Securities	$700,000,000
Equipment & Buildings	2,000,000,000
Land & Leasehold Interests	300,000,000
Oil & Gas Reserves	1,000,000,000
Total Assets:	4,000,000,000
Liabilities:	
Loans	$1,800,000,000
Paid-in capital	2,200,000,000
Total Liabilities	4,000,000,000

Notes to Integrated Petroleum, Inc. Income Statements:

CASE 1

(1) Producing subsidiary revenue consists of $108,000,000 from natural gas sales, and $345,000,000 in crude oil sales to the refining subsidiary. Crude oil production equals 13.1 million tier 1 barrels, 13.6 million tier 2 barrels, and 3.6 million tier 3 barrels.

(2) Refining subsidiary revenue assumes refinery runs of 151.5 million barrels, which produce 147 million barrels of product sold at $28.50/barrel, generating $4,120,000,000.

(3) Cost of refining a barrel of oil is $3.51.

(4) Refinery mix of imported and domestic oil causes entitlement payments and credits to net to zero.

CASE 2

(5) Assumptions in Case 2 are the same as for Case 1, except that producing subsidiary now sells its crude oil to the refining subsidiary at $23.50/barrel and pays a windfall profit tax averaging $8.35 per barrel.

Case 1: Continued price controls and no windfall tax

Producing subsidiary:	
Sales revenue	$453,000,000
Operating costs	184,000,000
Royalty payments	57,000,000
Amortized equipment expense	78,000,000
Exploration and development	32,000,000
Severence and property taxes	52,000,000
Subsidiary profit	50,000,000
Refining subsidiary:	
Sales revenue	4,120,000,000
Cost of transferred oil	345,000,000
Cost of imported oil	2,850,000,000
Cost of refining oil	520,000,000
Cost of entitlement tickets, net	0
Subsidiary profit	405,000,000
Consolidated profit	455,000,000

Pretax rate of return on shareholders' equity: 20.7 percent.

Case 2: Immediate Price Decontrol and Senate Finance Committee version of Windfall Profit Tax

Producing Subsidiary:	
Sales Revenue	$820,000,000
Operating Costs	184,000,000
Royalty Payments	103,000,000
Amortized Equipment Expense	78,000,000
Exploration and Development	32,000,000
Severence & Property taxes	94,000,000
Windfall Profit Tax	253,000,000
Subsidiary Profit	76,000,000
Refining Subsidiary:	
Sales Revenue	4,120,000,000
Cost of Transferred Oil	710,000,000
Cost of Imported Oil	2,850,000,000
Cost of Refining Oil	520,000,000
Subsidiary Profit	40,000,000
Consolidated Profit	116,000,000

Pre-tax Rate of Return on Shareholder's Equity: 5.3 percent.

DEPARTMENT OF TREASURY,
Washington, November 19, 1979.

Hon. E. J. GARN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GARN: This is in further response to your letter of October 30 to Secretary Miller, concerning the windfall profits tax.

In your letter, you suggest that while the windfall profits tax, as reported by the Finance Committee, will improve the financial incentives for independent oil producers, financial incentives for refiners and integrated producers may fall to levels even below those attainable from investment in U.S. Treasury securities yielding 13 percent. In the event this occurs, you conclude that integrated companies "who supply 75 percent of domestically produced crude oil" will abandon the oil business for investment opportunities elsewhere. The basis for your inference of these dire effects is a numerical example involving a hypothetical integrated oil company which experiences a drop in return on shareholders' equity, from 20.7 percent under present controls to 5.5 percent under decontrol and the windfall tax. This is compared with an example of a hypothetical unintegrated oil producer whose pre-tax rate of return on equity increases from 13.4 percent under controls to 18.0 percent under decontrol and a windfall tax.

Before I discuss the economics by which your example concludes that integrated companies are disadvantaged by price decontrol and the imposition of a windfall profits tax, it is useful to consider whether there is any relationship between increases in cash flow from existing oil properties and investment in additional oil production. For this purpose, two different classes of investment outlays need to be distinguished. First, there are investment projects that enhance the productivity of existing oil fields themselves. On the other hand, there are those investment projects that aim to discover and develop new oil fields. While both kinds of projects increase future output and are therefore equally valuable from the point of view of national policy, it is only with respect to investment in existing fields that the change in the present owners' profitability is directly relevant.

So long as the profitability of existing fields increases under decontrol, as your examples demonstrate will be the case, investment in enhanced recovery from such fields, will continue to occur. You appear to agree that decontrol, even when combined with the windfall tax enhances the profitability of present investments in oil productive capacity. The oil field output mix of the integrated oil company in your example benefits more from decontrol plus windfall tax than does the unintegrated oil company's output: the before-tax return to the integrated firm on its currently owned properties is increased by 54 percent, whereas the unintegrated firm achieves an immediate boost in earnings of only 34 percent.

Obviously, if the combination of decontrol and windfall profits taxes make the operation of existing fields more profitable, it becomes more worthwhile to make those oil investments which will either absolutely increase the rate of oil flow, or retard the rate of decline that would otherwise be experienced in those fields. The most obvious investors in projects for the enhancement of output from existing fields are clearly the present owner-operators. However, the amounts invested by present owners in such projects are in no significant way limited or determined by the current cash flows from these fields.

For any owner of a productive asset, his additional investment in that asset is an option he must compare with other options open to him. For any of the options, the owner's current cash flow is but one source of finance. In addition, if some change has occurred that has caused his existing assets to "throw-off" more cash flow, as is the case with the OPEC windfall, then these assets themselves become the basis for obtaining additional external financing. The owner may borrow more with the enhanced collateral, or he may sell additional shares in the increased real value of his assets without diluting the value of his own share. In either case, he will not lack for capital with which to invest. Whether he will invest depends upon the price he will receive for his oil.

Thus, the significance of decontrol (even when reduced by the windfall profits tax) for future production of domestic oil is not that it puts more cash into the hands of oil companies who drill for oil. Rather, it simply demonstrates that additional investment in existing fields will be profitable and worth the investment risk.

With respect to investment in new fields, the cash flow from existing fields is, of course, irrelevant. Under the Finance Committee version of the windfall tax, new oil is exempt from tax. Thus, there is neither a price control nor tax restraint on investment decisions with respect to these projects.

Whoever undertakes the risk of discovery and development obviously must be able to command resources—his own, or those of creditors or others. In a system based on private rights in property, it is presumed that the resources used in investment projects are the enterprisers' own disposable resources, obtained by dint of their own efforts fairly rewarded in markets. It is a matter of indifference to the system whether the funds come from existing oil companies (integrated or not), or from insurance companies, chemical or tobacco manufacturers (all of which, incidentally, have recently been sources of funds tapped to exploit offshore leases in the United States). Funds to finance investment in new field capacity will come from the private sector through capital markets as it did at the birth of the oil business in the United States and through the years of its great expansion, and as it has for every other prominent industry sector. Current cash flow may be a determinant of the resources directly available to particular companies in an industry, but it is not a determinant of the total resources available to these companies indirectly, or to new entrants.

This analysis of the relation between price decontrol plus windfall profits taxation, and the likely rate of investment in maintaining or increasing domestic oil supplies, is nothing more than an application of standard, textbook investment decisionmaking theory that underlies thoughtfully constructed financial analyses of firm and industry investment behavior. The naive "cash flow" theories of investment behavior which have been employed by opponents of any windfall tax to demonstrate there will be a "shortfall" of investible funds due to the effect of the tax on "oil companies," without exception imply irrational decisionmaking

by oil company management, and others. This is a view that is without logical or empirical foundation and deserves to be dismissed in any serious evaluation of proposed energy policy.

If it is agreed that decontrol, when combined with a windfall profits tax, enhances both the current and prospective profitability of operating old and new fields, then the foregoing analysis suffices to answer your closing question concerning the effects of the Finance Committee bill on energy availability. The tax will not deter domestic oil production.

However, because the integrated oil company example you present, which was also uncritically used by the editors of the Wall Street Journal ("An Obscene Tax," November 12, 1979), suggests that an integrated company is disadvantaged by the Senate bill, I now turn to a discussion of the issues it raises.

The indicated decline in profitability of the integrated oil company in your example is purely the outcome of your assumptions: (a) that you have demonstrated price controls don't work; and (b) that the oil field investment projects of integrated oil companies depend on the profitability of their refinery operations. The evidence you have cited does not demonstrate that price controls don't work. Furthermore, even if they don't work, oil field investments of integrated companies are not contingent on the profitability of their refinery operations.

Your example aims to show that oil price controls have failed to keep refinery product prices at a level which just reflects the lower average acquisition costs of crude oil resulting from control of domestic oil prices. Therefore, decontrol will reduce refinery margins (a point both you and the Wall Street Journal neglected to note), so that after allowing for the windfall tax on that company's decontrolled production, decontrol will drive the consolidated company rate of return below the yield on Treasury bonds. This, presumably, will induce the integrated company to divert its resources to virtually anything but oil production.

Thus, the example raises two issues: (1) Have price controls failed to keep domestic oil product prices below the level they would otherwise have attained? (2) Is the consolidated rate of return of an integrated oil company a determinant of its investment in either oil productive or refining capacity?

In support of the assumption that price control administration has been an abject failure, both you and the Wall Street Journal cite comparisons between "spot prices" in Rotterdam and New York, and national average tankwagon prices of gasoline. Generally, the three sets of prices reported are within a penny or two of each other. This is taken as a demonstration that U.S. refinery product prices already reflect world oil prices. This "demonstration" fails on two counts. First, "spot price" series may be compared with tankwagon price series only with severe restrictions. "Spot prices" are quotations; they are not derived from actual exchanges. It is not known what quantities, if any, were exchanged at the reported "quotations." Moreover, in order to make comparisons of spot price quotations with tankwagon prices, one needs to standardize for quality—octane rating and lead content—of the "product" priced in the different markets. Secondly, if comparisons are made of the Rotterdam "spot price" and U.S. tankwagon prices in pre-price control periods (and due allowance is made for the effects of mandatory import quotas then in effect), it will be found that the U.S. price was consistently above the Rotterdam price by amounts far larger than could then be accounted for by transport costs. Thus, if the U.S. price in the absence of price controls would be higher than the Rotterdam price, their present apparent equality suggests that price controls do seem to work. If so, or to whatever degree they work, the example grossly overstates the decline in refinery margins resulting from decontrol.

Suppose, however, that price controls are not working. This means that controls are providing a windfall to refiners in the United States and that decontrol will simply reallocate this windfall. According to the example, this windfall arising from the existence of controls is being realized by the integrated company's refinery (and other refineries as well), so that decontrol simply reallocates the windfall to the producer level where, after windfall tax, it leaves the production division better-off. If enjoyment of this windfall has caused either exceptional returns to refineries or encouraged them to adopt wasteful production and marketing methods, then decontrol by itself would require adjustments in refinery operations to achieve greater efficiency—certainly a desirable result.

But let us further suppose that the net effect on integrated companies like that in the example will be a reduction in cash flow. Under this highly unlikely set of assumptions that price controls don't work and that the resultant profits from decontrol show up in the accounts of refiners rather than producers you and the Wall Street Journal conclude that integrated companies would reduce their investment in oil productive capacity. However in order that this conclusion hold it is necessary that investment in U.S. oil productive capacity be strictly complementary to the capacity of U.S. refineries. Under your example the investment of $1 in enhanced recovery from the company's existing oil fields or in the discovery and development of new oil fields, must be strictly related to the company's refinery operations, either for technological or economic reasons, i.e., there must be a fixed relationship between an "integrated" company's oil field and refinery operations. If this assumption holds, then the unit of investment of the "integrated" company is not simply oil field capacity but oil field pus refinery capacity, in which case the overall profitability of the company's two divisions determines investment in either.

But this assumption is patently untenable. If "independent" companies survive and thrive on the basis of oil field investment alone and if refining companies such as Ashland Oil survive and thrive solely on the basis of refining and marketing investment then it is clear that no "integrated" company is driven to invest complementarily in both oil production capacity and refining. That this must be the case is evident from arrays of "self-sufficiency" ratios (ratio of U.S. crude oil production to U.S. refining capacity) of so-called "integrated" companies, which clearly show wide variation between companies in any year and great changes from one period to another. (See enclosed table.) Moreover, even in the cases of those companies which happen to possess ratios near unity in any year, the fraction of their own oil processed in their own refineries rarely exceeds 50% or 60%. The rest is sold on the market or exchanged for crude oil more convenient to their refinery locations.

Clearly, if there is no fixed technical or economic relation between the separate divisions of a multi-product company, its investment in any one division is not contingent on the overall profitability of all divisions. More will be invested in the profitable divisions (oil production in your example), and less or nothing in the unprofitable divisions.

Our analysis of the data you have supplied leads to the conclusion that the Finance Committee bill will not cause integrated oil companies to abandon oil exploration for alternative investment opportunities. On the contrary, the currently high world price of oil which, unfortunately, may be raised even higher by the OPEC cartel, will spur domestic exploration not only by independent producers, but by major integrated companies as well. This will occur even if the House-passed windfall profits tax, which the Administration supports, is enacted.

Sincerely,

DONALD C. LUBICK,
Assistant Secretary (Tax Policy).

Mr. GARN. Mr. President, I want to expand further on my analysis of Mr. Lubick's contention that delivered, refined energy prices in New York can differ significantly from global market prices. If a meaningful difference exists then an astute individual needs only a telephone, an office, and about a 1-month period of time to make himself into a multimillionaire. Prior to price controls, it would have been a simple thing to place an order to buy in Rotterdam, where according to Mr. Lubick, the prices were significantly below New York. Then, after terminating the call overseas, this astute operator would turn around and sell the volume purchased at a discount price in Rotterdam for a premium price in New York.

The reality is that prices reflect cost differentials and market forces, the interaction of gasoline supplies with demand for the product. Any U.S. attempt to control prices in its markets has little bearing on global supplies and demands. Given the current global market situation, U.S. decontrol will not lead to significant price increases, and the resultant windfall profits. The price of gasoline sold domestically at the pump is currently several cents below the ceiling in many locations. That indicates a global market in which supplies are so plentiful that markets are cleared at levels below control prices.

Decontrolling wellhead oil prices does not change that situation. If domestic refineries were able to pass through the higher cost of crude oil to gasoline consumers, the price of domestic products would rise substantially above the European price. That is what Mr. Lubick tells us would happen.

If Mr. Lubick is so naive and misinformed about the real world operation of markets that he believes in his analysis, then our energy policy is being piloted by the crew of the Titanic. If Mr. Lubick believes that markets really operate in the way described in his response, he should resign tomorrow and set himself up in business as "King of the Oil Swappers." I would gladly furnish him the numbers of 10 New York and Rotterdam oil exchanges, and pay his first month's phone bill and office rent in exchange for half the profits.

At this point I would like to insert in the RECORD two editorials from the Wall Street Journal and an article from same by Mr. Craig Paul Roberts. These items develop in detail the weaknesses of this windfall revenue, excise tax measure.

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

[From the Wall Street Journal, Nov. 28, 1979]

RESCUING SAVINGS

Late in the day, the Senate has begun to worry about the damage the proposed "wind-

fall profits tax" on oil could do to national savings. Corporate profits, after all, are a major source of economic savings, meaning money set aside to expand and replenish the nation's productive capital.

So this week the Senate Finance Committee is trying to agree on a savings amendment to the windfall bill. This late rider is at least as important as the main body of the bill because it could determine the tax treatment of savings over the next 10 years and hence bear heavily on the future productivity of the U.S. economy.

The saving rate in the U.S. is very low. Of the total amount of savings generated, a chunk is taken off the top to finance the government's budget deficit. Most of what's left goes to replace worn out plant and equipment. Of the funds remaining for net investment, practically every dollar is needed to equip the growing labor force so that productivity per worker doesn't decline. Steve Entin of the Joint Economic Committee staff has calculated that in 1977–78 there was less than $5 billion left with which to meet mandated spending on environmental and safety equipment and to finance real economic growth. Little wonder U.S. productivity growth is so low.

Now enter the "windfall profits" tax. It's going to reduce the oil industry's cash flow and ability to finance investment internally. That means a decline in total savings, a decline that Donald Lubick, Assistant Secretary of the Treasury for Tax Policy, acknowledges when he says that "funds to finance investment in new field capacity will come from the private sector through capital markets as it did at the birth of the oil business."

Of course, if oil industry revenues were to balloon with decontrol, the tax would not be at the expense of the current retained earnings of the industry. But we have explained in previous columns why crude oil price decontrol is unlikely to significantly increase oil industry revenues, and Mr. Roberts brings these points up to date elsewhere on this page today. Members of the Finance Committee themselves are beginning to wonder how oil industry revenues can rise when consumers are already paying the world price for refined products. However, they are still determined to take advantage of the public ire toward oil companies induced by years of demagogy, and lay on a big new tax.

They are frightened, though, by recognition of what their bill will do to savings, investment, productivity and growth. So they are fishing around for some way to offset the effect on savings. If the Senators are intent on passing this destructive bill to begin with, we suppose it's good that they want to rescue savings. So they could do a lot worse than to hook on to the approach that Senator Roth and Representatives Bud Brown and John Rousselot have been working on.

These lawmakers have figured out that there's a difference between giving a tax break on existing savings and encouraging new, additional savings. An interest deduction from taxable income doesn't affect the tax rates; it just excludes a fixed amount of interest income from tax, and once the exclusion is used up any new saving is taxed at the existing high rates.

At the present time savings income (interest and dividends) is stacked on top of wages and salaries for tax computation. In other words, wages and salaries enter the tax brackets at a rate that begins at 14% and runs up to 50%. Savings income then enters the tax brackets at a rate that begins at the highest marginal rate applicable to the taxpayer's wage or salary income and runs from there up to 70%.

What Senator Roth and Representatives Brown and Rousselot want to do is to treat savings income the same as wage and salary income by splitting it out and taxing it at the same 14–50% rates. By eliminating the tax discrimination against savings income, this approach significantly lowers tax rates and provides an incentive to every earner to save more of his income.

In addition to encouraging more savings, the Roth-Brown-Rousselot approach would pull a lot of savings out of tax shelters and add to the economy's productivity.

But whether the Finance Committee goes with this particular approach or not, we hope the Senators have learned enough supply-side economics to recognize that if they are serious about savings, they must increase the after-tax rate of return to new savings.

For our part, we will be holding our breath. Any Congress that can come up with a piece of legislation as obscene as the "windfall profits" tax can come up with an awful savings amendment as well.

[From the Wall Street Journal, Dec. 3, 1979]

COSTLY CATHARSIS

As readers of this page know, we have disputed from the beginning the belief that higher domestic crude oil prices from decontrol can be passed through to consumers who are already paying the world price for refined products. If the prices cannot be passed through, then there can't be any windfall revenues and the tax cut will be paid out of the industry's current profits.

Now a high administration official, R. Robert Russell, Director of the Council on Wage and Price Stability, says as much. He told the Joint Economic Committee last Tuesday that the "windfall profits" tax "is a tax on capital."

It seems to us that Mr. Russell's remark is a pretty straightforward admission that there aren't going to be any "windfall" profits to tax. If the cost of higher priced crude oil were simply passed along in higher prices to consumers, the tax would fall on consumption, not capital.

Taxes on capital get passed along in another way, and Mr. Russell, to the great credit of his professional honesty, pointed out the route it takes. A tax on capital inhibits "investment in capital, and insofar as it does that it can in the long-run have inflationary impact by lowering productivity." In other words, it's a route to less economic growth and lower real incomes.

While the JEC was pondering the revelation that the "windfall profits" tax is going to be passed through to the consumer in lower living standards, Budget Committee chairman Muskie was on the Senate floor pressing to increase the tax.

The challenge of the 1980s, said Sen. Muskie, is to develop more ways to redistribute the wealth, which is to say, to tax capital. Besides, we need the money to balance the budget: "We have mortgaged our future. Without a more productive windfall profits bill, we just can't make the payments."

Having been the first to note way back then that the "windfall profits" tax was just another revenue measure to pay the spending bills, we don't fault the Senator for unabashedly treating it as such. But Sen. Muskie acknowledged so many "hard realities" about the perilous state of the budget in the absence of an even higher tax that he left many of his colleagues wondering about the budget process.

Senator Long noted that the Congress, by its own count, was staring in the face $446 billion in unanticipated revenues from the windfall profit and income taxes on the oil industry. Yet, Senator Long continued, the Budget Committee chairman was standing there saying that "all is lost, we are gone, because the $446 billion that we were not counting on will not be enough."

"All I can say," said Mr. Long, "is that those on the spending end have some very ambitious plans indeed. They had not anticipated the $446 billion and we had not anticipated their imagination in spending it. All I can say is that it just proves what I have said—it is beyond the capability of those on the Finance Committee to recommend tax increases as fast as somebody on some other committee can think of some way to spend them." The spending proclivities of the Congress, concluded Sen. Long, are sufficient to guarantee a budget deficit no matter how many taxes are laid on—or how few.

The problem is that the spenders are running out of things to tax and are resorting now to spending the seed corn by directly taxing capital itself, in addition to the income from capital. Of course, Senator Muskie's budget economists are telling him that he can spend our way to prosperity if he will just try hard enough. It is this atavistic policy advice, and not profitable oil companies, that is the real threat to the economy.

Just as grass-roots pressure and intellectual arguments for controlling spending and lowering taxes were beginning to take hold, along came a manufactured "energy crisis." The big spenders seized their opportunity and laid the groundwork for a big new tax by stirring up the public against the oil companies with the crudest kind of demagogy. Now they have their tax, and the spenders are off the hook for a while longer. Even with the tax, says Senator Muskie, given the Congress's likely spending plans the budget will continue in deficit until 1988. The economy has lost another round.

Oh well, gorged on demagogy perhaps the country needs the catharsis of venting its emotions on the oil industry—just as long as everybody knows that there's no such thing as a free catharsis.

[From the Wall Street Journal, Nov. 28, 1979]

POLITICAL ECONOMY

(By Paul Craig Roberts)

THE WINDFALL ILLUSION

Congress expects oil industry revenues to increase dramatically when prices are decontrolled and is counting on a hearty share to pay the bills it's running up in energy tax credits and synfuel programs. According to two congressional staffers, Spencer Reibman and Stewart Sweet, Congress is in for a big shock.

The way Congress figures it, domestic oil revenues will greatly expand when $6 tier-1 oil and $13 tier-2 oil move to the world price. But the way Messrs. Reibman and Sweet figure it, U.S. consumers are already paying the world price for refined products such as gasoline and fuel oil. Therefore, decontrol of domestic crude oil prices will not produce a big windfall in new revenues; it'll just shift revenues about within the industry from refiners to producers.

Look at it this way. A refiner importing $23 a barrel OPEC crude oil sells the product he makes out of it at the same price as the refiner using controlled $6 domestic crude oil. If that's all there was to it, the price controls on domestic crude oil would amount to an enormous subsidy to the profits of domestic refiners at the expense of domestic crude oil producers.

That's where the entitlements come in. The refiner using $6 domestic oil has to pay the one using the $23 foreign stuff. So the price of domestic oil to the one refiner is $6 plus the entitlement payment, and the price of OPEC oil to the other becomes $23 minus the entitlement.

Under this system large integrated oil companies that both produce and refine and have both domestic and foreign oil end up having entitlements to themselves. That way the money stays in house, and the revenues that price controls cost their domestic oil production operations are gained back in the refining division. For non-integrated op-

erations, the system transfers revenues from domestic crude oil producers to domestic refiners of OPEC oil.

When the controls come off, the entitlements go, and all that happens is a shift in revenues from refining back to producing operations.

For total oil industry revenues to go up, U.S. refiners today would have to be selling their product for less than the world price. But the two staffers examined data from the Platts Oilgram Price Service and found that the wholesale price of regular gasoline is the same in New York as in Rotterdam. The reason gasoline costs, say, the German motorist, $2.12 a gallon is that he is paying a tax of $1.08 per gallon at the pump. Net of the tax, which goes to the German government and not to the oil companies, the German motorist is paying the same $1 a gallon to the oil companies that the U.S. consumer is paying.

Since the oil industry's revenues and profits are not going to balloon like Congress thinks, what is the "windfall profits" tax going to be paid out of? The only possibility is existing revenues. It looks like the tax is going to capture more or less what the domestic industry currently pays itself in entitlements.

That means the profitability of the domestic oil industry is about to be driven sharply down. Mr. Sweet believes that oil industry rate of return in the short term will be below the Treasury bill rate. Earnings will head back up as OPEC pushes up the world price. But whether and how soon earnings will get back to a normal rate of return are questions that never occurred to the Senate Finance Committee or its staff. Before the "windfall profits" tax busts the government's budget along with the oil companies, the Senate might inquire if those entitlement revenues are large enough to cover all the tax credits and synfuel boondoggles.

The oil industry shied away from the results of Messrs. Reibman and Sweet's investigations. And it's not hard to see why. If the U.S. consumer is paying the world price for refined products, demagogic politicians have "evidence" that the oil companies have evaded the price controls. So the oil industry has fought the tax by trying to get exemptions for various categories of oil.

But Senator Jake Garn (R., Utah) realized the real meaning of the evidence: The U.S. government cannot control the world price of a finished product by controlling the price of part of the raw material used in its manufacture. On October 30 he raised these points with Treasury Secretary Miller and other high administration officials. He has yet to receive a satisfactory answer. The administration seems unaware that higher domestic crude oil prices can't be passed through to consumers who are already paying the world price for refined products—unless the government embargoes the import of refined products.

It seems clear that the "windfall profits" tax is going to reduce the profitability of domestic refiners. And that's going to play into the hands of OPEC, says G. H. M. Schuler of Conant and Associates in Washington, by helping OPEC entice refining operations abroad.

The oil companies are already having their arms twisted to build refineries for OPEC in exchange for the right to buy OPEC crude. OPEC cannot move into downstream operations, says Mr. Schuler, without serious implications for our national security and balance of payments.

The oil companies still have a bargaining position with OPEC because they control the refining and marketing of the finished product. But once OPEC has substantial refining capacity, it can push the companies out of the picture and gain control over refined products too. In today's prices that means instead of paying OPEC $22 a barrel for the raw material and manufacturing it at home into a finished product, we would be paying OPEC $40 a barrel for refined products.

It's ironic that the "windfall profits" tax, heralded as a step toward energy independence, is destined instead to make us more dependent on OPEC.

Mr. GARN. Mr. President, what the Congress is doing on windfall profits would be amusing if the consequences for the United States were not so dire. The discussion and debate on this gigantic excise tax program has moved from the elaborate but tortured exercise displayed in Mr. Lubick's letter to a crasser but more honest level. The advocates of this scheme now talk mainly about the revenue implications. They have discovered that public antipathy toward oil companies is a great way of levying the largest tax increase in the country's history. Instead of all of this money going to greedy oil, let us capture it, through the Federal Treasury—all for the public good, of course—and we will have a way of keeping the budget deficit within tolerable limits without having to cut Federal spending. It is no longer a matter of windfall profits. This has now become the mechanism by which the Congress can appear fiscally responsible without actually having to be fiscally responsible.

And all at no cost to our constituents. They were going to get gouged anyway. But this is where we miscalculate by our shortsighted actions. All these revenue projections are rooted in the fallacious assumption that production will simply roll along regardless of what taxes we levy. But this is a fantasy and evasion. The disincentive impacts of this excise tax will be quickly evident. Domestic production will decline, and the revenue windfall to the Federal bureaucracy will manifest itself as the old tried and failed effort to obtain something of value without intelligence, planning, and hard work.

Nowhere will the longrun consequences be more noticeable than in the resultant decline in domestic refining. Currently the OPEC nations must rely on the international oil corporations to refine and distribute their crude. The long-range goal of OPEC is to achieve complete control of integrated operations, including refining and distribution. The United States needs to expand its refining capacity, if only for national security purposes. The windfall profit tax will be levied not on a real increase in profits, but on the transfer of funds from the production division to the refining operation in an integrated oil corporation.

Integrated companies will continue to run their refineries here as long as variable revenues cover variable costs. But the incentive to build additional domestic refining capacity will be gone because the windfall excise tax will make such investment unprofitable. As existing refining capacity depreciates and wears out, as rising variable costs overtake revenues, and as the global demand for oil continues to expand, oil companies will find it more profitable to build new refining capacity outside of the United States. This will strengthen OPEC's bargaining position in its efforts to force the oil companies to build refineries in OPEC countries. This will dramatically accelerate the strength of the cartel, and end our ability to bargain on any level short of a resort to arms.

The Congress, by levying this hidden tax on the American people, will insure a future of escalating energy prices and continued shortages and disruptions. The irresponsibility being exhibited by the Congress is the kind of shortsightedness displayed by the two-bit hustler who believes that chickens never come home to roost and that reality can continually be evaded. The costs of Government interference in the economy are manifestly apparent in our energy crisis. Yet the Congress is unwilling to face up to its past mistakes, and instead seeks to deny past errors by enacting a measure which is the worst proposal to date. I suppose that the Congress will still be blaming the oil companies even when these devastating measures have reduced our economy to ruins.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for transaction of routine morning business, not to exceed 15 minutes and that Senators may speak therein for 5 minutes each.

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

PUBLICATION OF FEDERAL OPEN MARKET COMMITTEE MINUTES

Mr. ROBERT C. BYRD. Mr. President, at the request of Senator PROXMIRE, I ask unanimous consent that the Senate proceed to consideration of Calendar Order No. 453.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4998) to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis.

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

UP AMENDMENT NO. 876

(Purpose: To authorize temporarily the automatic transfer of funds, remote service units, and share draft accounts, and for other purposes)

Mr. PROXMIRE. Mr. President, I send to the desk an amendment in the nature of a substitute and ask unanimous consent that Senators CRANSTON, GARN, and TOWER be added as cosponsors.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself, and Senators CRANSTON, GARN, and TOWER, propose an unprinted amendment numbered 876.

Mr. PROXMIRE. 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:

Strike out all after the enacting clause and insert the following:

TITLE I—CONSUMER SERVICES AND USURY

SEC. 101. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

SEC. 102. Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations for the purpose of crediting existing savings accounts, debiting such accounts, crediting payments on loans, and the disposition of related financial transactions as provided in regulations prescribed by the Board.".

SEC. 103. (a) Section 101 of the Federal Credit Union Act is amended—

(1) by inserting before the semicolon at the end of paragraph (5) the following: ", and such term also includes a share draft account";

(2) by striking out "and" at the end of paragraph (8);

(3) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(10) the term 'share draft account' means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) Section 107 (6) of such Act is amended by inserting before the semicolon at the end thereof the following: ", and to issue, deal in, and accept share drafts as orders of withdrawal against shares, subject to such terms, rates, and conditions as may be prescribed by the Board".

SEC. 104. The amendments made by sections 101 through 103 of this title shall take effect on December 31, 1979, and shall remain in effect until the close of March 31, 1980.

SEC. 105. (a) (1) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, or advance which is—

(A) secured by a first lien on residential real property or by a first lien on stock in a residential cooperative housing corporation where the loan, mortgage or advance is used to finance the acquisition of such stock;

(B) made after the date of enactment of this Act; and

(C) described in section 527 (b) of the National Housing Act, except that the limitation described in section 527 (b) (1) that the property must be designed principally for the occupancy of from one to four families shall not apply, the requirement contained in section 527 (b) (1) that the loan be secured by residential real property shall not apply to a loan secured by stock in a residential cooperative housing corporation, and for the purpose of this section, the term "lender" in section 527 (b) (2) (A) of the National Housing Act shall also be deemed to include any lender approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act.

(2) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest which may be charged, taken, received, or reserved shall not apply to any deposit or account held by, or other obligation of a depository institution. As used in this paragraph, the term "depository institution" means—

(A) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

(B) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(C) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(D) any member as defined in section 3 of the Federal Home Loan Bank Act;

(E) any insured institution as defined in section 408 of the National Housing Act; and

(F) any insured credit union as defined in section 101 of the Federal Credit Union Act;

(b) The provisions of subsection (a)(1) shall apply to loans, mortgages, and advances made in any State unless and until the State adopts a provision of law (within two years after the date of the enactment of this Act) limiting the rate or amount of interest, discount points, or other charges on any such loan, mortgage, or advance, except that at any time after the date of enactment of this Act any State may adopt a provision of law placing limitations on discount points or such other charges on any such loan, mortgage, or advance.

(c) The Federal Home Loan Bank Board is authorized to issue rules and regulations and to publish interpretations governing the implementation of this section.

(d) The provisions of subsection (a)(1) apply to any loan, mortgage, or advance described in subsection (a)(1) for the duration of such loan, mortgage, or advance if it is made during the two year period beginning on the date of enactment of this Act pursuant to a commitment issued during the six-month period beginning on such date of enactment.

(e) For the purpose of this Act and any amendment made by this Act, the term "State" includes the several States, Puerto Rico, the District of Columbia, Guam, the Trust Territories of the Pacific Islands, and the Virgin Islands.

SEC. 106. The President shall convene an interagency task force consisting of the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Federal Home Loan Bank Board, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the National Credit Union Administration Board. The task force shall conduct a study to determine the difficulties faced by depository institutions which have sizable portfolios of low-yield mortgages. In carrying out such study, the task force shall solicit the views of, and invite participation by, consumer and public interest groups, business, labor, and State regulators of depository institutions. Not later than 45 days after the date of enactment of this Act, the task force shall transmit to the President and the Congress its findings and recommendations for such action as it deems appropriate.

TITLE II—INTEREST RATE AMENDMENTS REGARDING STATE USURY CEILINGS ON CERTAIN LOANS

SEC. 201. Section 5197 of the Revised Statutes, as amended (12 U.S.C. 85), is amended by inserting in the first and second sentences before the phrase "whichever may be the greater", the following: "or in the case of business or agricultural loans in the amount of $25,000 or more, at a rate of 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located.".

SEC. 202. The Federal Deposit Insurance Act (12 U.S.C. 1811–1831) is amended by inserting after section 23 the following new section:

"SEC. 24. (a) In order to prevent discrimination against State-chartered insured banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank would be permitted to charge in the absence of this subsection, a State bank may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank would be permitted to charge in the absence of this paragraph, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a) when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the State bank taking or receiving such interest.".

SEC. 203. Title IV of the National Housing Act (12 U.S.C. 1724–1730f) is amended by in-

serting after section 411 the following new section:

"SEC. 412. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution taking or receiving such interest.".

SEC. 204. Subsection (h) of section 308 of the Small Business Investment Act of 1958 is amended to read as follows:

"(h)(1) The purpose of this subsection is to facilitate the orderly and necessary flow of long-term loans and equity funds to small business investment companies to small business concerns.

"(2) In the case of a business loan the principal amount of which is $25,000 or more, the small business investment company making such loan may charge interest on such loan at a rate which does not exceed the lowest of the rates described in subparagraphs (A), (B), and (C).

"(A) The rate described in this subparagraph is the maximum rate prescribed by regulation by the Small Business Administration for loans made by any small business investment company (determined without regard to any State rate incorporated by such regulation).

"(B) The rate described in this subparagraph is the maximum rate authorized by an applicable State law which is not preempted for purposes of this subsection.

"(C)(i) The rate described in this subparagraph is the higher of the Federal Reserve rate or the maximum rate authorized by applicable State law (determined without regard to the preemption of such State law).

"(ii) For purposes of clause (i), the term 'Federal Reserve rate' means the rate equal to the sum of 5 percentage points plus the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district in which the principal office of the small business investment company is located.

"(iii) The rate described in this subparagraph shall not apply to loans made in a State if there is no maximum rate authorized by applicable State law for such loans or there is a maximum rate authorized by an applicable State law which is not preempted for purposes of this subsection.

"(3) A State law shall be preempted for purposes of paragraph (2)(B) with respect to any loan if such loan is made before the earliest of—

"(A) in the case of a State statute, July 1, 1980;

"(B) the date, after the date of the enactment of this paragraph, on which such State adopts a law stating in substance that such State does not want this subsection to apply with respect to loans made in such State; or

"(C) the date on which such State certifies that the voters of such State, after the date of the enactment of this paragraph, have voted in favor of, or to retain, any law, provision of the constitution of such State, or amendment to the constitution of such State which prohibits the charging of interest at the rates provided in this subsection.

"(4)(A) If the maximum rate of interest authorized under paragraph (2) on any loan made by a small business investment company exceeds the rate which would be authorized by applicable State law if such State law were not preempted for purposes of this subsection, the charging of interest at any rate in excess of the rate authorized by paragraph (2) shall be deemed a forfeiture of the greater of (i) all interest which the loan carries with it, or (ii) all interest which has been agreed to be paid thereon.

"(B) In the case of any loan with respect to which there is a forfeiture of interest under subparagraph (A), the person who paid the interest may recover from a small business investment company making such loan an amount equal to twice the amount of the interest paid on such loan. Such interest may be recovered in a civil action commenced in a court of appropriate jurisdiction not later than 2 years after the most recent payment of interest.".

SEC. 205. (a) In order to prevent discrimination against any financial institution chartered pursuant to the statutes of the United States with respect to interest rates, if the applicable rate prescribed in this section exceeds the rate such federally chartered financial institution would be permitted to charge in the absence of this section, the federally chartered financial institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the federally chartered financial institution is located.

(b) If the rate prescribed in subsection (a) exceeds the rate such federally chartered financial institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the federally chartered financial institution taking or receiving such interest.

SEC. 206. If any provision of this title or the application of such provision to any person or circumstance shall be held invalid, the remainder of the title and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

SEC. 207. The amendments made by this title and the provisions of this title shall apply only with respect to loans made in any State during the period beginning on the date of enactment of this Act and ending on the earliest of—

(1) in the case of a State statute, July 1, 1980;

(2) the date, after the date of the enactment of this Act, on which such State adopts a law stating in substance that such State does not want the amendments made by this title and the provisions of this title to apply with respect to loans made in such State; or

(3) the date on which such State certifies that the voters of such State, after the date of the enactment of this Act, have voted in favor of, or to retain, any law, provision of the constitution of such State, or amendment to the constitution of such State which prohibits the charging of interest at the rates provided in the amendments made by this title and the provisions of this title.

SEC. 301. Section 19 of the Federal Reserve Act (12 U.S.C. 461 et seq.) is amended by inserting after subsection (j) the following new subsection:

"(k) No member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person.".

SEC. 302. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by inserting after subsection (j) the following new subsection:

"(k) No insured nonmember bank or affiliate thereof, or any successor or assignee of such bank or affiliate or any endorser, guarantor, or surety of such bank or affiliate may plead, raise, or claim, directly or by counterclaim, set off, or otherwise, with respect to any deposit or obligation of such bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such bank or affiliate or to any other person.".

SEC. 303. Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by inserting after subsection (d) the following new subsection:

"(e) No member or nonmember association, institution, or bank or affiliate thereof, or any successor or assignee, or any endorser, guarantor, or surety thereof may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member or nonmember association, institution, bank, or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved,

and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member or nonmember association, institution, bank, or affiliate or to any other person.".

SEC. 304. The amendments made by this title shall apply only with respect to deposits made or obligations issued in any State during the period beginning on the date of the enactment of this Act and ending on the earliest of—

(1) in the case of a State statute, July 1, 1980;

(2) the date, after the date of the enactment of this Act, on which such State adopts a law stating in substance that such State does not want the amendments made by this title to apply with respect to such deposits and obligations; or

(3) the date on which such State certifies that the voters of such State, after the date of the enactment of this Act have voted in favor of, or to retain, any law, provision of the constitution of such State, or amendment to the constitution of such State which limits the amount of interest which may be charged in connection with such deposits and obligations.

SEC. 401. Effective at the close of the day preceding the date of enactment of this title, the Act entitled "An Act to authorize on a temporary basis certain business and agricultural loans, notwithstanding interest limitations in State constitutions or statutes, and for other purposes" (Public Law 96-104), and the amendments made by such Act, are repealed, except that—

(1) the amendments made by title I of such Act and the provisions of such title shall apply to any loan made in any State on or after November 5, 1979, but prior to such repeal; and

(2) the amendments made by title II of such Act shall apply to any deposit made or obligation issued in any State on or after November 5, 1979, but prior to such repeal.

SEC. 402. Notwithstanding any other provision of title II or III of this Act, subject to sections 207 (2) and (3) and 304 (2) and (3) of this Act and section 308(h)(3) (B) and (C) of the Small Business Investment Act of 1958, the provisions of titles II and III of this Act shall continue to apply until July 1, 1981, in the case of any State having a constitutional provision regarding maximum interest rates.

Mr. PROXMIRE. Mr. President, H.R. 4998 requires the Federal Reserve to maintain detailed records of open market committee meetings and to publish them on a deferred basis. I favor this legislation because it is in the public interest to require the Federal Reserve to keep such minutes.

There is some controversy—which I hope can be cleared up in the future—over the question of the timing of the release of the minutes. Because this matter cannot be settled today, I propose to strike all but after the enacting clause of H.R. 4998 and to substitute for the House passed bill provisions—that is what the amendment does, and it is imperative that we act on this and act on it promptly—which will extend for 90 days the authority of credit unions to offer share drafts, savings and loan associations to operate remote service units and banks to offer automatic transfers from savings to checking.

Mr. President, all of these services are meritorious and consumers overwhelmingly support them. Indeed, the Senate authorized these services in H.R. 4986, the Depository Institutions Deregulation Act, on November 1, 1979 by a vote of 76 to 9.

Unfortunately, the House conferees state they need time to address the Reg Q issue in hearings in February. Therefore, no resolution of H.R. 4986 can be arrived at by the end of this year. Without this legislation the authority of financial institutions to offer these services will terminate.

With the passage of this legislation Congress is on record as favoring share drafts, automatic transfers from savings to checking and remote service units for savings and loan associations. The regulatory agencies therefore should take no action to terminate the ability of financial institutions to offer these services.

The substitute will also provide the usury preemption provisions respecting business and agricultural loans and home mortgage loans which have been previously passed by the Senate. Each one of these preemption provisions is for a limited duration: Until July 1, 1980 for State laws applicable to business and agricultural loans; until July 1, 1981 for State constitutional provisions applicable to business and agricultural loans; and 6 months for home mortgage loans.

I hope my colleagues will support this legislation which will maintain the existing situation until the conferees can arrive at a constructive solution to overall financial deregulation.

Mr. GARN. Mr. President, I support this legislation. It would extend the date imposed by the U.S. Court of Appeals in the case involving automatic transfers from savings accounts to checking accounts at commercial banks, remote service units at savings and loan associations and share drafts at credit unions. The court had ruled last April that the bank regulatory agencies had no authority to approve these financial services in the absence of Federal legislation. The court gave Congress until January 1, 1980 to authorize these services in the Federal statutes. This legislation extends that date to March 31, 1980.

It is unfortunate that we are considering this legislation at this time. I had hoped that the House and Senate conferees to H.R. 4986 could have reached agreement on that bill and that a more comprehensive piece of legislation, such as that approved by the Senate earlier, could now be sent to the President for his signature. Unfortunately, the conferees have been unable to agree on the fundamental issue of phasing out regulation Q interest rate ceilings. The provision phasing out regulation Q is a very important feature of H.R. 4986, as passed by the Senate, and without agreement on this provision I do not believe it is possible to obtain agreement with the House on the other important features contained in that bill.

The House conferees have indicated that they need more time to consider regulation Q before agreeing to phasing it out. The temporary extension of the date in the court case will give them an adequate amount of time to hold hearings on this issue. In fact, the House conferees have agreed to hold hearings early next year. The temporary extension of the court-imposed date will give them the time they need to hold those hearings and allow them to return to the conference so that the issues in H.R. 4986 can be resolved early in the next session of Congress. In the meantime, the temporary extension of the date in the court case will allow the financial institutions involved to continue offering these financial services to the public until March 31, 1980.

I want to make it clear that I do not believe that an extension of the court date beyond that would be warranted. Both the House and the Senate have considered regulation Q many times in the past, and it is very clear to me that it is time for Congress to decide its future. The case for retaining regulation Q is not a very strong one. For one thing, it is amply clear that regulation Q does not work. Regulation Q ceilings cause disintermediation whenever market interest rates rise above those ceilings, resulting in a loss of funds to depository institutions and the customers they serve. In particular, those institutions are losing funds to the unregulated sectors of the financial system, such as the money market funds. And, unless Congress is willing to impose rate ceilings on those sectors of the financial system, a step I certainly would not support, the Nation's depository institutions will continue losing funds to those unregulated sectors of the financial system whenever interest rates rise. In addition, the interests of small savers are not being served by regulation Q, which prevents them from earning a market rate of interest on their savings at the depository institutions which operate under those ceilings. Finally, the other types of financial powers which depository institutions need to remain competitive in today's economy cannot be extended to them until the regulation Q issue has been resolved. To do so would violate the principle that all institutions offering similar types of financial services to the public should compete on the same equitable basis.

I am also disappointed that the Senate has not yet had the opportunity to consider the so-called Fed membership issue in this session of the Congress. The House has a provision dealing with this issue in its version of H.R. 4986, but the Senate does not. The Senate Banking Committee held one day of markup on this issue, but it has failed to complete its consideration of that issue. It is evident to me, based on that one day of markup, that there is a great deal of sympathy for a solution to the Fed membership issue which retains the existing voluntary system of Federal Reserve membership. Such a solution is contained in S. 353, a bill proposed by Senator TOWER. Nevertheless, I am hopeful that the committee will consider this issue early next year, and I believe that Chairman PROXMIRE is prepared to hold additional hearings on the Tower bill and proceed with a markup on that legislation at the earliest possible date.

This legislation would also override State usury laws as they apply to mortgage loans and business and agricultural loans in excess of $25,000. The Senate has already approved on a rollcall vote of 73

to 13, such an override in the case of agricultural and business loans as part of H.R. 4986. This was pursuant to an amendment sponsored by Senator COCHRAN as modified by Senator EXON. I am always reluctant to override State laws in any form, but in both cases this legislation is temporary and gives the States the opportunity to overturn this legislation if they so desire. In addition, it is clear that extraordinary circumstances presently exist in financial markets, and presently high interest rates are resulting in distortions in the flow of credit in those States where usury ceilings apply. For those reasons, I reluctantly support those provisions overriding these State usury laws.

I would only add that I hope the House would act expeditiously on this to alleviate the fears of many of the savings and loans, particularly the credit unions and the share drafts, of worrying about this deadline on January 1. It would cause some severe problems. I hope the House of Representatives would act rapidly on this, so that those fears can be alleviated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Mr. President, when the Senate Banking Committee and the full Senate in October considered H.R. 4986, legislation which substantially reforms the financial institution framework in the United States, I voted against the bill because it was too sweeping, and its direct and indirect consequences were not fully understood.

I also believed that it would be virtually impossible to reach agreement with the House on all the thorny issues raised by the Senate bill—thus raising the specter of an impasse on those issues which Congress must resolve this year.

So I am pleased the House-Senate conferees have recommended this approach which avoids revamping, in the closing hours of this session, the Nation's financial institutional structure without benefit of consulting those most affected by the changes.

There are many provisions in the original Senate bill which merit serious consideration. In the next 3 months, I look forward to working with the House and Senate conferees in writing a final bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time and passed.

The title was amended so as to read:

An act to authorize temporarily the automatic transfer of funds, remote service units, and share draft accounts, and for other purposes:

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

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

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, have any orders been entered in the RECORD for recognition of Senators tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10 o'clock tomorrow morning. After the two leaders have been recognized, under the standing order, the Senate will then resume consideration of the unfinished business, and rollcall votes are expected.

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

A SPECIAL SENATE BIRTHDAY GREETING

Mr. ROBERT C. BYRD. Mr. President, even in the close fellowship that the Senate often affords, it is possible that important events in the life of an individual Senator may slip past his colleagues unheralded. This is regrettable, for it is good, I believe, that we take note and mark the festive occasions in the lives of our friends.

Today, for example, I want to call attention to the fact that December 10 is the birthday of our distinguished colleague from New Jersey, Senator HARRISON "PETE" WILLIAMS. Senator WILLIAMS is, in my opinion, one of the outstanding Members of this body, and I think that it is appropriate that the Senators know that this is an auspicious day for him, and that we have an opportunity to extend him the warm greetings he deserves.

Senator WILLIAMS is serving his fourth term in the Senate. Before being elected Senator from New Jersey in 1958, he was a Member of the House of Representatives. I served with Senator WILLIAMS in the House of Representatives on the Foreign Affairs Committee of that body.

If one examines his legislative record since entering the Senate, one may find there perhaps one of the most enviable and sensitive lists of accomplishments among us. Senator WILLIAMS has authored or sponsored legislation concerning labor, occupational safety, transportation, education, housing and community development, the elderly, urban problems, and many other vital issues. Throughout his career, he has shown a deep interest in solving the problems of contemporary America, and in adopting legislation to the needs of all our citizens across this country.

He earned academic degrees at Oberlin, Georgetown, and Columbia.

I have served in the Senate with Senator WILLIAMS since 1958, and as I said, before that, we worked together in the House. I want to let him know that I count it a privilege to have enjoyed his friendship all these years, and that I am sure I speak for every Senator in wishing him the happiest birthday possible and many more just like it in the years to come.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. Mr. President, I might add to the statement of my good friend from West Virginia that we were notified that there was going to be a party held for Senator WILLIAMS which he was not aware of, a surprise party. Many of us would have liked to have gone, but we were busy here on the floor. I join with the Senator from West Virginia. I am sorry I was not able to attend that party for our good friend from New Jersey.

I have traveled many times with him and his good wife Jeanette. They are close personal friends of all of us without regard to politics.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for calling attention to the surprise party, organized by Senator WILLIAMS' lovely wife Jeanette. I, too, wish I had been able to attend but, because of the floor situation, that was not possible.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair wishes to exercise the prerogative of the Chair. I join the Senator from West Virginia in wishing the Senator from New Jersey birthday greetings in Hawaiian: Hauole la hanau.

THE CHRYSLER BILL

Mr. METZENBAUM. Mr. President, within the next few days, the Senate will begin consideration of legislation designed to help put the Chrysler Corp. on a sound financial footing.

I do not argue with those who believe that, in return for this assistance, Congress has a right to expect from Chrysler the highest standard of managerial and financial responsibility.

I do not argue with those who call for sacrifice on the part of all who want the corporation to survive.

But, Mr. President, I do argue strongly with those who propose to use the Chrysler legislation as a vehicle for inflicting harsh, unfair, and wholly unwarranted punishment upon the rank-and-file union members employed by that ailing corporation.

Last week, the Senate Banking Committee reported a bill which will allow Chrysler to raise $4 billion in new capital. Most experts agree that our third largest auto maker needs this huge amount to survive.

As a Senator from Ohio, where up to 60,000 jobs depend on Chrysler, I know full well the damage and hardship a Chrysler shutdown would cause in my

State and elsewhere. As a businessman, I know that the company desperately needs an infusion of new capital to regain its profitability.

But, unfortunately, the Senate Banking Committee has seen fit to throw a wholly unnecessary provision into the vital financial aid package.

The bill, as reported by the committee, conditions $1.25 billion in Government loan guarantees upon the willingness of those parties who have a direct interest in Chrysler to do some sacrificing too.

That makes sense. If the Government and, thereby, the taxpayers are expected to guarantee over $1 billion in loans to the company, then Chrysler creditors, stockholders, employees, dealers, and suppliers should also be ready to pitch in. That is only fair.

What is not fair is the fact that the Banking Committee's bill places the brunt of the sacrifice squarely on the shoulders of Chrysler workers. According to the committee's scheme, Chrysler employees would be required to forego any salary or benefit increases over the next 3 years in order to save Chrysler an estimated $1.32 billion.

This requirement is unfair, illogical, and unnecessary.

A 3-year wage freeze would cost Chrysler workers about one-sixth of their present purchasing power each year if inflation stays at the current rate. If the inflation rate escalates, as predicted, then Chrysler employees' purchasing power will be even more sharply curtailed.

A 3-year wage freeze would mean that by 1982, Chrysler employees would be making approximately two-fifths less than workers performing similar jobs for other companies.

A 3-year wage freeze would drive highly skilled employees out of Chrsyler and into the employ of Chrysler's competitors. The bill encourages a brain drain. That is not good business sense if our major purpose is to keep Chrysler above water.

The 3-year wage freeze is unnecessary.

The workers, through the recently negotiated UAW/Chrysler contract, have shown that they are ready to make major sacrifices to keep Chrysler operating.

For the first time in the UAW's history, the union negotiated a contract which will give Chrysler workers less than what was agreed upon for workers employed by the other two major auto manufacturers.

The UAW contract will save the Chrysler Corp. $203 million by foregoing certain wage increases for the next 2 years. Under the negotiated contract, Chrysler wages will only be brought in line with those wages paid by the other auto companies during the third year, a time when Chrysler says it will be able to absorb the costs because it will once again be turning a profit.

The Senate Banking Committee's proposal, on the other hand, does not ask for reasonable sacrifices from Chrysler workers. Rather, it punishes them for Chrysler's current financial plight. It provides Chrysler workers with conflicting and ironic messages. It says to them if they want to keep their jobs, then they had better be prepared to take food out of the mouths of their families. And it says to them, Mr. President, that the Senate of the United States is requiring the working men and women of Chrysler to foot the bill for management's past mistakes.

To me, that is unacceptable logic. When the Chrysler package comes before the Senate, I hope that my colleagues will be amenable to an alternative approach.

AFFIRMATIVE ACTION VERSUS EQUAL PROTECTION—I

Mr. HATCH. Mr. President, early this summer, the U.S. Supreme Court announced that racial discrimination was legal. That, in essence, was the meaning of the 5-to-2 decision in the case of Kaiser Aluminum against Weber. Brian Weber, you will remember, had been denied admission to a training program to which his seniority entitled him, because his employer and his union had decided that a certain proportion of the places should be reserved for blacks. Weber was clearly being discriminated against by reason of his color, contrary to the provisions of the 1964 Civil Rights Act, and most specifically contrary to the meaning of the act as defined in the colloquy on the floor of the Senate at the time of its passage. The lower courts upheld his suit. But the Supreme Court reversed them, in a decision that I believe was at once momentous and profoundly, tragically, mistaken.

The Weber case, and the whole issue of affirmative action, has many ramifications. With the indulgence of my colleagues, I propose to explore them over the course of this session. But first I want to say a word about the deafening silence that has greeted this issue from those of us who are elected officials.

We all know that from a political point of view, critcizing affirmative action is thankless. Its partisans are militant, and its opponents—I should more properly say victims—are confused, intimidated, and unaware.

But I believe the reason for our relative quiescence on this issue is more subtle. I think there are many in this Chamber, in the country at large, who have still not realized that affirmative action has nothing to do with the hallowed cause of civil rights. It is not a matter of making a more perfect Union, by extending the benefits of equality before the law to all. It is exactly and precisely the contrary. It is a radical departure from the spirit and genius of the American Constitution, because it denies that all are entitled to the equal protection of the laws, and says instead that what you get depends on who you are.

Mr. President, many states in history have operated upon this principle. Perhaps the most spectacular example in recent times was the Lebanon before the civil war. There, the fruits of office were divided according to a minute calculation of the relative weights of the state's component ethnic and religious factions. Notoriously, the system proved fatally inflexible and unjust. But it was an open and honest attempt to deal with the problem of a heterogeneous population.

However, and this is the point I wish to stress, it is not the American way. Historically, we have believed, in the last analysis, in equality of opportunity and in the workings of freedom to resolve our conflicts. This principle is intrinsic to our law, as well as to our legislation; it is part of our cultural heritage.

What the Supreme Court has done is to begin us upon an entirely different road, one which will lead to the Lebanonization of America, the intrusion of the politics of quotas into every aspect of life, and ultimately to the end of liberty.

This is a grave charge. I make it deliberately. It is incumbent upon us all to think more seriously about the issues raised, be it ever so delicately, in the Weber decision and others like it.

One man who has thought about it, and who has spoken out with exemplary courage, is George Will. Mr. Will is deservedly regarded as the most brilliant entry into the ranks of America's columnists in this generation. Directly after the Weber decision. Mr. Will wrote an essay which succintly made the crucial legal point.

It appeared in the Washington Post on Sunday, July 1.

When the Supreme Court ruled against Weber, Will says, it was ruling against both the literal wording of the 1964 act, and against express commitments made on the floor of the Senate. It was also, of course, ruling against substantial precedent.

As George Will puts it, with his customary restraint:

> The pertinent question is not whether this is a "conservative" or "liberal" court, but whether this is, properly speaking, a court at all.

I commend his article to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, July 1, 1979]

CIVIL RIGHTS TURNED INSIDE OUT

(By George F. Will)

The Supreme Court's 5-to-2 decision in the *Weber* case completes the process of turning the civil-rights impulse inside out, and standing the 1964 Civil Rights Act on its head. The decision affirms, resoundingly, the right to discriminate racially.

Under federal pressure, Brian F. Weber's union and Kaiser Aluminum and Chemical Corp. designed a reverse discrimination plan to eliminate "racial imbalances" in Kaiser's craft work force. The plan reserved for blacks 50 percent of the places in certain training programs. Blacks with less seniority received preference over Weber, who charged that this violated Title VII of the 1964 act, which says:

"It shall be an unlawful employment practice for an employer . . . to discriminate against any individual . . . because of such individual's race . . . to limit or classify his employees . . . in any way which would . . . adversely affect, any individual . . . because of . . . race. . . ."

Having won in two lower courts, Weber lost in the Supreme Court, where the majority argued, incredibly, that a liberal reading of

Title VII must be inappropriate because it conflicts with what the majority insists is the "spirit" of the act. And because Title VII says it shall not be construed to "require" reverse discrimination, the majority says, against an ocean of contrary evidence that Congress must have meant to "permit" such discrimination.

Justice Rehnquist's dissent, with Chief Justice Burger concurring, relentlessly demonstrates that the majority does violence to the court's previous construction of, and the unambiguous legislative history of, Title VII.

In 1971 in its first construction the court held that "discriminatory preference, for any group, minority or majority, is precisely and only what Congress has prescribed." In 1978, in its most recent construction, the court said: "It is clear beyond cavil that the obligation imposed by Title VII is to provide an equal opportunity for each applicant regardless of race, without regard to whether members of the applicant's race are already proportionately represented in the work force."

Rehnquist demonstrates that what the court previously called Title VII's "uncontradicted legislative history" is unambiguous and contradicts the majority's bizarre contention that Congress intended to "permit" reverse discrimination.

Rep. Emanuel Celler (D-N.Y.), who introduced the 1964 act in the House, said it would "prevent . . . employers from discriminating against or in favor of workers because of race." In 83 days of Senate debate, supporters of the act took pains to refute all other interpretations.

Sen. Hubert Humphrey (D-Minn.), the prime mover, said Title VII forbids actions "based on race." It "provides that race shall not be a basis for making personnel decisions." It "would prohibit preferential treatment for any particular group."

Sen. Thomas H. Kuchel (R-Calif.) said: "Employers and labor organizations could not discriminate in favor of or against a person because of his race . . . The bill . . . is color-blind."

Sens. Joseph S. Clark (D-Pa.) and Clifford P. Case (R-N.J.), floor managers for Title VII: ". . . any deliberate attempt to maintain a racial balance, whatever such balance may be, would involve a violation of Title VII because maintaining such a balance would require an employer to hire or to refuse . . . to hire on the basis of race."

Sen. Harrison A. Williams (D-N.J.): "Both forms of discrimination are prohibited by Title VII. . . . "

Sen. Leverett Saltonstall (R-Mass.): Title VII "provides no preferential treatment for any group of citizens. In fact, it specifically prohibits such treatment." And so on.

Reverse discrimination may be the most direct way of building a black middle class. A black middle class is devoutly to be desired. Nevertheless, it should be promoted lawfully.

Perhaps the court majority has expressed what Congress should have intended in the 1964 act; or what Congress somehow "really" intended but for some reason gave no evidence of intending; or what Congress would intend were it to pass the 1964 act in 1979. But Justice Rehnquist's dissent is unanswerable on what is, or should be, the central point: What does the language of the act and the record of the debate show that Congress actually intended?

Neither the words of the statute, nor words said about it, sustain the majority's social preferences. So the majority baldly asserts that the "spirit" of the act permits what the letter of the act forbids.

The majority opinion is reasoned, but there is precious little judicial reasoning in it. There is reasoning about social justice and how best to achieve it; there is the reasoning of well-intentioned legislators. But the reasoning is not discernibly grounded in a judicial responsibility.

The *Weber* decision suggests that the pertinent question is not whether this is a "conservative" or "liberal" court, but whether this is, properly speaking, a court at all.

THE STRUGGLE FOR RELIGIOUS FREEDOM

Mr. JACKSON. Mr. President, today marks the 31st anniversary of the Universal Declaration of Human Rights, that outstanding pioneering document that spells out a "Bill of Rights" for the human family.

I wish to take the occasion of this anniversary to say a special word on behalf of the countless Christian believers of all denominations who have been suffering for their convictions under tyrannical modern regimes.

The arrival of Pastor Vins and his family dramatized for us all what Baptists may suffer in the U.S.S.R. if they resist Kremlin domination of their congregations.

Nor is the Russian Orthodox Christian exempt. Igor Ogurtsov is now near death. Alexsandr Solzhenitsyn warned this past June:

> During the current months Igor Ogurtsov, a prominent son of the Russian People who sought the development of Russia by Christian means, is irreversibly approaching death. He has already served more than 12 years of uninterrupted severe imprisonment under a merciless regime—and still 8 more years loom before him, a term he will not be able to survive.

Andrei Sakharov has called Igor Ogurtsov "a symbol throughout the world of the struggle for human rights against arbitrariness and illegality."

Today, many thousands of Russian Pentecostals have concluded they cannot carry on what they believe are Christian lives in their motherland—because of educational and professional discrimination, brutal beatings and imprisonment for their faith. Two Pentacostal families—the "Embassy 7" who have been claiming a grudged sanctuary in the American Embassy in Moscow for over a year now—testify to the desperation of many. This spring the U.S. Commission on Security and Cooperation in Europe published the names of 10,000 Soviet Pentecostals who are seeking to emigrate, some even formally renouncing their Soviet citizenship when their applications to emigrate are refused.

Reports indicate that there is a new wave of repression, an increase in persecution, sweeping over believers in the Soviet Union and in parts of Eastern Europe.

In the Soviet Union, recent cases include the arrest of three more Baptists, as reported by Pastor Vins' mother Lidia Vins—apparently because they led a camp for children of imprisoned Baptists. Two Baptist pastors, members of the executive body of unregistered Baptist churches in the U.S.S.R., have just been arrested, Ivan Antonov for so-called "parasitism" and Nikolai Baturin on unknown charges. Pastor Baturin has already served 16 years in labor camps because of his religious activities.

Leading Orthodox activist Father Gleb Yakunin, who has been barred from officiating as a priest since 1965, was arrested November 1, the same day that the homes of five of his colleagues in the Christian Committee for the Defense of Believers' Rights were aggressively searched—one for 6 hours. Two weeks before, 20 KGB officials searched the Moscow apartment of Father Dimitri Dudko, a well-known and popular priest.

In Romania, particularly distressing is the martyrdom of Gheorghe Calciu, an Orthodox priest who was cruelly beaten during 4 months of solitary confinement. He was sentenced this summer to 10 years imprisonment for "transmitting documents to the West" and for his "association with the Free Trade Union of Romanian Workers." This new sentence follows 16 years in prison after the Communist takeover in 1948. In Romania, as in the Soviet Union, Baptist and Pentecostal pastors and activists are the chief sufferers—dozens have been arrested and interrogated this year, others beaten, subjected to economic and educational discrimination or deprived of their churches.

In Czechoslovakia, 11 Catholics have been arrested and are awaiting trial—most of them in connection with clandestine publications, or, like theologian Dr. Josef Zverina, S.J., charged with "obstructing state supervision of the church and religious associations."

In Bulgaria, there are signs of a vigorous religious revival which the Government is meeting with repression. Five Pentecostals active in the distribution of Bibles have just been given heavy fines and 3- to 6-year prison sentences.

The bright promise of the Universal Declaration of Human Rights has not been realized. Abuses of human rights form a sad, continuing chronicle of injustice, stupidity, and suffering. If the U.S. Government and its people do not stand up for human rights, there is little prospect that nations whose governments are based on the denial of key rights will make even a minimal effort to comply with internationally recognized standards, including the right to religious freedom.

We in the Congress have particularly emphasized the right to emigrate—the lifesaving liberty of last resort, which is at the heart of the Universal Declaration of Human Rights.

The Jackson-Vanik amendment—with 72 cosponsors—passed the Senate as title IV of the Trade Act of 1974. The amendment supports the right to emigrate without regard to race, faith, or destination. It was designed in part to provide an escape route for Christians and Jews and others who can no longer tolerate, or are not tolerated by their own governments.

Romania, Hungary, and the People's Republic of China have accepted the terms of the Jackson-Vanik initiative. It has been a factor in the successful emigration of thousands and thousands who felt obliged to leave their homelands. And in the case of the Soviet Union, which has not met the requirements of the law, the amendment is proving indispensable leverage in the ongoing bargaining for freer emigration.

The struggle for elementary personal

rights goes on. In this struggle, all Americans can play a part.

On this 31st anniversary of the Universal Declaration of Human Rights, I recall the wise words of Valery Chalidze, who was himself summarily exiled from the Soviet Union. Chalidze said he could not be sure what steps would be most helpful to those striving for their basic freedoms. But, he added, "I only know that they will not be helped by silence."

FEDERAL RESERVE BOARD ACTION INSUFFICIENT

Mr. HELMS. Mr. President, the recent action of the Federal Reserve Board to slow the rate of money supply growth is obviously necessary if inflation is to be stemmed.

However, it is also obvious that politicians who say they are against inflation must back up their words with actions. That is, they must stop voting for massive deficits our Federal Government is incurring, and they must support monetary reform to prohibit the monetary authority from monetizing growing debts.

Recently Elgin Groseclose, a renowned economist and scholar, wrote a letter to the editor of the New York Times. Unfortunately, the editors of that newspaper declined to publish the Gloseclose letter. Nevertheless, I feel that its truth should be a matter of record.

Therefore, I ask unanimous consent that the letter be printed at this point in the RECORD.

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

INSTITUTE FOR MONETARY RESEARCH, INC.
Washington, D.C., October 17, 1979.

The EDITOR,
Letters to the Editor,
The New York Times,
New York, N.Y.

DEAR SIR: The government's efforts to contain the inflation are like a man carrying a torch and a water bucket through a field of standing grain. With one hand he sets the field afire, with the other he attempts to douse it from his bucket.

The response to the Federal Reserve's actions to curtail the supply of bank credits has been a rise of interest to unprecedented levels the result of which will be inflationary on all prices, since in our credit-debt economy, interest is a significant factor at every stage in the costs of production.

If a home developer has to pay 12 per cent for his construction loan he must price the finished house at a figure that will cover his increased interest cost. All the elements of the house are similarly affected. Since it takes time to grow the timber, to harvest it, to mill it into planks, a money cost accumulates at the going interest rate, and rising interest rates have a compounding effect on the end cost. For industry with a long time lag in the production process, the interest cost can be substantial—as in the case of public utility generating plants or a Washington subway system.

Credit contraction will no doubt deter, or prohibit, some business activities, particularly the less efficient, but with a double consequence. In one case a reduction will follow in the market supply—houses for example—with scarcity developing, and bidding up of prices from unsatisfied demand. This effect occurs particularly with items of necessity—housing to provide for an increasing population, public utility expansion, energy, and public services. Thus, while contracting business will lower or eliminate the income of many wage earners, salaried persons and business owners, it will force upward the cost of living.

Meanwhile government itself pushes interest rates higher by its insatiable demands on the market to finance its chronic deficits. Like the biggest porker at feeding time, once a week in its bill offerings the Treasury pushes weaker risks—and not so weaker, like IBM—to the far end of the credit trough while it gobbles up the available supply.

At the same time, government pushes general prices higher by its own deficit spending, which bears primarily on the consumption sector while the productive sector is being squeezed by high interest rates.

The correct cure for inflation is first to curtail government spending by relieving the demand both for goods and services and for credit. Beyond that a fundamental monetary reform is required—the cessation of monetizing the public debt through the Federal Reserve. The Federal Reserve, or any agency of government, should be prohibited from issuing paper currency against Treasury obligations, and the Federal Reserve should be returned to its original function of financing only short term, self-maturing credit needs of the market. The Federal government should be forbidden, as are the states by the Constitution, to "emit bills of credit, or to make anything but gold and silver coin a tender in payment of debt".

The correct principle was stated in 1877 by the government of India in resistance to efforts to introduce paper money into India and to suspend the free coinage of silver rupees that for centuries had been the media and standard of deferred payments, and store of value:

"A sound system of currency must be automatic or self-regulating. No civilized government can undertake to determine from time to time by how much the legal tender currency should be increased or decreased, nor would it be justified in leaving the community without a fixed metallic standard of value, even for a short time."

Regrettably, the British government did not accept this standard of integrity; it began the issue of paper currency, a process which was a major influence in the break-up of the British overseas empire—as it has already proved to be a cause of decay of U.S. economic power and political influence.

Sincerely,

ELGIN GROSECLOSE.

RECENT MARINE CORPS PARTICIPATION IN HUMANITARIAN ACTIVITIES AND DISASTER RELIEF

Mr. HELMS. Mr. President, there is no need for me to reemphasize the importance to the security of the United States and its allies of the Caribbean Sea and the Antilles. A single glance at the map is sufficiently convincing that they command the Atlantic approaches to the Southeastern coast of the United States, the Gulf of Mexico, the Panama Canal and the sea lanes to and from South America.

Already some of these islands and surrounding land masses have come under the influence, if not the domination, of a power hostile to the United States. Obviously, the geopolitical consequences engendered by this shift in the balance of power in that area are too serious to be dismissed as only a minor nuisance created by a Soviet surrogate in search of adventure.

Mr. President, what was once considered to be a focal infection point of subversion in Latin America has now developed into a cancerous growth which has spread down the islands fringing what was once considered to be an American lake. The belated show of strength in the area ordered by the President does not alter the fact that the bastion of the continent has been breached. And it will take more than a token demonstration of resolve to restore the balance and security that the area had enjoyed for several centuries.

While I am sure that my distinguished colleagues are very much aware of the developments in the Caribbean and the amphibious landing exercise conducted by the Marines at Guantanamo, I doubt whether many are aware of the role played by other components of the 2d Marine Division, based at Camp Lejeune, N.C. It was this role which contributed in a decisive, albeit self-effacing way to the thwarting of Cuba's carefully orchestrated plans to gain ascendancy in some of the island ministates of the Antillean chain.

Just for openers let me state that the Cuban Ambassadors to Jamaica, Grenada and Nicaragua are veteran and skilled intelligence officers identified by witnesses who appeared before the now defunct Subcommittee on Internal Security of the U.S. Senate Judiciary Committee.

Mr. President, in order to get a better grasp of the prevailing mood of the few friends the United States has left in the area, let me quote from an editorial which appeared in the Bridgetown, Barbados Advocate News on October 13, 1979:

> We are going to become a full scale ideological battleground between the advocates of the Soviet-Cuban system of human domination and the supporters of the American or Western leadership in private enterprise and personal liberties. Thus the Soviet presence in Cuba and the appearance of Russian trained intelligence agents in the islands not far from Barbados are harbingers of things to come; sad events which will affect the lives of us in due course.
>
> In the meantime let us not sit back in complacency and view the recent pronouncements by President Carter on Soviet troops in Cuba and the establishment of an American special task force to monitor this development as insurance against further Soviet-Cuban penetration of the region. Let us not forget that we are a long way from Key West and lots of things can happen under the guise of indigenous "Peoples' Revolution" where Uncle Sam would be reluctant to intervene in the absence of visible Soviet troops in situ.

Mr. President, the sad thrust of this editorial is not merely a plea to the United States; it is also a clear warning. We cannot and should not abandon an area where there remains a genuine respect for the United States, respect which is based not on force but the concern shown by this country to the plight of small and impoverished islands which cherish their newly won independence but most of all cherish their human freedoms as we have known them since our own independence.

The aftermath of Hurricane David showed that ill winds are not necessarily the result of nature's forces.

Cuba's new ally, Grenada, was quick in running interference for its mentor when Grenadian Prime Minister Maurice Bishop, escorted by a team of Cuban "advisers" landed in hurricane-devastated Dominica and offered a promise of $5 million in assistance from Havana. To his surprise he was greeted by scores of American flags flying from the few surviving buildings. Tangible and immediate U.S. aid had brought about this rare occurrence, but what really must have galled Bishop and his Cuban friends, upon landing from their floating Trojan horse, was the sight of scores of U.S. Marines, members of a special team of the 2d Marine Division, engaged in what the Marine Corps laconically described as:

On 1 September, Disaster Area Survey Teams (DAST) were deployed to the island republic of Dominica and the Dominican Republic. The Marine Corps was tasked with providing logistics support to the joint effort of USMC, USN and USAF Forces to restore communications, distribute potable water, evacuate personnel from flood stricken areas and provide helicopter support for medical purposes in addition to assisting reconstruction efforts of bridges and roads.

These operations were supposed to have been completed by November 29, 1979.

One immediate result of our concern in offering immediate aid to Dominica was that its Prime Minister, Oliver Seraphin, not only rejected the blandishments of Cuba's client Grenada to form a coalition of ministates in that area of the Antilles, but ousted two of his Cabinet members who showed pro-Cuban sympathies. In addition to Dominica, Grenada's new dictator Bishop, was wooing neighboring Saint Lucia where leftist Deputy Prime Minister, George Odlum, has repeatedly expressed his disenchantment with the free enterprise system and Western style democracy. It is only a matter time before Mr. Odlum realizes that Cuban bearers of aid are not like the marines. Once the Cubans establish a foothold in foreign soil, no matter under what pretext, they seldom, if ever, leave of their own free will.

The aid to the Dominican Republic had an even more poignant twist, because the Cuban Politburo saw an excellent opportunity to use aid as a way to expand its propaganda offensive in the Caribbean. In a case of overkill, the Cubans sent only token medical supplies to the Dominican Republic. The medicines were accompanied by no less than two ministers, Fernando Vecino Alegret, Minister of Higher Education, and Jose Gutierrez Muniz, Minister of Health. Fernando Vecino Alegret is actually a major general of the Cuban Army and was in command of troops both in Angola and Ethiopia, and had just returned from a survey of "educational" problems in the northern provinces of Nicaragua. General Vecino is the point man of Havana's brand of imperialism and his real mission in the Dominican Republic had nothing to do with aid to the victims of Hurricane David.

It is to credit of Dominican President Antonio Guzman that he saw through the machinations of the Cubans and promptly invoked an article of the Constitution which requires the President's authorization before any foreign aid can be accepted by any political organization. As a result of President Guzman's statement, General Vecino departed disillusioned at the failure of his mission which was, according to official Cuban sources, to "arrange the establishing of an air bridge with the Dominican Republic to facilitate more shipments."

Meanwhile, Mr. President, the U.S. Marines and other U.S. service personnel delivered vast amounts of aid both in terms of food, drugs, and emergency equipment in the communications field. Their helicopters flew hundreds or even thousands of missions, reaching areas where thousands of people were going hungry because the high level of the waters had rendered roads impassable.

Mr. President, the genuine concern of the United States for disaster victims is well known—the countless instances where prompt and substantial aid contributed to the immediate relief of entire populations. Yet I feel obliged to state that seldom, if ever, does the United States receive the recognition its generosity deserves. It is usually the efficient propaganda machine of the Soviets or the Cubans which manages to grab the headlines of the local media after having made just a token gesture of aiding a stricken country.

For this reason I believe it is important to call to the attention of the American people another instance where the Marines landed, not as the invaders portrayed by the Soviet-Cuban propaganda, but as truly concerned human beings ready to help, with their tools and know-how, in fields far removed from that of combat for which they had been trained.

Jamaica is another example where the Marines sent a bridge company of the 8th Engineer Support Battalion of the 2d Marine Division as part of a joint Marine-Navy Seabee force deployed to Jamaica on August 30, 1979, for reconstruction/disaster relief in the aftermath of Hurricane David. The joint force was tasked to repair and restore bridges, roads, water supplies and various flood control construction projects. The Marine unit was scheduled to depart on or about November 30, 1979 when these projects are completed.

The Jamaican ruling party has very strong ties with Cuba; relations between the two countries are, for all practical purposes, those of client state where Jamaica is concerned. There are Cubans by the hundreds in Jamaica claiming to be advisors in the medical and construction fields. The basic difference between the Marines and the Cubans is that the Marines went to Jamaica with their identity well known while the Cubans prefer to disguise their military background by posing as medics or construction workers. The fact of the matter is that the Cubans are graduates of special military schools geared to train "technicians" for export purposes.

The Cuban Technological Institute "Martinez Villena" which prepares the type of "expert" to be found in the Caribbean, is a typical example. When 100 students graduated after having studied soil conservation, their graduation exercises consisted of giving a demonstration of dexterity in handling Soviet-made multiple rocket launchers. This was done in the presence of Fidel Castro himself who congratulated the graduates for their military aptitude.

Mr. President, because of the Cuban-Jamaican relations, it was typical that not a single word was heard about the presence of our Marines on the island. Yet I am quite sure that, had the Marines been dispatched to Jamaica under different circumstances, the protests and demonstrations against the United States would have been deafening.

Incidentally, Mr. President, in addition to the relief operations that I just mentioned, the Marines provided 20 3,000-gallon water storage tanks to provide water for the Kampuchean refugees in Thailand.

Mr. President, as is customary, the Marines maintained their high standards of readiness even while diverting personnel to assist victims of disasters and, while they are justly proud to show their fighting spirit whenever the need arises, they are just as modest when their humanitarian good deeds are involved. It is for this unassuming quality that I proudly and gratefully commend them—particularly the 2d Marine Division of Camp Lejeune—and call attention to the contribution they have made in the name of the humanitarian principles of the United States.

MESSAGES FROM THE HOUSE

At 3:29 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 amendment of the Senate to the bill (H.R. 5079) to provide for participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn., in 1982, and for other purposes, requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FOUNTAIN, Mr. FASCELL, Mr. BINGHAM, Mr. BONKER, Mr. PEASE, Mr. BARNES, Mr. WOLPE, Mr. BROOMFIELD, Mr. LAGOMARSINO, Mr. FINDLEY, and Mr. GILMAN were appointed as managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4943) granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 3892. An act to amend title 38, United States Code, to extend the authorizations of appropriations for certain grant programs and to revise certain provisions regarding

such programs, to revise and clarify eligibility for certain health-care benefits, to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery, and to assure that personnel ceilings are allocated to the Veterans' Administration to employ the health-care staff for which funds are appropriated; to require the Veterans' Administration to conduct an epidemiological study regarding veterans exposed to agent orange; and for other purposes;

H.R. 5163. An act to authorize the sale to certain foreign nations of certain excess naval vessels; and

H.R. 5651. An act to establish by law the position of Chief of the Capitol Police, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with an amendment and an amendment to the title:

H.R. 934. An act for the relief of Brian Hall and Vera W. Hall (Rept. No. 96–471).

H.R. 4612. An act to amend title XVI of the Social Security Act to maintain for an additional three years the current program of preventive services, referral, and case management for disabled children receiving SSI benefits (Rept. No. 96–472).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with amendments:

S. 1850. A bill to authorize the conveyance of lands in the city of Hot Springs, Ark. (Rept. No. 96–473).

CHANGE OF REFERRAL—S. 2101

The Committee on Labor and Human Resources was discharged from the further consideration of S. 2101, a bill to authorize the use of certain mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes, and the bill was referred to the Committee on Governmental Affairs.

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. WEICKER (for himself, Mr. HAYAKAWA, Mr. SCHMITT, and Mr. PRESSLER):

S. 2104. A bill to increase export opportunities for small businesses; to the Select Committee on Small Business and, if and when reported, to the Committee on Banking, Housing, and Urban Affairs, by unanimous consent.

By Mr. PROXMIRE (for himself, Mr. STEVENSON, and Mr. HEINZ):

S. 2105. A bill to delegate the functions of the Secretary of Transportation under section 3 of the Urban Mass Transportation Act of 1964 to the Urban Mass Transportation Administrator; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LONG:

S. 2106. A bill for the relief of Mrs. Stella Marie Deignan; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 2107. A bill for the relief of Estefania Tolentino; to the Committee on the Judiciary.

S. 2108. A bill for the relief of Sushma Sidh; to the Committee on the Judiciary.

S. 2109. A bill for the relief of Suresh Sidh; to the Committee on the Judiciary.

S. 2110. A bill for the relief of Sushant Sidh; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER (for himself, Mr. HAYAKAWA, Mr. SCHMITT, and Mr. PRESSLER):

S. 2104. A bill to increase export opportunities for small businesses; to the Select Committee on Small Business and, if and when reported, to the Committee on Banking, Housing, and Urban Affairs, by unanimous consent.

SMALL BUSINESS EXPORT DEVELOPMENT ACT OF 1979

● Mr. WEICKER. Mr. President, today I am introducing the Small Business Export Development Act of 1979 to encourage and assist small businesses to become active in export markets. Today only 250 firms account for 85 percent of all U.S. exports; yet the Department of Commerce estimates that 20,000 firms have the potential to export successfully. Of these companies with export potential, 18,000 are small and medium-sized firms.

There is an increasing awareness in this country that the answers to many of our economic problems lie with a successful and competitive small business sector. Yet, although small business accounts for 43 percent of the gross national product, virtually all new private sector employment, at least 50 percent of all major innovations, and are recognized to be the most productive sector in our economy, they still account for no more than 10 percent of U.S. exports.

Hearings held by the Senate Small Business Committee in September provide a clear picture of the frustrations encountering small businesses that attempt to gain entrance to export markets. They are confronted by a government uninterested and unable to provide small businesses the very basic tools necessary to a successful export operation. Not only do they meet obstacles at every turn, they are confronted with export "assistance" programs that fail to provide needed assistance.

The September hearings of the Small Business Committee on small business and exports pointed out that one of the most pressing problems facing small businesses is access to accurate and complete export information.

Currently, the Department of Commerce is the Federal clearinghouse for export information. However, many small businesses are not even aware that information and assistance is available. Small businesses that are aware such information exists have experienced great difficulty in obtaining the information in a readily usable form.

In addition, the Small Business Administration, whose statutory mission is to assist small business, is unfortunately of little use to those small firms endeavoring to market their products internationally.

In fiscal 1979, SBA employed only two full-time experts and spent less than $200,000 or approximately one-tenth of 1 percent of its total salary and expense budget to promote small business exports.

Because of these inadequacies, a small business person who today goes to SBA for export information usually gets no answers to his questions and, more often than not, is simply referred to another agency—referred and put off and given useless pamphlets and made a victim of our Government's inability to place an appropriate emphasis on export promotion.

Mr. President, section 101 of this bill amends the Small Business Act to substantially upgrade the export promotion activities of the Small Business Administration.

Through its network of 110 field offices, SBA has the capability to provide localized assistance to small businesses. Section 101 will establish within the SBA the newly created position and function of the export development specialist, who will be assigned to each of the agency's regional offices. The role of these specialists will be to counsel these businesses on exporting procedures and problems, assist these businesses in their dealings with other Federal agencies and advise them concerning available export programs and resources. With these personnel in the field, SBA's field office network can be used effectively for the delivery of export information.

Section 101 would also expand SBA's central office function by increasing the authorization for the Office of International Trade to $1.5 million. This represents a 600-perecnt increase over the resources currently being devoted to this function. Yet, the dollar figure is not that great. With this additional funding SBA can effectively improve the delivery of export information and assistance to the small business sector.

It should be emphasized that SBA's efforts can only be successful if there is greater cooperation between that agency and other Federal departments and agencies, especially the Department of Commerce. I do not expect SBA to duplicate efforts of the Commerce Department in collection of export information. However, I do expect the Commerce Department to cooperate with SBA in making information available to small businesses through SBA's network of field offices. Through such cooperation small businesses will gain increased access to vital information without which a successful export effort is impossible.

Mr. President, title II of this bill deals extensively with the role of commercial attachés and other overseas personnel in the collection of export information. Unlike most established U.S. exporters with large overseas marketing staffs and established relationships with international financial institutions that provide information on overseas marketing conditions and the creditworthiness of potential overseas buyers, smaller firms

just beginning their efforts to export cannot afford in-house personnel to perform similar functions. They must rely on the Government. The commercial attachés are these small businesses "eyes and ears" overseas.

The President's trade reorganization plan, recently approved by the Congress, takes a major first step in insuring greater responsiveness from commercial attachés and other overseas export oriented personnel, by transferring them from the Department of State to the Department of Commerce. This transfer means that for the first time, domestic and overseas staffs responsible for export promotion will be located in the same department.

At present, information provided by attachés is often unresponsive, untimely and inaccurate. The American exporter who enters into a sales agreement without the benefit of complete and timely information on market conditions, economic climate and the general commercial standing and credit-worthiness of the overseas buyer, is taking a substantial risk. This business would never take such a risk selling domestically, and should not be expected to take such a risk when he sells internationally.

Under title II attachés and other overseas personnel involved in export promotion would be required to participate in extensive training prior to assignment overseas. This training would include a period when attachés would be assigned to regional offices of the Commerce Department to work with businesses needing export assistance. In addition, the Secretary of Commerce is authorized to reassign attachés to duty posts in the United States for a period of up to 3 years. By requiring such training, and authorizing reassignment domestically, commercial attachés will be given a better understanding of the role they play in developing exports of U.S. businesses.

In addition, title II requires attachés to file semiannual reports with the Secretary of Commerce concerning economic and marketing conditions in the countries to which they are assigned. This will provide a consistent system to insure the regular flow of information to U.S. businesses. These reports will include information concerning:

Trade opportunities on an industry-by-industry basis;

Opportunities for exporting under provisions of multilateral and bilateral trade agreements;

Specific industry and commodity conditions; and

Foreign law and business practices.

Commercial attachés will also be required to maintain and make available current data on the commercial capacity and capabilities of foreign firms.

Mr. President, section 102 of title I of this bill amends the Small Business Act to give SBA the authority to make grants to States or other qualified applicants to establish small business export development programs. States, which are more localized in their approach to problem-solving than Federal programs, are in many instances, more sensitive to the economic needs of their area and of businesses within them. Accordingly, it makes sense for States to play a greater role in providing export assistance.

Under this program, grants would be made on a 50 to 50, Federal/State match basis; in no case would the Federal share exceed $150,000.

Based on the highly successful program of the Massachusetts Port Authority, developed in conjunction with the Smaller Business Association of New England, these programs would provide qualified small businesses with a broad-range of services. Assistance would be provided in the following areas:

Determining a small business' export potential through market identification and analysis;

Counseling small businesses in export pricing, financing, insurance, shipping, documentation and foreign business customs;

Identifying and contacting potential foreign customers and distributors for a small business' products; and

Arranging and sponsoring foreign trade missions for participating small businesses to meet with potential buyers, distributors, sales representatives and organizations interested in licensing and joint ventures.

In order to fully evaluate the appropriate role for States and other more localized entities in this Nation's export promotion efforts, SBA is required to report on the success of these programs in increasing small business exports. Until the programs are evaluated, and the report complete, grants will be limited to 10 programs, one located in each of SBA's 10 regions.

Title III establishes within the Executive Office of the President a National Export Council. This advisory committee would take the place of the current President's Export Council and would be the primary advisory committee on export matters and Government export promotion efforts.

If small businesses are to export successfully, they must have a voice in developing export policies and programs. Therefore the membership of the National Export Council will include at least five small business persons who have actively participated in exporting. In addition, together with other heads of Federal departments and agencies, the Administrator of the Small Business Administration will be a member of the Council.

Mr. President, according to a recent survey conducted by Egon Zehnder International, a major international consulting firm, the United States is rated as one of the countries doing the poorest job of promoting its exports. When asked to identify the two countries which did the worst job in export promotion, 57 percent of the respondents named the United States as one of their choices, a larger percentage than any other country. The second most often cited country was the Soviet Union mentioned by 41 percent of these international executives. These are certainly not comforting statistics.

In the past, U.S. domestic markets were sufficiently large to accommodate business expansion, and our healthy economy did not require a consistent export promotion effort. However, since World War II, an increasing amount of U.S. dollars have been going overseas. The most obvious example of this trend is U.S. purchases of foreign oil which sent $42 billion overseas in 1978 alone and contributed to a $28.5 billion trade deficit.

This deficit, coupled with a domestic economy characterized by lagging productivity, increased economic concentration, and ever-increasing inflation, have forced the U.S. Government to reevaluate its trade promotion efforts. This reevaluation is healthy, but we must recognize that trade promotion cannot be based on cyclical economic factors. This country needs a consistent, systematic and permanent export promotion policy—a necessity for our continued economic growth and our position in world leadership.

Small businesses can account for a large part of U.S. exports and play a major role in improving economic conditions in our country. The contributions of small business to our economy are well documented. If we, as a nation, want this contribution to continue, we must provide small businesses with the tools necessary to successfully compete against larger established businesses. The Small Business Export Development Act will significantly increase small businesses' ability to compete in overseas markets, and in turn, aid the domestic economy through increased employment and productivity.

Mr. President, I ask unanimous consent that the text of the bill to be printed in the RECORD.

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

S. 2104

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Small Business Export Development Act of 1979".

SEC. 2. (a) The Congress finds and declares that—

(1) a strong export policy is essential to the health and well being of the United States economy;

(2) exports of goods and services, which will surpass $250 billion in 1979 account for one out of every six jobs in the manufacturing sector and ten percent of the gross national product;

(3) every billion dollars in new exports is estimated to provide 40,000 jobs;

(4) there is increased and fierce competition in international markets to United States goods and services;

(5) small businesses, which account for 43 percent of the gross national product, account for no more than ten percent of all United States export sales;

(6) federal government programs are not responsive to the needs of small business for export education and development of overseas marketing opportunities necessary to insure that small businesses realize their potential; and

(7) it is in the national interest to systematically and consistently promote and encourage small business participation in international markets.

(b) It is therefore the purpose of this Act to encourage and promote exporting by small businesses by—

(1) providing educational and marketing assistance to small businesses;

(2) insuring better access to export information and assistance by upgrading and expanding the export development programs of the Small Business Administration;

(3) upgrading and expanding the export development services of the Department of Commerce, making them more responsive to the needs of small businesses; and

(4) establishing a National Export Council which shall advise the President and the Congress on matters of export trade and make recommendations for expanding United States exports.

TITLE I—SMALL BUSINESS ADMINISTRATION EXPORT DEVELOPMENT PROGRAMS

SEC. 101. OFFICE OF INTERNATIONAL TRADE.

The Small Business Act is amended by redesignating sections 16 through 21 as sections 17 through 22, respectively, and by inserting after section 15 the following new section:

"SEC. 16 (a) There is established within the Administration an Office of International Trade, which shall implement the programs pursuant to this section.

"(b) This office shall promote sales opportunities for small business goods and services overseas. To accomplish this objective the Office shall—

"(1) provide small businesses with access to current and complete export information by—

"(A) making available, at the Administration regional offices, through cooperation with the Department of Commerce, export information, including, but not limited to, the World Information and Trade System and World Trade Data Reports;

"(B) preparing and publishing quarterly reports concerning market conditions, sources of financing, export promotion programs and other information pertaining to the needs of small exporting firms. These reports shall be made available to all Administration field offices for distribution to small businesses;

"(C) maintaining a current list of financial institutions that finance export operations; and

"(D) compiling a current directory of all federal, regional, state and private sector programs that provide export information and assistance to small businesses.

"(2) provide assistance to states and other entities through the small business export development grant program authorized under section 7(d)(3);

"(3) promote through cooperation with the Department of Commerce, greater small business participation in trade fairs, shows, missions and other domestic and overseas export development activities of the Department of Commerce; and

"(4) provide technical advice to Administration personnel involved in granting loans, guarantees and providing other forms of assistance to small businesses engaged in exports.

"(c) To facilitate delivery of export information and assistance to small businesses, export development specialists shall be assigned to each Administrative regional office. Such specialists shall—

"(1) assist small businesses in obtaining export information and assistance from other federal departments and agencies;

"(2) maintain a current directory of all programs which provide export information and assistance to small businesses within the region;

"(3) encourage financial institutions to develop and expand programs for export financing; and

"(4) counsel small businesses interested in pursuing export sales, including the providing of information concerning available financing, credit insurance, tax treatment, export duties, potential markets and marketing assistance, and other pertinent information.".

SEC. 102. SMALL BUSINESS EXPORT DEVELOPMENT GRANTS.

Section 7(d) of the Small Business Act is amended by adding at the end thereof the following new paragraph—

"(3)(A) The Administration is authorized to make grants to any State government or other entity (herein referred to as the "applicant") to assist in establishing and operating small business export development programs. These programs shall provide information and assistance to small businesses concerning export financing and credit insurance, marketing, management companies, export associations, trading companies, tariff barriers, duties, licensing, overseas buyers and foreign travel. The Administration shall require as a condition to any grant made pursuant to this paragraph that the applicant has already established an overseas office which shall provide the necessary coordination and assistance to successfully operate a small business export development program.

"(B) Grants made pursuant to this paragraph shall not exceed 50 percent of the total cost of a small business export development program, and in no case shall exceed $150,000 in any one year. During the two fiscal years immediately following enactment of this paragraph, the Administration shall limit grants hereunder to one applicant located in each of their ten regions.

"(C) An applicant may apply to participate in the program by submitting to the Administration for approval a plan which shall include—

"(i) the geographical area to be served by the program;

"(ii) the number of firms to be assisted;

"(iii) the domestic and overseas staff required to administer the program;

"(iv) a description of other existing export programs and resources available to the applicant and their proposed utilization in establishing the program; and

"(v) procedures for accomplishing the following:

"(1) determining a small business' export potential through market identification and analysis;

"(2) counseling small business in export pricing, financing, insurance, shipping, documentation and foreign business customs;

"(3) identifying and contacting potential foreign customers and distributors for a small business' products; and

"(4) arranging and sponsoring foreign trade missions for participating small businesses to meet with potential buyers, distributors, sales representatives and organizations interested in licensing and joint ventures.

"(D) The Administration shall develop a plan to evaluate programs approved under this paragraph which shall—

"(1) determine the impact of small business export development programs on small business;

"(2) determine the amount of export sales generated by small business export development programs;

"(3) make recommendations concerning continuation and/or expansion of the program and possible improvements in the program structure.

For the purpose of this evaluation, the Administration is authorized to require any small business export development program or party receiving assistance under this paragraph to furnish it with such information as it deems appropriate. Such evaluation shall be completed and submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives by October 1, 1982.

"(E) The authority under this section expires on October 1, 1983.".

SEC. 103. AUTHORIZATIONS.

Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsections—

"(h) There are authorized to be appropriated to the Administration $1,500,000 for each fiscal year 1981, 1982 and 1983 to carry out the program provided for in section 7(d)(3) of this Act.

"(i) There are authorized to be appropriated to the Administration $750,000 for fiscal year 1980 and $1,500,000 for each fiscal year 1981, 1982 and 1983 for the purpose of carrying out the programs authorized by section 16 of this Act.

TITLE II—COMMERCIAL MINISTERS, COMMERCIAL COUNSELORS AND COMMERCIAL ATTACHÉS.

SEC. 201. GENERAL PROVISIONS.

In order to develop, maintain, and expand international markets for the products and services of the United States; to insure the promotion and protection of United States trade and commercial services abroad for United States trade and commercial interests around the world; to provide trade and commercial services abroad for United States firms and businesses and trade and commercial organizations; and to secure trade and commercial information useful for the expansion of exports of United States products and services, the Secretary of Commerce (hereinafter referred to in this title as the "Secretary") is authorized to appoint such commercial ministers commercial counselors, and commercial attachés, who shall be employees of the Department of Commerce (and who shall report to the Under Secretary for International Trade), as the Secretary determines to be necessary to carry out the purposes of this title and to assign such commercial ministers, commercial counselors and commercial attachés to service abroad.

SEC. 202. TRAINING OF COMMERCIAL ATTACHÉS

Upon appointment, commercial attachés shall participate in training sessions designed by the Secretary, in cooperation with the Department of State, the Foreign Service Institute, and other Federal agencies, to study export and import programs and to examine the needs of United States businesses for export information and assistance. As part of this training program the Secretary shall assign each attaché to a field office of the Department to work in conjunction with the Department's field personnel responsible for implementation of export programs.

SEC. 203. RANK AND PRIVILEGES.

Commercial ministers, commercial counselors, and commercial attachés assigned to posts abroad shall be accorded the same rank and privileges as those of other ministers, counselors, or attachés in United States embassies and consulates.

SEC. 204. RELATIONSHIP TO DIPLOMATIC MISSION

Upon the request of the Secretary, the Secretary of State shall regularly and officially attach the commercial ministers, commercial counselors, and commercial attachés appointed and assigned hereunder to the diplomatic mission of the United States in the country in which such commercial ministers, commercial counselors, or commercial attachés or other personnel are to be assigned by the Secretary, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

SEC. 205. FUNCTIONS AND DUTIES.

Commercial ministers, commercial counselors, and commercial attaches appointed and assigned abroad by the Secretary under the title, and other personnel employed under their direction, in furtherance of the purposes set forth in section 201 and in accordance with regulations prescribed by the Secretary, shall have the following functions and duties:

(a) trade and commercial services, including, but not limited to—

(i) protection and promotion of United States trade and commercial interests and investments, including industrial property rights, within their districts;

(ii) current market oriented assistance to United States firms and businesses visiting or operating within their districts;

(iii) appointments and introductions for United States business persons visiting within their districts;

(iv) assistance in pursuing trade opportunities;

(v) assistance, when appropriate, in the adjustment of trade and commercial disputes involving United States firms or commercial and financial interests; and

(vi) assistance to other United States Government agencies or State agencies, and to firms and businesses with respect to trade missions, trade fairs, and other international trade and commercial exhibitions.

(b) export promotion, including, but not limited to—

(i) the promotion of United States exports and commercial interests in their districts; and

(ii) the creation, within the scope of their duties and as appropriate, of a demand for United States products and services in such districts.

(C) semiannual reports to the Secretary including, but not limited to, the following information—

(i) market conditions, commercial developments and economic climate within their districts, emphasizing changes between reports;

(ii) implementation of and compliance with the provisions of multilateral and bilateral trade agreements with the United States by the government, agencies, or instrumentalities of the country to which they are assigned;

(iii) specific industry and commodity conditions;

(iv) foreign law and business practices affecting United States trade and commercial interests; and

(v) trade opportunities on an industry by industry basis.

(d) maintain and make available current data on the commercial standing and capacity of foreign firms within their districts.

(e) other functions and duties as the Secretary determines to be necessary and proper for achieving the purposes of this title.

SEC. 206. ASSIGNMENT TO UNITED STATES.

Any officer or employee appointed and assigned to a post abroad pursuant to this title may, in the discretion of the Secretary, be assigned for duty in the continental United States, without regard to the civil service laws (and without reduction in grade if an appropriate position at the employee's grade is not available in any agency of the Department of Commerce) for a period of not more than three years.

SEC. 207. OFFICE SPACE, EQUIPMENT, AND ADMINISTRATIVE AND CLERICAL PERSONNEL.

The Secretary of State, upon request of the Secretary, shall provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the performance of the functions and duties of the commercial ministers, commercial counselors, and commercial attaches appointed and assigned abroad under this title, and other personnel employed under their direction, appropriate to Foreign Service officers or other personnel of the same rank and salary. The Secretary is authorized to reimburse or advance funds to the Secretary of State for such services. The Secretary is authorized, in accordance with applicable laws and regulations prescribed by the Secretary to employ locally such United States nationals or other personnel, as the Secretary deems necessary to further the purpose set forth in section 201 of this title or to the exercise and carrying out of the functions and duties of the commercial ministers, commercial counselors, and commercial attaches and other personnel appointed and assigned abroad under this title.

SEC. 208. AGENCY SERVICES, PERSONNEL, AND FACILITIES.

Upon the request of the Secretary of Commerce, each Federal agency may make its services, personnel, and facilities available to the commercial ministers, commercial counselors, and commercial attaches appointed and assigned to a post abroad under this title in the performance of their functions and duties. The Secretary is authorized to reimburse or advance funds to any such agency for such services, personnel, and facilities so made available.

SEC. 209. PERFORMANCE OF FUNCTIONS IN FOREIGN LOCALITIES.

Each commercial minister, commercial counselor, or commercial attache appointed and assigned under this title to a United States diplomatic mission abroad, may carry out the functions and duties authorized hereunder in such other nations as the Secretary, in consultation with the Secretary of State, may determine to be necessary and proper in order to carry out the purposes of this title.

SEC. 210. REPORTS AND DISPATCHES—AVAILABILITY TO INTERESTED GOVERNMENT AGENCIES.

The reports and dispatches prepared by the commercial ministers, commercial counselors, or commercial attaches appointed and assigned abroad under this title shall be made available to the Department of State, the Small Business Administration and to other interested agencies of the Government.

SEC. 211. REPRESENTATIVE ALLOWANCES.

Any commercial minister, commercial counselor, or commercial attache appointed and assigned by the Secretary to a post abroad under this title, under regulations prescribed by the Secretary, may be authorized to receive a representation allowance in an amount to be determined by considering—

(1) the extent to which such commercial minister, commercial counselor, or commercial attache can effectively use such funds to further the purposes of this title;

(2) travel and entertainment expenses customary in the private trade for persons of comparable rank and salary; and

(3) the customs and practices in the nation to which he or she is assigned.

SEC. 212. ALLOWANCES AND BENEFITS.

The Secretary may, under such rules and regulations as may be prescribed by the President or his designee, provide to the commercial ministers, commercial counselors, and commercial attachés appointed and assigned under this title, allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946. Leaves of absence for commercial ministers, commercial counselors and commercial attachés appointed and assigned under this title shall be on the same basis as is provided for the Foreign Service of the United States by the Annual and Sick Leave Act of 1951.

SEC. 213. ADVANCE PAYMENT FOR RENT AND OTHER SERVICE: FUNDS FOR COURTESIES TO FOREIGN REPRESENTATIVES.

In any foreign country where customs or practices require payment in advance for rent or other service, such payment may be authorized by the Secretary in accordance with regulations prescribed by the Secretary, upon consultation with the Secretary of State. Funds available for the purposes of this subchapter may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law.

TITLE III—NATIONAL EXPORT COUNCIL

SEC. 301. ESTABLISHMENT AND MEMBERSHIP.

(a) There is created in the Executive Office of the President a National Export Council (hereinafter referred to as "the Council"). The Council shall be composed of the following members:

(1) (A) the President;

(B) the Secretary of State;

(C) the Secretary of the Treasury;

(D) the Secretary of Agriculture;

(E) the Secretary of Commerce;

(F) the Secretary of Labor;

(G) the United States Trade Representative;

(H) the President and Chairman of the Export-Import Bank of the United States;

(I) the Administrator of the Small Business Administration;

(2) three members of the United States Senate, designated by the President of the Senate and three members of the United States House of Representatives designated by the Speaker of the House;

(3) no more than fifteen private citizens representing business and industry, agriculture and labor to be appointed by the President, including at least five small business persons who are actively involved in export trade; and

(4) three Governors of States or territories, designated by the President.

(b) The President shall be the Chairman of the Council and shall preside over the meetings of the Council. In his absence he may designate a member of the Council to preside in his place.

(c) The Secretary of Commerce, with the concurrence of the Chairman, shall appoint an Executive Director.

SEC. 302. FUNCTIONS.

(a) The Council shall serve as a national advisory body on matters relating to United States export trade. In carrying out such functions, the Council shall—

(1) survey and evaluate the export promotion and development activities of the communities represented by the membership;

(2) identify and examine specific problems which business, industrial, and agricultural practices may cause for export trade;

(3) examine the needs of business, industry, and agriculture to expand their efforts; and

(4) recommend specific legislative and administrative solutions to these problems and needs.

(b) The Council shall—

(1) act as liaison among the communities represented by its membership and may provide a forum for those communities on current and emerging problems and issues in the field of export promotion and development, and

(2) encourage the business, industrial and agricultural communities to enter new foreign markets and to expand existing export programs.

(c) The Council shall provide advice on Federal plans and actions that affect export promotion and development policies which have an impact on those communities represented by its membership.

(d) The Council may establish an executive committee and such other subordinate committees it considers necessary for the performance of its functions. The Chairman of a subordinate committee shall be designated by the Chairman of the Council from among the membership of the Council. Members of subordinate committees shall be appointed by the Chairman.

SEC. 303. ADMINISTRATIVE PROCEEDINGS.

(a) The Secretary of Commerce shall provide the Council, including its executive and subordinate committees, with administrative and staff services, support and facilities as may be necessary for the effective performance of its functions.

(b) Each member of the Council, including its executive and subordinate committees, who is not otherwise paid a salary by the Federal Government, shall receive no compensation from the United States by virtue of their service on the Council, but all members may receive the transportation and travel expenses, including per diem in lieu of subsistence, authorized by law.

SEC. 304. ANNUAL REPORT.

The Council shall transmit, not later than March 31 of each year, to the Congress, a full report on its activities.

SEC. 305. AUTHORIZATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.●

● Mr. HAYAKAWA. Mr. President, I am pleased to join my distinguished colleague, Senator LOWELL WEICKER, as an original cosponsor of the bill he is introducing today—the Small Business Export Development Act of 1979.

In September of this year the Senate Select Committee on Small Business held 2 days of hearings to examine how the Federal Government can assist small businesses to enter the export market. We received excellent testimony from knowledgeable witnesses who described the problems they face in the export market and how the Government can contribute to a more active role for small businesses in foreign trade. The bill introduced today is a result of the hearings.

Compared to other industrial nations, our country is in the position of playing "catch-up." Historically, American business has not been aggressive in seeking foreign markets, and this is especially true of small businesses. We are known throughout the world for our marketing skills, our advertising techniques, and our delivery system—but only for our own domestic market.

When domestic consumption cannot sustain our industrial capacity, we face expanding competition with other nations for sales. The multilateral trade agreements have opened the door to new opportunities. American business must join the competitive world market, and we must continue to study ways by which our Government can help.

We know that small businesses face many problems in trying to exist here in America, so it may seem to some that to take up the question of exporting is too ambitious. But I believe that small businesses can and should join in the search for foreign markets.

California businesses are the largest exporters in the country, so foreign trade is extremely important to our State. Nationwide, small businesses, which account for 43 percent of the gross national product, account for no more than 10 percent of all U.S. export sales.

I would like to see that 10 percent increased substantially in the future, and I believe this bill provides some of the assistance needed if small businesses are to participate more actively in exporting their products.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by Mr. WEICKER, the Small Business Export Development Act of 1979, be referred to the Select Committee on Small Business and, if and when the bill is reported, then to the Committee on Banking, Housing, and Urban Affairs.

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

By Mr. PROXMIRE (for himself, Mr. STEVENSON, and Mr. HEINZ):

S. 2105. A bill to delegate the functions of the Secretary of Transportation under section 3 of the Urban Mass Transportation Act of 1964 to the Urban Mass Transportation administrator; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear earlier in today's proceedings.)

ADDITIONAL COSPONSORS

S. 1480

At the request of Mr. STAFFORD, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1480, the Environmental Emergency Response Act.

S. 1692

At the request of Mr. MELCHER, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1692, a bill to amend the Federal Mine Safety and Health Act of 1977.

S. 1925

At the request of Mr. WILLIAMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1925, the Savings of Income for Retirement Act, a bill to amend the Internal Revenue Code of 1954 to stimulate savings of income for retirement, and for other purposes.

S. 2072

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 2072, a bill conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Wyoming (Mr. SIMPSON), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of Senate Joint Resolution 119, authorizing the Vietnam Veterans Memorial Fund, to construct a memorial in the District of Columbia in recognition of the men and women who served in the Vietnam war.

AMENDMENT NO. 746

At the request of Mr. PACKWOOD, the Senator from Florida (Mr. STONE) was added as a cosponsor of amendment No. 746 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

SENATE CONCURRENT RESOLUTION 60 AND SENATE CONCURRENT RESOLUTION 61—SUBMISSION OF CONCURRENT RESOLUTIONS RELATING TO THE TREATMENT OF CHRISTIANS BY THE SOVIET UNION

Mr. JEPSEN (for himself and Mr. BOREN) submitted the following concurrent resolutions, which were referred to the Committee on Foreign Relations:

S. CON. RES. 60

Whereas the Union of Soviet Socialist Republics and the United States were the principal signatories of the Final Act of the Conference on Security and Cooperation in Europe (also known as the Helsinki Accords);

Whereas in signing the Helsinki Accords the Union of Soviet Socialist Republics promised to recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or beliefs, in accordance with the dictates of his own conscience.

Whereas despite the Helsinki Accords millions of Americans have had to work together to relieve the suffering and secure the emigration of an untold number of Russian Jews;

Whereas these efforts on behalf of the Russian Jews must continue as they have produced some success;

Whereas the suffering of Russian Christians has been equally great and their needs remain equally desperate;

Whereas for Christians of conviction, simple but persistent public declarations of faith have provoked harsh retaliation, including public humiliation, social ostracism, and isolation inside concentration camps and so-called psychiatric hospitals;

Whereas the United States authorities are aware of this problem and know that some 20,000 Russian Christians have decided to risk the worst by sending their names to the Supreme Soviet, asking for permission to emigrate;

Whereas the current attitude of the United States Government has been one of virtual silence; and

Whereas freedom loving people all over the world look to the United States as the leader of the free world to take up their cause of basic human rights: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President, acting through the Secretary of State or any other appropriate officer of the executive branch, should—

(1) reaffirm the commitment of the United States to the Final Act of the Conference on Security and Cooperation in Europe (also known as the Helsinki Accords);

(2) communicate to the Government of the Union of Soviet Socialist Republics in the strongest terms the disapproval of the United States of religious harassment of Christians in the Union of Soviet Socialist Republics and of the restrictions on the freedom of such Christians to emigrate;

(3) advise the Government of the Union of Soviet Socialist Republics that the United States expects the Union of Soviet Socialist Republics to honor its commitments under the Helsinki Accords and other international law, including its commitments regarding

the rights of Christians to practice their religion and to emigrate without government interference.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

S. CON. RES. 61

Whereas principle VIII of the Declaration of Principles in Basket I of the Final Act of the Conference on Security and Co-Operation in Europe, signed August 1, 1975, and hereinafter referred to as the Helsinki Accords, states that "by virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social, and cultural development"; and

Whereas the Soviet Union, Bulgaria, Poland, Yugoslavia, and Romania were signatories of the Helsinki Accords; and

Whereas numerous Christian persons living in these countries have been incarcerated in violation of their basic human rights according to the provisions of the Helsinki Accords; and

Whereas the Soviet Government has imprisoned Balys Gajauskas, Algirdas Zipre, Petras Plumpa, Vladas Lapienis, and Viktoras Petkus, all of Lithuanian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Soviet Government has imprisoned Maris Tilgalis, Janis Tilgalis, and Zanis Skudra, all of Latvian heritage, for conduct protected under the Helsinki Accords; and

Where the Soviet Government has imprisoned Igor Ogurtsov, Vladimir Osipov, Nadezhda Usoyeva, Maria Semenova, Sergei Adamovich Kovalev, Sergei Soldatov, Larissa Zaitsev, and Alexander Ogorodnikov, all of Russian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Soviet Government has imprisoned David Koop, and Ludmilla Zaitsev, all of Estonian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Soviet Government has imprisoned Mykola Rudenko, Oleksiy Tykhy, Vasyl Romaniuk, Yuriy Shukhevych, Oles Berdnyk, and Levko Lukyanenko, all of Ukrainian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Bulgarian Government has imprisoned Ljubomir Sobadschiev for conduct protected under the Helsinki Accords; and

Whereas the Yugoslavian Government has imprisoned Davor Aras, Josip Bilusic, Nikola Novakovic, Miljenko Pehar, and Mato Rajic, all of Croatian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Yugoslavian Government has imprisoned Adem Demaci, Skender Kastrati, Hasan Dermaku, Osman Dumosi, Fatmir Salihu, Dzavid Dermaki, and Hilmi Ramadani, all of Albanian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Romanian Government has imprisoned Ghejan Titu and Ion Gabriel, for conduct protected under the Helsinki Accords; and

Whereas the Romanian Government has persecuted and harassed Karoly Kiraly of Hungarian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Polish Government has increased its harassment of certain citizens in violation of the guarantees of freedom of speech and thought contained in the Helsinki Accords: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that

(1) the leaders of the Soviet Union, Bulgaria, Yugoslavia, and Romania are urged to release the aforementioned political prisoners;

(2) the leaders of the Soviet Union and its satellite nations are urged to halt the practice of incarceration for noncriminal acts as defined in the Helsinki Accords; and

(3) the leaders of the Soviet Union and its satellite nations are urged to halt the official harassment of individuals who wish to practice their religion, observe their cultural traditions, or express political opinion according to the provisions of the Helsinki Accords.

CAMPAIGN TO HELP FREE CHRISTIAN DISSIDENTS

Mr. JEPSEN. Mr. President, today has been designated International Human Rights Day.

Today, my friend and distinguished colleague from Oklahoma, Mr. BOREN, is joining me in submitting two companion resolutions expressing the sense of Congress that a campaign on behalf of Christian dissidents in Russia and Eastern Europe be instituted and that numerous Christian persons imprisoned by those countries in violation of their basic human rights according to the provisions of the Helsinki accords be released.

Two of our colleagues in the House, Representative JACK KEMP and Representative JAMES HOWARD, are joining Senator BOREN and myself today in introducing these two companion resolutions. We all have supported at every opportunity the National Council of Soviet Jewry and other groups like it to secure the release of Soviet Jews persecuted because of their faith. This work will continue as it must.

Our purpose then is to launch a major national effort, similar to the one which is ongoing on behalf of Russian Jewish dissidents, aimed at releasing Christian dissidents now imprisoned behind the Iron Curtain and securing the rights of these people and other Christians to emigrate freely.

The first of these resolutions expresses the sense of Congress that the President and any other appropriate official within the executive branch make it known to the Soviet Union in unequivocal terms that this country strongly disapproves of the religious harassment of Christians and of the restrictions on the freedom of such Christians to emigrate. It further states that the United States expects the Soviet Union to honor its commitments under the Helsinki accords.

The second resolution, first introduced by Representative KEMP on July 13, gives the names of several persons of many different ethnic heritages who have been persecuted by the Soviet Government or its satellite Communist governments, in the hopes that focusing attention on these persons will emphasize the strong need for the reestablishment of standards of human rights outlined in the Helsinki accords and subsequently ignored by the Soviet Union.

Mr. President, the plight of the Russian Jews has generated a human rights cause celebré. The world community has focused its attention on basic human rights violations in the Iron Curtain countries and particularly the Soviet Union. As a result of a decade and more of hard work, an untold number of Russian and Eastern bloc Jews have been relieved of suffering and have been allowed to emigrate. And while that campaign has obviously not been a total success, and must be both sustained and intensified, it has produced results—during 1979, a projected 50,000 Jewish dissidents will be permitted to leave the Soviet Union.

Recently, however, religious freedom and the right to emigrate free from government interference has become an issue for Christians, too. To date though their campaign for basic human rights has not reached proportions anywhere near that of the Jewish campaign. That is tragic, for their suffering has been equally great, and their needs remain equally desperate.

Orthodox Christians, Baptists, Lutherans, Pentecostals, Catholics, and countless other Christians belonging to unregistered churches face widespread persecution because they reject laws that prohibit them from teaching their children about God and taking them to church before they are 18 years old. For Christians of conviction, simple but persistent public declarations of faith can provoke harsh retaliation—public humiliation, social ostracism, and in some cases torture in the form of starvation diets, druggings, beatings, and constant isolation inside concentration camps and so-called "psychiatric hospitals."

Mr. President, such persecution not only violates specific guarantees set down in the constitutions of the various Communist countries, but mocks the spirit of the Helsinki accords and contradicts the very essence of civilized society.

American authorities are aware of this problem. They know, for example, that some 20,000 Russian Christians have decided to risk the worst by sending their names, ages, and addresses to the Supreme Soviet, asking for permission to emigrate. But to date, the attitude of our Government has been one of near silence, even passive acquiescence. The case of the seven Pentecostals held up in our embassy in Moscow is a glaring example of this.

Letters from Russian Christians to the White House pleading for help have not been answered. The State Department has promised the Tolstoy Foundation to look into the matter of the Christian dissidents in view of possibly taking official action. That promise has not materialized.

Hopefully today will mark the day when we can all look back 10 years from now and feel satisfied that real progress has been made on behalf of Christians behind the Iron Curtain. And there is good reason to be optimistic.

Spurred by reports of religious persecution in the Soviet Union and other Eastern bloc countries, liberal and conservative Christians in the United States, along with Jewish organizations, have begun a campaign to support Christians who want to emigrate.

In different ways and without any central coordination, church leaders and a number of organizations, some of them newly formed, are working to help some of those 20,000 Christians who sent their names to the Supreme Soviet requesting permission to leave because of religious persecution. Over the last

3 years, the New York City based Tolstoy Foundation, probably the most active organization, has helped process more than 800 official invitations that are required by the Soviet governments before anyone can apply for an exit visa.

So where do they go from here, Mr. President? To the American people and those of us here in Washington who represent the American people. Together we can make a difference. And perhaps only we can make a difference.

A massive outpouring of public indignation from millions of Americans and their leaders is urgently needed. Such a campaign requires that Americans from all walks of life join together to condemn these atrocities, call a halt to the persecution, and demand the release of those who wish to leave the Soviet Union and its satellite countries.

Mr. President, it has to be a campaign from the grassroots, and one that persists until those in Washington and Moscow understand that they dare not ignore the will of the people. It is not going to be easy. In fact, it will undoubtedly prove to be a difficult struggle. Given the inevitable resistance such a campaign is bound to provoke, it could mean years of sacrifice. But it is clear that we must act now.

I urge my colleagues to make a personal commitment to get involved. I urge them to speak with their families, their friends, their church and their States and ask that they get involved. As leader of the free world we all can and must do much, much more to stop this persecution of Christians and Jews.

AMENDMENTS SUBMITTED FOR PRINTING

ENVIRONMENTAL EMERGENCY RESPONSE ACT—S. 1480

AMENDMENTS NOS. 771 AND 772

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. STAFFORD (for himself, Mr. CULVER, Mr. RANDOLPH, and Mr. BAKER) submitted two amendments intended to be proposed by them, jointly, to S. 1480, a bill to provide for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment and the cleanup of inactive hazardous waste disposal sites.

Mr. STAFFORD. Mr. President, I am pleased to submit with Senators CULVER, RANDOLPH, and BAKER certain amendments to S. 1480, the Environmental Emergency Response Act. The Subcommittees on Environmental Pollution and Resource Protection are in the midst of markups on S. 1480 and these amendments represent substantial progress in perfection of the bill.

The amendments were developed in cooperation with representatives of the Fertilizer Institute to assure that S. 1480's provisions do not inadvertently disrupt or damage the fertilizer industry. The purpose of S. 1480 is to require those who damage human health or the environment through the release of poisons to pay for the costs caused by these releases. The bill is not designed to extract costs from innocent third parties or for the release of benign substances. The amendments clarify this objective with respect to the fertilizer industry.

Quite aside from their substantive significance, the amendments are important for another reason. They illustrate the kind of progress which can be made in the development of legislation when responsible industries have legitimate complaints and are reasonable in their demands. Although the fertilizer industry recognized the vital importance of legislation such as S. 1480, its members had legitimate criticisms of the bill's provisions. Rather than stridently opposing the legislation—and thus creating ill will and suspicion on all sides—the industry was open and above board. Representatives described and justified their problems and conceded that with these corrected S. 1480 was a good bill.

Given that kind of attitude of cooperation, I am pleased to introduce the amendments and, when the proper time arrives, will seek their adoption.

I ask unanimous consent that the text of the amendment and an exchange of letters accompanying them to be printed in the RECORD at this point.

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

AMENDMENT NO. 771

Modify applicable fee provisions as follows:

"(3)(A) Within twelve months after enactment of this Act, and annually thereafter, the Secretary of the Treasury shall revise the fee structure, if necessary, to assure that—

"(1) Feedstocks supplied to industries which do not cause or contribute signficantly to releases requiring compensation from the Fund are exempted from payment of a fee; and

"(3)(B) For purposes of the initial rules or regulations relating to the amount and collection of fees—

"(1) the fertilizer production industry shall be conclusively presumed exempt pursuant to clause (c)(3)(A)(1) above.

AMENDMENT NO. 772

On page 7, after line 12, insert the following new paragraph and renumber succeeding paragraphs accordingly:

(16) In the case of a hazardous substance which has been accepted for transportation by a common or contract carrier (A) the term "owner or operator" shall mean such common carrier or other bona fide for hire carrier acting as an independent contractor during such transportation, (B) the generator of such hazardous substance shall not be considered to have caused or contributed to any discharge or release during such transportation which resulted solely from circumstances or conditions beyond his control."

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., November 14, 1979.

Mr. EDWIN WHEELER,
The Fertilizer Institute,
Washington, D.C.

DEAR MR. WHEELER: This is to confirm recent discussions regarding certain proposed amendments to S. 1480.

As we have indicated, a fundamental purpose of S. 1480 is to encourage a higher standard of care in the manufacture and handling of hazardous substances by imposing legal responsibility for the damages which they cause. Your testimony and subsequent communications have clearly conveyed your belief that current language of S. 1480 would go beyond this desired result. Specifically, you believe the language would create liability in situations where a shipper cannot exercise control; and, you believe that the fee-fund provisions would impose a great financial burden on fertilizers, which you believe are essentially benign substances. In addition, you are greatly concerned by the so-called "release concept" and fear that it could ban the normal application of fertilizers.

We believe a series of amendments which would correct these perceived deficiencies in S. 1480 could be acceptable to many of the parties concerned with this legislation. Your staff has indicated that if these amendments were adopted the Fertilizer Institute would find S. 1480 acceptable and, indeed, support it. Since we are now planning to introduce these amendments in the near future, we would like to confirm the Institute's position so that we can affirm in floor remarks that we have reached an accommodation. That is the purpose of this letter.

Attached you will find two amendments which we have agreed will accommodate the concerns of the Fertilizer Institute. There is yet a third amendment which you have suggested for purposes of clarifying the impact of the "release concept" on fertilizer applications, but we believe that will be unnecessary since it is our intention to seek a broader and more comprehensive clarification.

This more comprehensive clarification would have the same effect on fertilizer applications as your narrower amendment. That is, it would exclude normal applications of fertilizer from the class of prohibited releases.

As soon as we receive your confirmation of this understanding we will, without delay, introduce the amendments and urge their adoption during markup of S. 1480.

Truly,

JENNINGS RANDOLPH,
Chairman.

ROBERT T. STAFFORD,
Ranking Minority Member.

THE FERTILIZER INSTITUTE,
Washington, D.C., November 27, 1979.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, Washington, D.C.

Hon. ROBERT T. STAFFORD,
Ranking Minority Member, Committee on Environment and Public Works, Washington, D.C.

DEAR CHAIRMAN RANDOLPH and SENATOR STAFFORD: Reference is made to your letter addressed to me dated November 14, 1979, relating to S. 1480.

Your letter concisely and correctly captures the concerns of our industry. We are in agreement that the two proposed amendments, attached to aforesaid letter, are straightforward and do much to cure our concerns. We strongly support their adoption.

We think you may find helpful the enclosures herewith. In essence, we have returned the amendments and language we believe will be helpful to be included in the report of the Committee which would ordinarily accompany this bill. This suggested language has been carefully drawn to reflect the background of negotiations and circumscribe the extent of the amendments.

As to the "release concept" or the so-called third amendment, we concur that it is unnecessary, if, as we are confident you will cure this problem by "a broader and more comprehensive clarification" (last line, pg. 1, your letter of November 14, 1979). Your

staff and mine seem to be on the way to laying this issue to rest and I am confident this will soon be accomplished.

The high degree of concern and skill of the Staff as well as your own in trying to solve a serious and vexatious national problem is to be commended. Frankly, the compromise and agreements are a reflection of the highest legislative skill that I have seen in many years.

We find that as amended, S. 1480 is acceptable to the nation's fertilizer industry and this letter may be used in Committee and made a part of the floor remarks to demonstrate an accommodation has been reached.

Respectfully,

EDWIN M. WHEELER.

PROPOSED LEGISLATIVE HISTORY

There is some possible lack of clarity in the Committee's use of the phrase "fertilizer production industry" in connection with the exemption proposed in revised section 5(c)(3)(B)(1). To avoid any possible misunderstanding the following legislative history language is suggested:

The Committee intends that the term "fertilizer production industry" as used in section 5(c)(3)(B)(1) to read to include those activities and products as are described and set forth in the Standard Industrial Classification Manual (OMB, 1972 Edition) and identified therein as SIC Code Numbers: 1474, 1475, 2873, 2873112, 2874, 2874185, 28193, 2819922 and 2819331.

LEGISLATIVE HISTORY

During the course of transporting hazardous and toxic materials, accidents occur when the circumstances were beyond the control of the owner of the substance involved. The most common example of such incidents is a railroad derailment resulting from tracks which are inadequate for the loads being shipped over them or through the negligence of railroad personnel. Since such circumstances are clearly beyond the control of the owner of the product, the owner should not be held liable.

However, in those cases where the product owner does exercise control over the condition which resulted in the release, then liability should be imposed. It is intended that liability be imposed on the product owner only where there has ben some culpability and reasonale action on the part of said product owner would have prevented the release.

● Mr. CULVER. Mr. President, we have seen that the disastrous leakage of chemicals in such dumps as the La Bounty Site in Charles City, Iowa, or the Love Canal in New York, can cause premature death and irreversible damage to the health of an unsuspecting public. And, in other cases, such as the contamination of Lake Erie with the insecticide Mirex, and the release of polychlorinated biphenyls (PCB's) into the Hudson River, we have seen that the economic losses from a single release can add up to tens of millions of dollars, or even hundreds of millions of dollars, very quickly.

As part of the Resource Protection Subcommittee's review of proposals to help clean up these and other abandoned dumpsites and protect the public from hazardous wastes, the subcommittee, which I chair, is considering S. 1480, which I sponsored along with several other members of the Public Works Committee.

As you may know, this legislation includes a fund to minimize damage and to compensate those who suffer losses from dumpsites of hazardous wastes, and sets new, tougher standards of liability for those who manufacture, transport, use and dispose of toxic chemicals.

However, certain parts of S. 1480 need to be clarified. Various agricultural organizations, including the fertilizer industry and the Iowa Farm Bureau Federation, have expressed concern that this legislation would have an unintended effect on the normal, everyday use of commercial fertilizers and farming.

The use of fertilizer for agriculture is, of course, of critical importance to Iowa, and I want the record to indicate that it is not the intent of S. 1480 to affect normal commercial fertilizer use. In order to clarify any misunderstandings, therefore, I join with my colleagues today in sponsoring two amendments to emphasize this point. A further amendment, which will be made in redrafting this bill for consideration next year, will make it clear that farmers will not be liable for normal field application of fertilizer.

The first of these amendments concerns the fee imposed on industries under S. 1480. There is no fee on farminng, but a fee would be imposed on several industries that produce or use chemicals. These fees are intended to provide the money that would pay for cleanup and compensation costs resulting from a spill or dumpsite leakage. These fees would be used to pay only those victims who cannot obtain compensation from the parties responsible for the chemical release.

It is not the intention of this legislation to force responsible firms and industries to pay for those who handle their products irresponsibly. For this reason, this amendment would initially exempt fertilizers from the proposed fee system. Fertilizer producers and users would remain exempt as long as they maintain a good record. This is not intended to ignore the fact that fertilizer chemicals can be hazardous if spilled. However, the fertilizer companies and farmers themselves have a good record in responding promptly and effectively to spills. As long as this remains the case, there will be no need for Government intervention and no need for a fee on fertilizers.

The second amendment clarifies the intent with regard to liability for an accident during transportation of fertilizers or any other potentially harmful substance. This amendment makes it clear that if a manufacturer exercises good care, and if an accident is caused by events wholly outside the manufacturer's control, then the manufacturer would not be liable for damage caused by a spill. However, if a manufacturer fails to exercise due care (such as by failing to properly label or properly package) and if that failure contributes to damage, then the manufacturer could be held liable.

In closing, Mr. President, I want to acknowledge the comments provided by Mr. Edwin Wheeler, president of the Fertilizer Institute; Winton Etchen, executive vice president of the Iowa Fertilizer & Chemical Association, Inc.; and Dean Kleckner, president of the Iowa Farm Bureau Federation. Their views were most helpful, and I believe these proposed amendments will be fully considered as the subcommittee continues to develop legislation which will effectively address our hazardous waste problems.●

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENTS NOS. 773 THROUGH 775

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

Mr. DOLE submitted three amendments intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 776

(Ordered to be printed.)

Mr. RIBICOFF (for himself, Mr. NELSON, Mr. MOYNIHAN, Mr. JACKSON, and Mr. LEAHY) proposed an amendment to H.R. 3919, supra.

AMENDMENT NO. 777

(Ordered to be printed.)

Mr. BRADLEY (for himself, Mr. BUMPERS, Mr. ROBERT C. BYRD, Mr. STEWART, and Mr. RIBICOFF) proposed an amendment to H.R. 3919, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Select Committee on Indian Affairs. The hearing will be held on December 21, 1979, beginning at 10 a.m. in room 5428, Federal Building, 316 N. 26th Street, Billings, Mont.

The purpose of the hearing is to review certain expenditures made during the past several years in the Billings Area Office of the Indian Health Service.

For further information regarding the hearing you may wish to contact Max Richtman of the committee staff at 224-2251.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Select Committee on Indian Affairs.

The hearing is scheduled for January 30, 1980, beginning at 10 a.m. in room 5110, Dirksen Senate Office Building. Testimony is invited regarding S. 2055, a bill to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon.

For further information regarding the hearing you may wish to contact Susan Long of the committee staff on extension 224-2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Com-

mittee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 685, the Nuclear Waste Policy Act and other pending calendar business.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate today to hold a hearing on S. 1464, a bill acquiring certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.

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

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, December 12, bginning at 1 p.m., to consider pending nominations.

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

SUBCOMMITTEE ON LIMITATIONS OF CONTRACTED AND DELEGATED AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Limitations of Contracted and Delegated Authority of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, December 12, beginning at 2 p.m., to discuss the issuance of a subpena to the Commodities Futures Trading Commission.

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

ADDITIONAL STATEMENTS

THE DEATH OF SALT?

● Mr. HUMPHREY. Mr. President, temporary loss of perspective is a common human experience. Sometimes one cannot see the forest for the trees.

The following editorial in the Wall Street Journal of December 7, 1979, addresses the issue of SALT II, especially the Backfire bomber aspect, with remarkable incisiveness. I ask it may be printed in the RECORD for the benefit of Members and other readers.

The editorial follows:

THE DEATH OF SALT?

Senate Majority Leader Robert Byrd said this week that because of the Iranian crisis he is postponing consideration of the Strategic Arms Treaty until January. In the cloakrooms his announcement inspired the following:

Knock-knock.
Who's there?
Khomeini.
Khomeini who?
Khomeini votes y'got?

In fact, even without the Iranian crisis raising alarms about the military balance, the Senate clearly has been moving toward rejection of SALT. Even in the favorable arena of the Foreign Relations Committee, the treaty was approved only by a 9-6 vote, less than the two-thirds majority needed for ratification on the floor. At that, the majority report was loaded with conditions and qualifications, including for example more study of a penetrating bomber like the B-1 so recently scuttled by the Carter administration.

A majority of the Armed Services Committee, meanwhile, favors a negative recommendation, and is likely to vote out its report over the objections of Chairman John Stennis. The Pentagon is embroiled in a controversy over the firing or at least threatened firing of a civil service lawyer who contributed some technical advice to the testimony of General Edward L. Rowny, former Joint Chiefs representative to the talks—a tribute to the devastating nature of General Rowny's remarks. The tide against the treaty is strongest among those most familiar with its provisions.

This is probably best understood through a detailed look at only one of the many controversial issues, the Soviet Backfire bomber. The Backfire is a modern swing-wing bomber about four-fifths the size of our aging B-52s. It quite clearly has the capability to attack the United States and land in a third country like Cuba, but under SALT it is not counted as a strategic weapon.

Estimates of the Backfire's range vary, but the following is typical. Assuming a five-ton bomb load and a high-altitude mission, it would have a combat radius (flying out and returning to the same base) of about 5,700 kilometers. On a one-way mission, it could fly some 10,600 kilometers. The official SALT definition of intercontinental range for ballistic missiles is 5,500 kilometers. These estimates make no provision for air-to-air refueling, through the Backfire has this capability.

All of our B-52 force is included under the SALT ceilings; indeed some old mothballed planes will have to be destroyed. Donald Brennan of the Hudson Institute pointed out that about 80 of our active inventory of about 350 B-52s are the B-52D. This model has a range of about 5,580 kilometers radius or 10,380 kilometers one-way—that is, less than usual estimates for the Backfire. Later model B-52s have ranges up to 14,400 kilometers one way. But because of heavy Soviet air defenses, they would have to fly much of their missions at very low altitudes, so even they do not have an effective range exceeding the Backfire's. Plans for B-52s have never included radius missions but have always contemplated recovery in a third country. None of the B-52s has supersonic dash capability, though the Backfire does.

Finally, it would be perfectly feasible to extend the range of the Backfire. The draft report of the Armed Services Committee takes note of Soviet announcement of new fuel-efficient jet engines.

How, in the face of all these facts, did we come up with a treaty that counts all of the B-52s as strategic weapons and excludes the Backfire entirely? Well, the Soviets insisted on it, blandly contending the Backfire is solely a theater weapon. In the face of this insistence, the U.S. compromised, compromised and compromised, finally settling for the following assurances:

When the treaty was signed in Vienna it made no mention of the Backfire, but Soviet Chairman Brezhnev handed President Carter an unsigned statement specifically on the bomber. The statement promised not to give the Backfire "intercontinental" capability, not to increase the current production rate and not to increase its "radius of action" to allow it to strike the U.S. Mr. Brezhnev confirmed that the production rate is not more than 30 a year. A State Department summary of the record adds, "President Carter made clear that any significant upgrade in the range/payload capability would be inconsistent with the Soviet Backfire assurances. The Soviets responded that they would not be bound by U.S. unilateral interpretations of their statement."

In short, we were satisfied to have the Soviets promise not to give the Backfire capabilities it already has. The Soviets have promised not to build a total of more than 380 to 400 Backfires by the end of the treaty, a force larger than our B-52 squadrons. The Soviets have in effect declared they intend significant improvements in Backfire range. Without violating the treaty or even their unsigned assurances, they are allowed to build a bomber force equal or superior to ours. The only difference is that our bomber force will be counted against the totals the treaty allows, while their bomber force will be in addition to those totals.

This is the sort of thing the Senate is discovering as it explores the text of the treaty. The merits of the agreement are responsible for the trend against SALT and for the perhaps permanent delay in bringing it to the floor. The Iranian crisis does not help its prospects, but is far from the basic explanation for its decline. It would be closer to the mark, indeed, to say that the kind of flabby American postures revealed in the arms negotiations explain why we face a crisis in Iran.●

THE SALT II TREATY

● Mr. HAYAKAWA. Mr. President, like most of my colleagues, I have been receiving thousands of letters from my constituents in opposition to SALT II. There are few pieces of correspondence which expresses a position as succinctly and persuasively as the attached letter from a young California attorney, Mr. Michael M. Moore. The letter also underlines the important objections to SALT II raised before the Senate Foreign Relations Committee by Lt. Gen. Edward L. Rowny. I believe Mr. Moore's evaluation ought to be brought to the attention of a wide readership and I, therefore, ask that it be printed in the RECORD.

The letter follows:

MICHAEL M. MOORE,
San Francisco, Calif., November 21, 1979.

Hon. S. I. HAYAKAWA,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HAYAKAWA: The press has reported your opposition to the proposed SALT II Treaty. Because the Senate is rapidly moving toward its vote on the SALT II Treaty, it is time that I as one of your constituents express my support for your position. I believe that the proposed treaty should not be ratified because it is deficient on three vital points:

1. It fails to count the Soviet Backfire bomber, a plane that clearly has an intercontinental capability;

2. It allows the Soviets the added "throw weight" of their 308 heavy missiles; and

3. For the above and other reasons, it permits the Soviets to maintain a *qualitative* edge in their forces under a pretense of equal quantitative limits.

Accepting a treaty with such major deficiencies, it seems to me, will send the wrong signal to the Soviets. It is bad enough that the Soviets are about to achieve an edge in strategic forces under current trends. It seems much worse to sanctify such superiority with this treaty. Their efforts to fan the flames in Iran and other places will only be encouraged.

There is another reason for my view that the present treaty should not be ratified. During my tour of duty in the Army in the late 1960's, I served as Chief Administrative Assistant to Ed Rowny. I came to know that he is both an exceptionally competent military man and an exceptionally clear and wide-ranging thinker. He also believes

strongly in the wisdom of arms control. His comments on SALT II should give any thoughtful Senator great pause before voting to accept this treaty without reservation. I also believe that Rowny's assessment is sound that the Soviets would accept a more balanced treaty. First, they know they got a good deal here. Second, they want better trade relations with the U.S. Third, they want a SALT treaty because it would make a significant contribution to their detente policy, which they view as a means to restrain the U.S. from more forceful opposition to Soviet expansion and trouble-making abroad.

For these reasons, I would urge that you continue your opposition to the draft treaty, and support efforts to fashion a face-saving way for the Soviets to accept a more balanced treaty. As I understand it, there are now a series of proposed "category three" reservations which address the key problems in the draft treaty. Such reservations, or a similar face-saving device, would appear to be a sensible approach for cleaning up the serious problems in the present treaty.

Thank you for your attention.

Sincerely,

MICHAEL M. MOORE.●

THE PROPOSED FEDERAL BAILOUT OF CHRYSLER CORP.

● Mr. WEICKER. Mr. President, as I have made clear on numerous occasions on the floor of the Senate, I am unequivocally opposed to the Federal bailout of private enterprise. The Federal Government simply is not in the business of correcting the mistakes of private enterprise.

I objected to Federal assistance to the Lockheed Corp. I objected to Federal assistance to the Wheeling-Pittsburgh Steel Corp. Likewise, I will strenuously object to a Federal bailout of Chrysler Corp.

Proponents of aid to Chrysler talk about what effects its collapse, if indeed one would occur, would have on the economy.

I am certainly concerned about saving jobs, but concentration on that aspect obfuscates the ultimate question of the price that must be paid. A benign Government that is so concerned about jobs that it will bail out a company for bad management must also live with the consequences of mediocrity. Excellence becomes a forgotten standard. A bailout for bad management means a reward for the unproductive. It means higher prices and wages with less productivity. With such action by Government, should we wonder why are we plagued with inflation?

Congress long ago recognized the possibility of the failure of a large, uncompetitive business like Chrysler. Under the Trade Act of 1974, special aid can be given to American workers who, in the opinion of the Department of Labor, have become unemployed or whose employment has been interrupted due to imports. These workers are eligible for numerous benefits, including payment of 95 percent of their aftertax takehome pay for 1 year, free job training, and 80 percent of their relocation costs.

Nearly 50,000 Detroit area workers who have been laid off by Chrysler have already been certified eligible for Federal aid under the Trade Act. Thousands of workers in Chrysler plants in five other States have also been declared eligible.

Mr. President, Congress will not throw people out into the cold if there is no Federal bailout of Chrysler. Programs such as the trade adjustment assistance program have been established to provide for employees who are laid off as a result of the failure of a private enterprise.

Mr. President, I ask that the Department of Labor announcement describing the successful petition of Chrysler workers for trade adjustment assistance, and an article from Saturday's New York Times which discussed this matter, be printed in the RECORD.

The material follows:

TRADE ADJUSTMENT ASSISTANCE APPROVED FOR 36,000 CHRYSLER AUTOWORKERS IN MICHIGAN, MISSOURI, OHIO, INDIANA, ALABAMA, AND DELAWARE

Approximately 36,000 workers at 27 Chrysler Corp. plants in six states have been certified by the Labor Department as eligible to apply for trade adjustment assistance. Department investigations have indicated that the workers have been or may become unemployed as a result of increased imports of compact, intermediate, and standard size passenger size cars as well as pick-up trucks, general utility vehicles, and utility vans.

Following are the locations of the 27 Chrysler facilities whose workers have been certified with the estimated number of eligible workers and impact dates. Petitions for adjustment assistance were filed with the Labor Department by the United Automobile Workers Union (UAW) on Aug. 28, 1979, on behalf of workers and former workers producing passenger cars, trucks, and components for cars and trucks at 29 Chrysler assembly plants and auxiliary plants. Decisions are pending on the remaining two auxiliary plant cases (the New Process Gear Plant in East Syracuse, N.Y., and the Van Wert Complex in Van Wert, Ohio). The following criteria were met in the case of each group of certified workers: there were (1) increased imports of competitive products, (2) significant layoffs or threatened layoffs or underemployment, and (3) a decline in the facility's sales or production, and (4) increased imports contributed importantly to the job losses at the facility.

NAME AND LOCATION OF PLANT, NUMBER OF WORKERS, AND IMPACT DATE

Chrysler Assembly Plants:

Hamtramck Assembly Plant, Hamtramck, Mich., 3,200 workers. August 28, 1978.

Lynch Road Assembly Plant, Detroit, Mich, 2,400 workers. January 20, 1979.

Jefferson Assembly Plant, Detroit, Mich., 2,400 workers. May 1, 1979.

Warren Truck Assembly Plant, Warren, Mich., 4,300 workers. August 28, 1979.

St. Louis Assembly Plant, Fenton, Mo., 2,100 workers. August 28, 1978.

Newark Assembly Plant, Newark, Del., 1,500 workers. August 28, 1978.

Missouri Truck Assembly Plant, Fenton, Mo., 2,100 workers. May 1, 1979.

Chrysler Auxiliary Plants:

Detroit Forge Eldon Ave. Axle, Detroit, Mich., 2,100 workers. August 28, 1978.

Mound Road Engine, Detroit, Mich., 2,100 workers. August 28, 1978.

Eight-Mile & Outer Drive Stamping, Detroit, Mich., 800 workers. August 28, 1978.

Mack Ave. Stamping, Detroit, Mich. 1,600 workers. August 28, 1978.

Detroit Trim, Detroit, Mich. 400 workers. August 28, 1978.

McGraw Glass, Detroit, Mich. 250 workers. August 28, 1978.

Trenton Engine Chemical Div., Trenton, Mich. 80 workers. August 28, 1978.

Huber Foundry, Detroit, Mich. 525 workers. August 28, 1978.

Sterling Stamping, Sterling Heights, Mich. 800 workers. August 28, 1978.

Introl Div., Ann Arbor, Mich. 425 workers. November 1, 1978.

Warren Stamping, Warren, Mich. 1,100 workers. January 1, 1979.

New Castle Machining and Forge, New Castle, Ind. 1,400 workers. August 28, 1978.

Indianapolis Foundry, Indianapolis, Ind. 700 workers. August 28, 1978.

Indianapolis Foundry, Indianapolis, Ind. 1,000 workers. August 28, 1978.

Kokomo Transmission, Kokomo, Ind. 1,650 workers. November 1, 1978.

Kokomo Casting, Kokomo, Ind. 275 workers. November 1, 1978.

Fostoria Foundry, Fostoria, Ohio 275 workers. August 28, 1978.

Toledo Machining, Perrysburg, Ohio 650 workers. August 28, 1978.

Twinsburg Stamping, Twinsburg, Ohio 1,600 workers. November 1, 1978.

Huntsville Electronics, Huntsville, Ala. 400 workers. January 1, 1979.

The Trade Act of 1974 provides that workers who believe they have been or will become totally or partially separated from employment as a result of increased imports may petition the Secretary of Labor for certification of eligibility to apply for adjustment assistance.

Assistance to workers under the Trade Act may include cash trade readjustment allowances, training, employment services (counseling, testing, and job placement services), job search grants, and relocation allowances.

The cash trade readjustment allowances amount to 70 percent of a worker's average weekly wage, not to exceed the national average weekly manufacturing wage, for up to 52 weeks. Generally the amount of the trade readjustment allowance is reduced by the amount of the unemployment insurance the worker receives. Workers may receive up to 26 additional weeks of allowance to complete approved training. Workers aged 60 or older when separated from their last job may receive up to 26 additional weeks of allowances. No workers may receive more than 78 weeks of allowances.

Workers separated on or after the impact date are eligible to apply for trade adjustment assistance under the Trade Act of 1974. Workers are not eligible for assistance if their last separation from adversely affected employment occurred before the impact date specified in the certification.

Payments of trade readjustment allowances, training, employment services, job search grants, and relocation allowances will be administered primarily through the state employment security agencies (Michigan Employment Security Commission, Missouri Division of Employment Security, Ohio Bureau of Employment Services, Indiana Employment Security Division, Alabama Department of Industrial Relations, and Delaware State Department of Labor) with funds provided by the Federal Government.

To be eligible, a worker must have been employed at the affected facility for at least six months out of the year prior to layoff.

[From the New York Times, Dec. 8, 1979]

LAID-OFF WORKERS AT CHRYSLER GET AID—IMPORTS' HARM CITED BY UNITED STATES

(By William Serrin)

DETROIT, December 7.—Some 50,000 workers in the Detroit area who have been laid off by the Chrysler Corporation will be eligible for special Federal grants, which could

total $17 million, available to workers made jobless by imports.

Beginning Monday, the grants will provide increased unemployment compensation and will help workers seek job retraining or new employment. In some cases, the grants will be in addition to regular unemployment compensation or supplemental unemployment benefits.

The grants will be made under the Trade Act of 1974, which allows special aid to American employees who, in the view of the Labor Department, have become unemployed or whose employment has been interrupted because of imports. Chrysler employees form the largest group of workers who have been certified for assistance under this law, according to the department.

Marvin Fooks, a trade adjustment official, said in Washington that automobile imports from Europe, Japan and Canada were involved in the department's decision, made last month. Whether poor management, not merely foreign competition, may have been a factor in Chrysler's financial plight is not a consideration under the Trade Act, he said.

STIMULUS FOR DETROIT AREA

S. Martin Taylor, director of the Michigan Employment Security Commission, said the grants would not only help Chrysler workers but also stimulate the economy of the Detroit area.

Mr. Taylor said that, regardless of whether economists think the nation is in a recession, the Detroit area has been in a recession since last summer. If the Chrysler Corporation closes up because Congress does not approve proposed Federal loan guarantees for the company, he said, the Detroit area "will be in a depression like 1929."

In a continuation of recent bad news for auto workers, Chrysler announced today that it would close its assembly plant in Hamtramck, a city enclosed by Detroit, on Jan. 4 instead of next July, as had been scheduled. Because of the automobile industry's "severe downturn in retail sales," the company said, "the production capacity at the Hamtramck plant is no longer needed."

The company said that many of the 2,475 hourly and 450 salaried workers at the Hamtramck plant, generally known as the Dodge main plant, probably could find employment at other Chrysler operations in the area.

NEWS A SHOCK TO MAYOR

But William Kozerski, the Mayor of Hamtramck, said the announcement was a shock, particularly coming at the Christmas season. He said he did not believe the United Automobile Workers, which opposes the closing of the plant, would be able to sway the company's position.

Marc Stepp, U.A.W. vice president who is director of the union's Chrysler department, said at a news conference today that the union was saddened but not surprised by the early closing of the Hamtramck plant. "We've been hearing rumors for several months," he said, "We got the official word a few days ago."

Mr. Stepp said the union was trying to persuade Chrysler to "mothball" the assembly plant rather than abandon it. He also said the impact of the Hamtramck closing on Detroit's economy provided a "real-life example" of what would happen nationwide if Chrysler's request for Federal loan guarantees was rejected by Congress.

SIXTEEN PLANTS ARE INVOLVED

The commission is establishing special centers for Chrysler workers. They will represent 16 plants in the Detroit area, including the Hamtramck plant.

Under the Trade Act, a laid-off Chrysler employee—production or salaried—will be eligible for readjustment allowances of up to 70 percent of the worker's regular pay. The maximum benefit is $250 a week for 52 weeks, with possible extensions for older workers or workers in state-approved training programs.

State unemployment or supplemental unemployment benefits, which are paid by the company, will be counted in the grants. For workers who are not receiving money from these two programs, Federal payments will pay the entire 70 percent.

Workers are now eligible for 26 weeks or 39 weeks of state compensation, depending on their status. The Chrysler supplemental unemployment fund has been virtually exhausted for some time, and only workers with more than 10 years' seniority are receiving this aid.

Under the Federal program, workers also will be eligible for as much as $500 to travel to another area to seek work and up to 80 percent of relocation costs. Awards can be retroactive to August 1978, and workers can receive payment for time lost from work even if they now have new jobs.●

PRAVDA ON THE IRANIAN CRISIS

● Mr. HAYAKAWA. Mr. President, during the recent hearings on SALT II we have been told by supporters of the treaty that its rejection would end "détente," the current peaceful cooperation with the Soviet Union and the friendly spirit of SALT II. For those who have endorsed or accepted this kind of reasoning a recent article in Pravda on the Iranian crisis will make interesting reading. Pravda is of course an official mouthpiece of our friends in the Kremlin who are most anxious to have SALT II ratified. It is not difficult to imagine what kind of Russian cooperation the United States can expect once SALT II has been approved by the Senate.

I request that the Pravda piece may be printed in the RECORD.

The article follows:

DISPLAY PRUDENCE AND RESTRAINT

MOSCOW, December 5.—Pravda today publishes the following article by Aleksey Petrov on American-Iranian relations:

Tensions in American-Iranian relations are growing. The latest actions taken by the United States show that Washington, by all accounts, has decided to increase the tension (nakal) in the crisis and turn it into one of the serious international conflicts of postwar times.

The anti-Iranian campaign has taken on an unprecedented scale in the U.S. press. Statements and calls, one more warlike than the other, can be heard on the pages of the American press and from the rostrums of Congress. Demands to "punish," energetically "chastise" and "teach a lesson" to Iran are gushing forth. Some Congressmen suggest presenting Iran with an ultimatum, the refusal of which would become the signal for initiating military actions. Others demand a review of American diplomacy regarding countries in that part of the world and urge a return to the notorious "big stick" invented at the beginning of the present century by Theodore Roosevelt.

White House statements speak more and more rarely about intentions of seeking peaceful ways of resolving the present American-Iranian crisis, and "other alternatives of actions" to which the United States will allegedly be forced to resort are cropping up with increasing frequency.

The diplomatic steps being taken by American representatives in the UN security council or at the international court, as the United States itself admits, must first and foremost convince American and international opinion that the United States has, as it were, "exhausted" peaceful means of settling the conflict and has no way out of the situation which has come about, other than through the use of force.

There are more than enough facts showing that preparations are underway for the use of force. In the area of the near and middle east, directly adjoining Iran, American naval, air force and landing forces are drawn up. As the Washington Post states, not once since World War II have such heavy U.S. naval forces been concentrated in waters near Iran. Fighter-bombers—of which are over 350—on American aircraft carriers are, as is stated, capable of hitting "the most varied targets in Iran." A bombing strike from these aircraft, the paper writes, could be made either using atom bombs powerful enough to hit major areas such as oil deposits or using special bombs which could knock out individual oil-refining enterprises.

There are reports that the Pentagon, in mounting operations against Iran, is intending to rely on Israel and to use bases in Egypt and in the Indian Ocean. Israel has already itself publicly proposed its services to Washington in this matter.

Be that as it may, there is direct evidence of crude military-political pressure on Iran from one of the mightiest states, militarily speaking, in the world.

An alarming and dangerous situation is arising. The United States, which is a permanent member of the security council and shares, together with its other members in accordance with the U.N. charter, chief responsibility for maintaining peace, is essentially resorting to blackmail vis-a-vis another sovereign state. Instead of setting an example of restraint, responsibility and coolness in the situation which has come about, and redoubling efforts in the search for a reasonable way out of the situation which has arisen, not allowing emotions to boil over, certain U.S. circles are increasingly shifting the emphasis on force.

It is asserted that this is happening in response to holding hostage, contrary to the norms of international law, the staff of the U.S. embassy in Tehran. It is beyond dispute that the seizure of the American embassy is, of itself, not in accordance with the international convention on respect for diplomatic privileges and immunity. However, this act should not be taken out of the general context of American-Iranian relations, nor should the United States' actions with respect to Iran, which in no way accords with the rules of law and morals, be forgotten.

For was not international law also flouted by the actions of the U.S. Special Services, which in 1953 organized the overthrow of the legitimate government in Iran and foisted the shah's arbitrariness and lawlessness on the Iranian people for a quarter of a century afterwards? And does the position of those Washington circles which reject the demands of the Iranian people for handing over the shah, and the return to the country of billions worth of wealth plundered by him, really have much in common with international law?

In his interview on San Francisco television, Senator E. Kennedy said: "The shah was at the head of one of the most violent regimes in the history of mankind. How can the United States be justified in taking in a man who wanted to come here and remain here with his countless billions of dollars stolen from Iran?" "The United States is harboring a murderer and robber," stated A. Young, the former U.S. Representative at the United Nations. "It is therefore logical that the Iranian people are demanding the extradition of the shah from the United States to put him on trial for the crimes he has committed."

The nonextradition of the shah has been declared by some in the United States as practically a "matter of National Honor."

However, the harboring of a criminal by no means enhances the honor and prestige of the country.

International law, like any law in general, does not recognize double standards. The indisputability of the principle of the inviolability of diplomatic missions cannot serve as a justification, nor even less as a pretext, for the violation of the sovereignty of an independent state—another principle forming the core of all international law.

The present attempts by the United States to blackmail Iran, having drawn up its forces towards Iran's borders, and to dictate to it by force its line of conduct, is a crude violation of international legal norms.

It is inadmissible that the incident with the American embassy which, of course, must find a just solution on a basis acceptable to both sides, has become a prologue for a dangerous military provocation threatening international peace.

Our country comes out, as comrade L. I. Brezhnev has stressed, "against interference from the outside in Iran's internal affairs by whoever, in whatever form and on whatever pretext." This stand by the Soviet Union remains unaltered because only by the strict observance in practice by all states, big and small, of the principle of respect for the sovereignty of other countries, noninterference in their internal affairs, of generally accepted norms of international contact and a thorough search for peaceful solutions to any controversial issues, will make it possible to preserve peace between peoples and to strengthen international security.●

PETTING THE DRAGON

● Mr. HAYAKAWA. Mr. President, the present crisis in Iran illustrates the danger and futility of attempting to appease a revolutionary force—in this case the Ayatollah Khomeini and his "Islamic" revolution.

One of the chief characteristics of a revolutionary power is its refusal to accept the validity of the existing world order and the laws and institutions which accompany it. Iran's opposition to the United States is based as much on our position as a mainstay of the current international system as on our decision to allow the Shah into this country for medical treatment. The seizure of American diplomats in Tehran violates every principle of international law and centuries-old diplomatic practice. These rules and constraints work for the benefit of all, and Iran's rejection of them affects not only the United States but the entire community of civilized nations. In the end, however, it will be Iran herself who suffers.

I strongly support the President's efforts to gain the release of the hostages through peaceful means. At the same time, the events in Iran demonstrate once again the need for a drastic revision of our global policies. Since Vietnam we have indulged ourselves in an orgy of self-analysis and recriminations regarding America's role in world affairs. These doubts have been reflected in our overall posture, to the dismay of our friends and allies and the rejoicing of our adversaries. In Angola, in Ethiopia, and now in Afghanistan, the United States has remained silent in the face of Soviet-backed aggression. Our attempts to conciliate the revolutionaries in Iran have only added to their perceptions of our impotence. That this impression is not confined to Iran can be seen by the attacks on our embassies in Libya and Pakistan.

The United States is not weak, however, nor are we lacking in will, as the firm stand we have taken in recent weeks have shown. It is vitally important that we do not allow the events in Iran to establish a precedent, that kidnaping and extortion by governments do not become the symbols of the 1980's in the way in which terrorism has become that of the 1970's.

In this context, I call to the attention of my colleagues an editorial in the Washington Star on November 9, 1979, entitled "Petting the Dragon," and I ask that it be printed in the RECORD.

The editorial follows:

[From the Washington Star, Nov. 9, 1979]

PETTING THE DRAGON

Former U.S. Attorney General Ramsey Clark, who was once "deeply impressed" by prospects for a "new freedom" in Iran under the Ayatollah Khomeini, is perhaps the right man to try to negotiate the release of U.S. embassy personnel now held in Tehran by Khomeini's bully-boys.

But the fate of the mission—Mr. Clark and a fellow emissary, also a former admirer of the Islamic revolution, have been denounced as "dirty characters" and left to cool their heels in Istanbul—may convince Mr. Clark that benign illusions have little effect on rude reality.

Ramsey Clark is a compassionate and public-spirited man. He is also conspicuous among those who were slow to learn that theocratic revolutionaries must sometimes be taken at their word. Last winter, when the shah's regime was tottering and some of its American critics, including Mr. Clark, could hardly wait for it to fall, there was plenty of evidence that the Ayatollah Khomeini ("the spirit of God," as he calls himself) would replace the shah's regime with an authoritarian, anti-Semitic, dictatorial and rabidly anti-American order. You only had to take at face value what the ayatollah was saying from his exile in France, and had earlier written in various godly screeds.

The course of events following his return—the mob rule, the intimidation and humiliation of Iran's Western-oriented middle class, the subordination of women, the kangaroo courts and firing squads, the inability of civil government to control the street mobs or mullahs, the harassment of Tehran's ancient Jewish community—followed plausibly from the ayatollah's clear intentions. He had proclaimed his policies; he kept his word.

Yet Americans are ever anxious to believe that revolutionaries simply *can't* mean what they say, if it jars with what we believe to be wise, right or decent. Some thought that this benighted atavar of medieval bigotry could be wooed from his fundamental character. So it pleased many Americans—not Ramsey Clark alone, by any means—to speak of the ayatollah as if he combined the best traits of George Washington and Mohandas Gandhi (Andrew Young called him a "kind of saint"), and to view his program as a benevolent blend of the Americans for Democratic Action and the Southern Christian Leadership Conference. Those who ventured to doubt this interpretation were sternly reminded that it would be parochial of Americans to sit in judgment of "Islamic" thought.

What evolved from all this was, in fact, a policy of dragon-petting, with the aim of domesticating the dragon.

As recently as a couple of months ago, the State Department was encouraging American businesses to return to Iran as tokens of U.S. respect and esteem for the Islamic revolution. There was pressure to appoint a new ambassador and to expand the embassy staff, now hostage to the ayatollah's rage to execute the shah. Meanwhile, the U.S. sought to ingratiate itself by cold shouldering the shah and pretending (as if this would make it true) that an intimate friendship with him over several decades had never existed or, at least, meant nothing.

When the crisis is over and the embassy personnel are freed—as surely they will be, eventually, unless the international community has lost all ability to enforce the basic diplomatic civilities—it may finally be clear that the ayatollah has no interest in a decent and civil relationship with this country. A lesson in the futility of dragon-petting has been learned: Benevolent words and benign gestures cannot appease a revolutionary force animated by the illusion of special godliness.

And another lesson, a continuing one, is the folly of our foreign oil dependency. That oil has been the chief reason for the dragon-petting policy is surely no secret to the ayatollah and his rowdies. The appeasement has succeeded so far. But the safety of the oil supply is as dependent as the security of our embassy personnel on the whim of the ayatollah. It is only a matter of time before an embargo, touched off by a sudden rage, drives that point home.

Beginning in 1973, the U.S. has received one strong signal after another that we must take whatever measures are necessary, however drastic they may be, to free our diplomacy from the hackles of foreign oil dependency. We are far from doing so, and dragon petting is no substitute. The dragons refuse domestication. In Iran, they are more hostile than ever.●

THE ENERGY MOBILIZATION BOARD

● Mr. MUSKIE. Mr. President, the issue of energy independence has been in the forefront for many months. The Congress will soon be confronted again with a proposed solution to our energy problems, when the Senate is asked to approve a conference report creating an Energy Mobilization Board.

I have strong reservations that the legislation passed by the Senate will contribute to our objective. As I stated during the debate on that bill, I do not believe that the unprecedented intrusions into Federal, State and local prerogatives to protect public health and safety are necessary to achieve energy independence. Nor do I believe that the new bureaucracy contributing more red-tape, not less, to the approval process for energy facilities.

The legislation approved by the House of Representatives contains similar flaws, but makes even more serious intrusions into our ability to protect our health and safety from yet unknown and uncontrolled impacts of energy facilities.

I hope that the members of the conference committee will carefully consider the potential consequences of their decisions.

Mr. Anthony Lewis has written a thought-provoking article on this subject. I commend his analysis to my colleagues as the time approaches for a decision on the merits of an Energy Mobilization Board and request that it be printed in the RECORD.

The analysis follows:

[From the New York Times, Dec. 6, 1979]

ACT NOW, PAY LATER

(By Anthony Lewis)

Of all the energy bills sought by President Carter since last summer, one is approaching the end of the legislative process. That is the bill to create an Energy Mobilization Board with broad power to hasten the approval of energy projects. The legislation has passed both House and Senate, and conferees have been appointed to work out the differences.

Speeding the way for new energy facilities sounds like a simple, straightforward idea. In fact, the legislation is dauntingly complex. The House and Senate versions differ in dozens of significant ways. The whole thing is an example of how, on many issues, the public discussion that in our democratic theory is supposed to shape government policy has become despairingly difficult.

But the attempt has to be made. For the Mobilization Board legislation may have a very large impact on the quality of life in this country. And it is a significant test of the trust that can be placed in Jimmy Carter as a politician.

The Energy Mobilization Board, under both bills, would designate "priority energy projects"—not just a few, but as many as it wants. Those projects would get a "fast track" schedule for action by state and Federal agencies. If any agency failed to act on time, the E.M.B. could step in and make the decision itself.

That is great power for the board, and extremely centralized power by American standards. For Washington officials to have the right to pre-empt the functions of local zoning or health or safety boards from Maine to Texas is novel, to put it mildly. But that is by no means the limit of what the legislation does.

The Senate and House bills, with somewhat different mechanisms, also allow the E.M.B. to put aside any laws or regulations that went into effect after an energy project got under way. That sounds simple enough, but again it is not.

Suppose, for example, that scientists believe a proposed synthetic fuel plant would create massive toxic wastes: Love Canal on a large scale. Congress has passed the Toxic Substances Control Act to deal with such problems. But the necessary regulations under the act have not yet been written. If the synthetic fuel project was under way before the regulations came out, the E.M.B. could exempt it from the rules.

Or suppose one of the Western states decided that it needed new legislation to reserve a certain amount of the water flow in its rivers for fishing or recreational use. If the state passed that law after an energy project was in its earliest stages, the E.M.B. could order that the project get as much water as it needed despite the state law—even if the effect was to dry up the rivers for miles around.

The House version of the legislation gives the E.M.B. a further and much more drastic power. It could recommend the waiver of any Federal law that would interfere with a priority energy project. And the President could then order the waiver if he found that it would not "unduly" endanger the public health or safety.

The waiver would be subject to approval by both houses of Congress, but under rules that make that protection of dubious value. The resolution approving each waiver could not be amended in committee or on the floor; there would be an up-or-down vote, at an early date.

For Congress to consider a complicated set of issues in such a hasty, narrow way would be a dangerous change in the legislative process.

It would invite log-rolling. All the interests in favor of a single project would concentrate their lobbying, while the more general concerns of health and the environment would be dispersed. It would be the Tellico Dam affair again and again: The interests would always find an ambitious little Howard Baker to carry the ball.

One of the curiosities of this legislation is that it has had so little attention from conservatives. They should be shocked at the concentration of power that is envisaged: power for a few men in Washington to override state and local authority. They should be troubled, too, at the idea of a hasty process putting aside carefully considered Federal laws to keep our air and water clean, to protect us from toxic substances, to keep wilderness areas undisturbed.

Jimmy Carter has a personal stake because his White House lobbyists have played a big part in shaping the legislation. They've said all along that they would work to remove the dangerous clauses later in the legislative process. Will they really do so now? Or will they leave, as the legacy of an environmentalist President, a statute that would let future Administrations despoil the country?

No Washington board can magically make it easy to locate energy facilities. The decisions are hard because the issues are hard. Mistakes, which last a long time, may be worse than delay. The Mobilization Board can do some modest good, but that should not be at a disproportionate price.●

ILLEGAL ALIENS TAKE 2 MILLION AMERICAN JOBS

● Mr. HUDDLESTON. Mr. President, a great deal of controversy has been raging around the issue of illegal aliens for several years. Conflicting views on the number of illegal aliens and their impact on the United States have made this debate often less than enlightening. However, there is gradually emerging out of this swirl of opinions and conflicting statements a strong indication that the presence of large numbers of illegal aliens in this country is imposing a heavy cost upon our economy and society.

Secretary of Labor Ray Marshall stated in an interview appearing in the December 2, 1979, Los Angeles Times that the unemployment rate in the United States could be reduced to less than 4 percent if illegal aliens were not present in the United States since our unemployment rate is now 6 percent, this would mean 2 million or more citizens or legal residents could be gainfully employed. The significance of this will be even greater in 1980 during which many economists are predicting an unemployment rate as high as 8 percent.

Secretary Marshall's assessment is clearly supported by the Interagency Task Force on Immigration Policy which issued its staff report in March 1979. This report found that:

If immigration occurs near the bottom of the business cycle, when many U.S. workers are unemployed, it is unlikely to produce any significant benefits and it clearly will exacerbate unemployment or lower relative wages of low-skilled workers or both.

The significance of this loss of employment to illegal aliens can be translated to direct costs to American taxpayers. The Director of the Congressional Budget Office, Alice M. Rivlin, recently testified before congressional committees that every percentage point of unemployment cost the Federal Treasury between $18 and $20 billion on an annual basis. This cost is attributable to higher outlays and lower tax receipts. By reducing our present unemployment level to 4 percent, we could conceivably cancel out the deficit for fiscal year 1980—a savings which could be passed on to the already overburdened taxpayer.

Admittedly, there would have to be an adjustment made in the above revenue figures because some illegal aliens have taxes withheld. However, there is growing evidence that these withheld taxes do not cover total tax liabilities of illegal aliens. A recent report by an Internal Revenue Service study team designated in the spring of 1978 to evaluate unreported income problems found that most are nonfilers and many work completely off-the-books. Although based on incomplete data, this report states that the income of illegal aliens who are nontax filers amounts to $5 to $6.6 billion annually. These figures support an IRS test program in 1974 which indicated a high frequency of tax noncompliance among apprehended illegal aliens.

There are also indirect costs that are associated with high levels of unemployment. The Joint Economic Committee held a hearing on October 26, 1979, to examine the social costs of unemployment and Congressman MITCHELL, who chaired the hearing stated:

Unemployment increases generate a physical and mental pathology that serves as a burden on society. The trauma of unemployment increases homicides, suicides, drug related crimes and the incidence of admissions into state mental hospitals and prisons. These are real costs that must be considered when discussing the issues of unemployment.

I believe that it is time we recognize that our "do nothing" policy on illegal aliens does contribute significantly to unemployment and that such unemployment has substantial direct and indirect costs for our society.

Mr. President, I ask that the article on Secretary Marshall's interview be printed in the RECORD.

The article follows:

[From the Los Angeles Times, Dec. 2, 1979]

ILLEGAL ALIENS COST U.S. JOBS—MARSHALL

(By Harry Bernstein)

Secretary of Labor F. Ray Marshall insists that illegal aliens are taking jobs away from U.S. citizens and legal aliens, and says this country could reduce its unemployment to less than 4 percent if it were not for the illegals.

Marshall, a key Carter Administration figure in setting immigration policies, said in an interview that the impact of illegal aliens on U.S. workers is generally underestimated and the Administration is working to get a consensus for legislation to deal with the problem.

Marshall said he wanted to "speak out now on the problem of illegal immigration, which I have studied for a quarter of a century, because many of the arguments in the debate over this issue are patently false."

The secretary stressed that he is not advocating mass deportation of illegal aliens.

"The main concern is not necessarily on the immediate impact of illegal aliens on the present levels of unemployment, but to provide a just and humane solution to a complex problem before it does reach crisis proportions," he said.

He voiced his views on this volatile issue in an extended interview, responding orally and in writing to a series of questions:

Q. There is a widespread belief that illegal aliens are helpful and even essential to this country because they are willing to take jobs citizens or legal aliens will not perform. Do you agree?

A. It is false to say American workers cannot be found for all of the jobs filled by undocumented workers. The truth is that there are millions of American workers in all of these low-paying occupations already. The job market in which they (the illegal aliens) compete is highly competitive, with a surplus of people vying for a shortage of jobs, no matter how undesirable the jobs may be.

Q. Have you made any estimates of the impact of illegal aliens on U.S. employment?

A. One of the lowest estimates of the number of illegal workers in the United States is 4 million. If only half, or 2 million, of them are in jobs that would otherwise be held by U.S. workers, eliminating this displacement would bring unemployment down to 3.7 percent, which is below the 4 percent full-employment target set by the Humphrey-Hawkins Act.

The real tragedy of this displacement is that its burden falls on the most vulnerable people in our society: minority teen-agers, women who head families and older workers. Their high rates of unemployment are public record. They will continue to suffer if high levels of illegal immigration continue.

Q. Do you not worry about creating an "anti-alien" climate of opinion that will harm aliens here legally as you warn about the dangers of the illegal aliens?

A. Those of us concerned about the implications of continued illegal immigration believe we can have a just and humane solution to this problem if we act before it becomes a crisis instead of ignoring it. This is far from a hysterical fear about an "alien invasion," a challenge to our cultural purity or even the fear of overloading our welfare system.

I have become concerned recently that people are beginning to say there is no problem, and the illegal worker is a positive benefit for us. That is a narrow and short-sighted view.

Q. Is there a problem now of illegal aliens overloading our welfare system?

A. Undocumented workers may use few public services today, but those who settle here permanently will increasingly rely on them. As they establish families and grow older, they will be less able to compete with the newer undocumented workers. Compete they must, and compete fiercely. They may be healthy today, but they will age, and their endurance will fade. Once they falter on the job, younger illegal workers will take their place.

Q. Do you see any advantage to the competition provided by the illegal aliens?

A. No. If we were a country that acquiesces to all economic forces, perhaps we could expect disadvantaged American-born and legal immigrant workers to compete with illegal workers. We could expect them to forget about earning decent wages, safe and healthy conditions or the chance for advancement. We could expect older workers and women to compete with younger, stronger, male undocumented workers.

But we have come too far in this century to turn back the clock. Long ago, we decided to improve the working conditions and pay for all workers. We enacted standards for employers, and we must enforce them. It is repugnant that millions of workers in America are in a lifelong second-class status, without legal protections or civil liberties. It is not only repugnant; it is dangerous to our society and a problem which can come back to haunt us with a vengeance.

Q. Are you talking about reactions among illegal aliens now here as a future problem for the United States?

A. Yes. Undocumented workers may be desperate and fearful enough to endure this today. But what about 10 years from now? And what will their children be willing to endure? Is there any doubt that their children will be disadvantaged because of the extralegal status of their parents? I am convinced we are sowing the seeds of a second future civil rights struggle, and we would be better off if we were to confront it now.

Q. Aren't illegal aliens here better off than in their own countries where their income and working conditions are often even worse than in the jobs they find in the United States?

A. It is true that most illegal immigrants come from developing nations with generally very low standards of living, high population growth rates and many more workers than job opportunities. Probably 60 percent of them come from Mexico.

They are mostly men in their prime working years, poorly educated, most have about half the years of education of American workers, and few speak English. Because they are here illegally, they work in the shadows of our society. They earn less money than just about everyone else. They endure poor and unsafe working conditions, high turnover and little chance for advancement.

Employers often shamelessly exploit them, paying less than the minimum wage, cheating them and sometimes even arranging raids by immigration officers on the day before payday. Even when paid minimum wage or higher, comparable U.S. workers might earn more.

In short, the illegal immigrant often works hard and scared, and that is nothing to cheer about in a nation that has struggled for two centuries to achieve dignity for its citizens and a decent reward for work.

Q. But still, aren't the illegals here often better off than in their home countries?

A. I see no rationalization for arguing that people should be here illegally. As a labor economist, I have studied the problem of illegal immigration for a quarter-century and know how deep and complex the problem is. The illegal immigrants are exploited by employers here. But don't forget the other end of this illegal labor market. The ample supply of docile, illegal workers perpetuates an underclass of dirty, unsafe, inefficient jobs. It removes the incentive to design work that is more efficient.

Q. Do we really know the extent of the problem?

A. We know it is very serious, and has a severe negative impact on employment in this country. We don't know the magnitude of the problem, and we need more data. For example, estimates of the number of illegal immigrants range from 4 million to 12 million. Few students of the problem believe the number is as high as 12 million.

But even if it is "only" 4 million, that is about 4 percent of our work force, which means it is a massive problem even based on the lowest of estimates.

Q. What do you want to do about the problem, and how far along is the Carter Administration in proposing new legislation to deal with it?

A. Congress did not act last year on President Carter's immigration proposals, although a Select Commission on Immigration and Refugee Policy is now studying the problem.

We need not wait for the commission to see the urgent need to protect the rights of undocumented workers already settled here permanently, to penalize employers who hire illegal immigrants, to improve enforcement and to promote closer cooperation with the countries of origin.

To be concerned about the consequences of illegal immigration on this country does not mean we must be unfeeling about the plight of immigrants and millions like them in the countries of origin.

But we should not allow the costs of the aid to those countries to be borne primarily by low-wage U.S. workers who have limited economic or political power to protect themselves.

Q. Do we need any other system to enforce the proposed laws to punish employees who hire the illegal aliens, and if so, what will it cost?

A. Yes, we need an identification system which would apply to all workers. Initially, at least, a noncounterfeitable Social Security card could be issued to all workers changing jobs and to all newly hired persons, and that could be done for under $200 million, a far cry from the earlier estimates that it would cost $500 million.

I want to emphasize that I, like many critics of the identification system, am concerned about civil liberties. But the fears of such a system are exaggerated, because all workers would be covered, not just Hispanics or some other group. It would not impair anyone's liberty.

I have been concerned about civil liberties all of my professional life.

Q. Should we increase the number of legal immigrants, especially those coming from Mexico?

A. Yes, and the exact amount of the increase should be a matter for negotiations with Mexico and other governments. But we should remember that the United States today continues to admit more immigrants than any other nation in the world—some 400,000 a year in addition to large numbers of refugees.

We may need foreign workers, but they should only be allowed to work here legally, under the protection of our laws.●

HUMAN RIGHTS DAY

● Mr. GLENN. Mr. President, December 10 marks a special anniversary that holds great meaning to all freedom-loving individuals the world over.

Thirty-one years ago the United Nations General Assembly adopted the Universal Declaration of Human Rights, and we note the event with a spirit of solemnity and hope.

Despite the important goals incorporated in that document, and many other constitutions and government instruments, true respect for human rights and self-determination remains unrealized by many millions of people around the world.

This anniversary receives only token notice in the United States, a land that quite properly prides itself on its efforts to achieve a society free of discrimination and oppression. Though we have strides to take before achieving that objective, America truly stands as a beacon to the rest of the world, a beacon shining by example. How apt it is that the symbol that greets newcomers to this Nation is a torch held high by a Statue of Liberty.

The Universal Declaration of Human Rights holds its greatest meaning in lands that have been denied freedoms which we consider so routine in America. It is known, for instance, that human rights activists throughout the Iron Curtain countries honor this anniversary and use it to rally their countrymen for freedom.

The prison camps cannot snuff out

these aspirations, and it would be tragic if we in the Congress did not take note that throughout the world, and particularly in the Baltic and Eastern European states, millions of individuals are praying that human rights statements come to mean more than pieces of paper. By their courage and unwillingness to surrender to totalitarianism, these citizens of the world community display the ultimate in courage. Their resolute belief in freedom will someday be rewarded, and in the meantime it is up to all of us to work in their behalf in every realistic way.

Thomas Brazaitis, Washington bureau chief for the Cleveland Plain Dealer, wrote a column in today's edition of that newspaper which captures the meaning of this day very well. Mr. Brazaitas, who is of Lithuanian ancestry, presents a message that should be noted by every American who believes in human rights.

I request that Mr. Brazaitis' column be printed in the RECORD.

The article follows:

FREEDOM LIVES IN THE MINDS OF LITHUANIANS THE WORLD OVER

(By Thomas J. Brazaitis)

WASHINGTON.—Today is Human Rights Day, marking the 31st anniversary of the day the General Assembly of the United Nations adopted the Universal Declaration of Human Rights.

It is a good day to ask you if you have ever heard of a place called Lithuania? Can you find it on a map? Who is its president? What is its capital?

If you are not sure of the answers, I am not surprised. To many Americans, Lithuania is a name they have heard, but can't place, except, perhaps, "somewhere near Europe, isn't it?"

On the face of it, Lithuania does not exist anymore, not since 1940, when it was occupied by force by the Soviet Union. Its capital, Vilnius, is now just another city in the U.S.S.R. Its last president, Antanas Smetona, died in Cleveland shortly after he escaped to the U.S.

But Lithuania, which was an independent country from 1918 to 1940, lives on in the minds and hearts of Lithuanians and their descendants.

My grandparents on both sides were native Lithuanians, who came to this country before World War I. Growing up, I was taught that Lithuanians traced their ancestry to before the time of Christ and their language to Sanskrit. The lessons were always punctuated with a pronouncement that some day Lithuania would be free again.

When the Russians took over, they sent about 350,000 Lithuanians to labor camps in Siberia for their political beliefs or for resisting Soviet rule. They have tried to force Lithuanians to speak Russian. Above all, they have tried to stamp out religion.

The Soviet Union signed the Universal Declaration of Human Rights in 1948 that says, "Every person has the right to freedom of thought and religion; this includes the right to change one's beliefs and the freedom to profess one's religion or beliefs, either privately or in assembly with others . . ."

But statistics speak louder than words.

Before the Soviet Union annexed Lithuania, 84 percent of three million Lithuanians were Catholic. Last year, 75 percent were Catholics. The number of Catholic churches dropped from 717 to 628, priests from 1,450 to 711 (their average age is 60), seminarians from 549 to 56 (all that are allowed by the government).

In 1972, about 17,500 Lithuanians petitioned the United Nations for help in restoring religious freedom. Many students and young workers demonstrated against the Soviet government's intolerance and several people burned themselves to death in protest.

Freedom of religion is guaranteed in the Soviet Constitution and in the Helsinki agreement of 1976, signed by the Soviets. But an underground newsletter, "Chronicle of the Catholic Church in Lithuania," reports constant harassment, interrogation and arrest of believers.

The Chronicle recently published excerpts of letters from Ona Pranckunaite, a Lithuanian political prisoner. Having learned in prison of her mother's death, she was grief-stricken, but resolute when she wrote this:

"Today, the believer must suffer many difficult calvaries for his beliefs: He is slowly killed in deadly security-police cellars at terrifying transfer points, stifled in a rail-car cells, and, in the end, he and his love for Christ cooled in the snows of Siberia.

"And some take fright at this calvary, this slow death. It is very painful when an occasional son of our nation allows himself to be wooed by unscrupulous "fairies" who promise freedom, guarantees his life and silver coins.

"The 'freedom' once promised me by the security police does not gladden me. What good is such freedom if I will always be persecuted by an angry, suspicious eye, will be under surveillance everywhere, will always be under scrutiny. Such would be my future freedom.

"Silver coins . . . What good are they? Today we no longer need the potter's field to bury strangers. Strangers have conquered us and they will bury us where it pleases them.

"For us, who have the hope of eternal life, it is not so important under what conditions the days of our life end, where the mounds of our graves will be located. It is important for us that our fellow countrymen, carrying Christ's teachings and light and standing on the mounds of their ancestors, feel nobler, stronger and bolder. For we will be held responsible for not preserving and not handing down the light of the Redeemer's teachings . . ." ●

CHEMICAL POISONS: ITEM NO. 1, TORONTO, CANADA

● Mr. MUSKIE. Mr. President, on November 12 a train derailed near Toronto, Canada, releasing chlorine and other gases into the atmosphere. Nearly a quarter of a million Canadian citizens had to be evacuated from their homes in what could have been a catastrophic episode.

Such an incident could easily have occurred in this country. In fact, on a smaller scale it did—twice in the same week as the Canadian accident. In Florida, 200 residents had to leave their houses because three propane tank cars derailed and began burning. A tanker in Michigan carrying toxic hydrogen fluoride also derailed, causing 1,000 others to evacuate their homes.

Every month, and practically every week, a new incident involving the release, in some form, of dangerous chemicals into the environment makes its way into the news media.

We are all aware of the most infamous chemical incidents—Love Canal, the Valley of the Drums, Montague, Mich. But there are also the smaller cases which are no less serious to the victims involved.

The Nation cannot and must not get used to the news of chemical contamination and become numb to the warnings that new chemical pathways are leading poisons into our food chains, our drinking water supplies, and other elements of our environment.

The Committee on Environment and Public Works is in the process of developing legislation to deal with the problems created by dangerous chemical emergencies. As we proceed to mark up legislation to solve some of these problems, we must clearly state our goals and boundaries.

Do we provide protection for third-party damages? Or do we reject economic aid to damaged parties?

Do we concentrate on abandoned hazardous waste sites in the legislation? Or do we provide protection against other releases of poisons into the environment that are just as harmful?

We will experience many more incidents of environmental damage caused by chemical poisons around the country. As these are brought to the attention of my colleagues, I hope the full ramifications and breadth of the dangers will become more apparent.

Mr. President, I ask that the following Washington Post editorial, "Everyday Risks," of November 26, be printed in the RECORD.

The editorial follows:

EVERYDAY RISKS

A quarter of a million Canadians were evacuated from their homes two weeks ago because of a train derailment that released deadly chlorine and phosgene gases. The story made front-page news for one day and was quickly forgotten—which illustrates the strange and often perplexing ways in which society responds to the myriad risks of industrialized living. One can only imagine how bleak the future of nuclear power would be if 250,000 people had had to be evacuated from the vicinity of a nuclear reactor.

What accounts for the phenomenon that produces yawns over chemical accidents and instant headlines about even the hint of a nuclear danger? It is not a reaction to the ghostly qualities of radioactivity, though that is a part of it. Radioactivity can kill you without your ever having seen, smelled, heard or felt it. But there are also many chemicals—carbon monoxide, for example—that are colorless, odorless, tasteless and deadly. Nor is the difference simply that nuclear energy is relatively new and unfamiliar. Commercial nuclear power has been around for two decades now, and that is substantially longer than, for instance, people have recognized the relationship between chemicals and cancer.

Society, in other words, reacts differently to risks that a mathematician would say were equally grave. Coal, for example, is almost certainly more dangerous than nuclear power if the combined risks of mining accidents, black lung, air pollution, acid rain and carbon-dioxide buildup are considered. But Jane Fonda, et al., have yet to hold an anti-coal rally. We live happily with one technology, the automobile, that causes 50,000 deaths a year—an astronomical figure. And of course there is smoking. The death rate of smokers is double that of non-smokers, regardless of age. And smoking also increases the danger from a variety of other sources: asbestos workers who smoke, for example, get lung cancer at nearly 100 times the rate of their non-smoking coworkers.

People are naturally more willing to accept the risks of a voluntary activity—especially one from which they receive a direct and obvious benefit—than the risks of an involun-

tary one. But a larger part of the explanation lies in a general public confusion. Recently it has begun to seem as though just about everything is dangerous to your health—nuclear power, chemical wastes, pesticides (which DuPont now advertises as "crop protection chemicals"), occupational hazards, antibiotics in animal feed, air pollution and on and on. Just about everything seems to cause cancer—what you do, what you eat (or don't eat), where you live. In the face of such a systems overload, it is difficult to be very rational.

Are the risks of ordinary living really increasing, or are they merely being advertised better? The answers aren't clear. We are running out of empty space where wastes can be dumped and forgotten. We are also able to measure tiny amounts of chemicals and traces of pollution that would have been undetectable only a few years ago. We have a slightly better understanding of which substances are likely to be carcinogenic, and a much improved appreciation of how closely various parts of the environment interact. In short, we are much more aware of risks that have been around for some time. But it may also be true that, because of more people, more industrial activity and declining natural resources, new dangers are now being generated faster than ever before.

A central theme of the 1980s will be coping with the discrepancy between the technical capacity to generate, detect and measure risks, and our much more rudimentary social abilities to control, accommodate and manage them.●

DRAFT STATEMENT: NUCLEAR POWER

● Mr. BELLMON. Mr. President, the Kemeny Commission—the panel that was asked by President Carter to probe the Three Mile Island incident—has completed its work and sent recommendations to the White House. The President has now acted on those recommendations.

It is always a pleasure for the Senator from Oklahoma to have occasion to praise President Carter for his actions. Whenever the President has asked my advice, I have steadfastly maintained that if he truly wants to reduce this Nation's dependence upon foreign sources of oil, he is going to have to take hard—and unpopular, in the short run—decisions.

He made one of those hard decisions when he allowed the price to start rising of domestically produced oil to the world price. I applaud that long overdue decision and I intend to do what I can to help out by preventing the so-called windfall profit tax bill from reinstituting those price controls by the taxman.

Now, he has made another of those hard decisions. He has rejected the Kemeny Commissions' recommendation that the Nuclear Regulatory Commission be abolished. Furthermore, he has gone out of his way to reaffirm his administration's commitment to nuclear power as a key energy source in the future. "We cannot," President Carter said, "shut the door on nuclear energy." He then went on to urge the NRC to resume issuing nuclear power plant licenses no later than May.

I applaud this courageous decision by the President. Some candidates for his office are getting applause around the country by vowing to kill nuclear power. Candidates that take that position either do not understand the situation we are in, or they are demagoguing.

President Carter cannot be accused thus far of being pronuclear by anyone who knows the true story. His refusal to build the Clinch River breeder reactor cannot be pronuclear. His decision not to allow reprocessing of nuclear fuel elements cannot be considered to be pronuclear. His appointments to the Nuclear Regulatory Commission cannot be considered to be pronuclear.

President Carter's decision to urge the NRC to resume licensing of nuclear powerplants has not resulted from any advice by pronuclear lobbyists. His decision has not come because he has been a closet pronuclear advocate all the time. His decision has come because he has had to face reality.

As he said in his news conference the other day—

> We do not have the luxury of abandoning nuclear power or imposing a lengthy moratorium on its further use.

Mr. President, that is what I call facing reality. That is what I call making a hard decision. I congratulate President Carter. I pray that he, having taken this action, will stick to it. I trust that those in his administration that have the responsibility for carrying out his policies will listen to what the President has said, and act accordingly.●

LEGISLATIVE SCHEDULE

Mr. ROBERT C. BYRD. Mr. President, for the record, at the close of the day let me say again, in order that our colleagues may be informed, that in the event action has not been completed on the unfinished business and on the Chrysler legislation, including conference reports thereon, by the end of next week the Senate will come back on the 27th, 2 days after Christmas, and renew it labors.

I am not saying this by way of any criticism or complaint because I think I have to say that the distinguished chairman of the Finance Committee, the other members of the committee, and the ranking minority member, have worked diligently on the floor here. This is a difficult bill. I think much credit is due to the chairman and the ranking minority member for the work that was done within the committee. It was a very complicated task, but they were able to bring the bill to the floor.

I want to say that no inferences can be drawn from what I have said that would indicate what I have stated is in criticism of any Senator. I feel that it is incumbent upon the Senate to respond to the needs of the hour. I believe the American people expect the Congress to complete its work on the Chrysler legislation and on the excess profits legislation before Congress goes out for any lengthy recess that would not bring the Congress back until the latter part of January.

In the event action is completed on these two measures and on the conference reports by the end of next week, then I should think that the Senate would be able to go out until the 22d or 23d of January, but on the basis that the Senate would call itself back in the event of an international crisis that would require our presence here. The President would not have to call the Senate back; the leaders of the Senate would do that.

But in the event, as I say, that action is not completed on these two measures, I regret to say that I think it is our duty to come back immediately after Christmas and work on whatever remains to be done in connection with either of these two measures.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock tomorrow.

The motion was agreed to; and the Senate, at 8:18 p.m., recessed until Tuesday, December 11, 1979, at 10 a.m.

EXTENSIONS OF REMARKS

HUMAN RIGHTS: HOW BEST DO WE DEFEND THEM?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. MICHEL. Mr. Speaker, the Carter administration has boasted of its efforts to speak out in favor of human rights around the world. But after 3 years of this campaign, serious questions have to be asked about its efficacy. Aside from the rhetoric it has generated, what has the Carter human rights program done to actually foster the human rights of millions around the world? Equally important, what has this campaign done to enhance the national security of our own Nation?

Columnist Jeffrey St. John has called the Carter human rights approach "metaphysical madness." By this he means that the Carter administration's denunciations of human rights in the Iran of the Shah, in Rhodesia and South Africa, in Nicaragua and El Salvador and in South Korea has resulted in a lessening, not a strengthening of human rights in those nations.

We are never faced with a choice be-

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

tween a government that has human rights violations and an opposition that would, if in power, eliminate human rights violations. We are faced, instead, with the unpleasant but often necessary obligation to support governments that, despite their violations of human rights, are not linked with the Soviet Union or Cuba. Is there one nation in the world of which it can be said that a Communist or pro-Communist government that replaced a non-Communist government had a better long-range record of protection of human rights? Of course not.

At this time I wish to insert in the RECORD, "The Rights Noose," by Jeffrey St. John, the New York Times, December 7, 1979:

THE RIGHTS NOOSE

(By Jeffrey St. John)

WASHINGTON.—The collapse of Western collective security before World War II sealed the fate of European Jews and led to genocide in Nazi Germany. The collapse of collective security after the United States abandoned Southeast Asia to the Soviet and Chinese struggle for spheres of influence has produced the genocide campaign against the Cambodian people.

The Administration's human-rights crusade has played a critical role in weakening Western collective security in the Middle East, Africa, Asia and Latin America. In Iran the Carter human-rights activists gave a powerful push to the Shah's opponents that has now led to the unhinging of the collective security of the non-Marxist Middle East. Ignoring the long-standing Soviet goal of destroying Western collective security by seeking to disrupt its access to oil, the Administration put pressure on the Shah to seek exile in the name of resolving a crisis it helped to create.

The Administration's appeasement of Khomeini regime included a moral moratorium on human rights when the regime murdered hundreds of its opponents, gagged the press and brutally suppressed the Kurdish uprising. Is it any wonder that having pursued a policy of mass murder and disregard for human life, the regime would seize Americans and hold them hostage?

In Rhodesia and South Africa, the human-rights campaign has successfully clouded the real objectives of the Soviet-Cuban effort in Africa: weakening of Western collective security by direct or indirect seizure of the vast mineral resources of Southern Africa. The chairman of the House Subcommittee on Mines and Mining, James D. Santini, Democrat of Nevada, in a recent series of hearings that were ignored by the news media, has argued that the vast mineral resources of Southern Africa are under seige by the Cubans and Russians while the Administration has blindly ignored the consequences to both Western collective security and its impact on the nation's economy.

In Nicaragua and El Salvador, the human-rights crusade not only played a critical role in overthrowing two longtime anti-Marxist Governments but also there is a substantial case to be made that the White House and State Department engaged in the very kind of secret campaign to destabilize friendly anti-Marxist governments in this hemisphere that liberals in Congress decried as criminal and immoral when carried out by the Nixon Administration against Chile before the military coup there in 1973. This accusation can be substantiated by the Administration's policy of ending all military and economic aid to Nicaragua, including the unprecedented and dangerous step of trying to persuade the International Monetary Fund to withhold a loan due to the now-ousted Somoza Government. Today, both Nicaragua and El Salvador have pro-Marxist elements within their Governments. Are we to accept the fiction that the Soviet troops in Cuba are not in this hemisphere to guard the strategic gains made by the Soviet proxies in both Central American states as well as in Panama and Fidel Castro's successful efforts to install pro-Marxist governments in the Caribbean as part of a strategic game of chess to deny us access to oil moving through the Panama Canal to strategic oil anchorage and refinery facilities in the Caribbean?

The assassination of the South Korean President, Park Chung Hee, has struck a severe blow to collective security in Asia. The murder of Mr. Park came after the White House and State Department pursued its deadly rights policy, which only emboldened Mr. Park's political enemies who called for his violent ouster. Since first coming to office, the Administration has weakened Asian collective security by proposing the withdrawal of our troops and nuclear weapons and seeking to establish diplomatic relations with North Korea. As with the Kennedy Administration's sanction in 1963 of the violent overthrow of South Vietnam's President Ngo Vanh Diem, the Carter Administration has sacrificed collective security for slogans and moralizing. The consequences of Mr. Park's murder may be as far reaching as was America's sanctioned murder of Mr. Diem.

The Administration's human-rights campaign, therefore, is a form of metaphysical madness that has gravely weakened Western security and may well go down in history as the "hangman" of genuine human rights and the most deadly slogan since Prime Minister Neville Chamberlain's "peace in our time." ●

WITHDRAW SALT II AGREEMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. McDONALD. Mr. Speaker, I am today sending a letter to President Carter suggesting that he withdraw the SALT II agreement from further consideration by the United States Senate.

We have watched the dreary spectacle of Communist expansion since the Bolsheviks illegally seized power in 1917. Since that date the Soviet Union has spread war, revolution, sabotage, subversion, and starvation. The goals of international Communism have never changed.

During World War II, as we all recall, we were allies of the Soviet Union. Our "arsenal of democracy" poured food, raw materials, and military equipment into the Soviet Union. The Red army took the offensive against Nazi Germany in American trucks and jeeps. However, the war ended on a somber note as the Red army and the NKVD crushed all non-Communist political parties and the heavy weight of the Iron Curtain descended on Eastern Europe.

Since that time we have had the Berlin airlift, war in Greece, the Korean war and Communist inspired insurrections in the Philippines and Malaysia. At the same time, Communist China, then a faithful ally of the Soviet Union, seized Tibet and invaded India.

In the sixties the fighting started up in earnest in Indochina and we had a missile crisis in Cuba. In fact at nearly every point wherein it seemed to be possible to reduce our expenditures for defense, the Soviet Union would create some new crisis.

Today we have an even worse situation with much of Africa and the Middle East dominated by Communist regimes. In addition we have rampant Cuba acting as surrogate aggressor for the Soviet Union all over Africa as well as behaving with renewed arrogance in Central America.

Mr. Speaker, it is high time we recognize there is no détente, except in Washington, and that we stop the pretense that SALT II will somehow help the cause of peace. Withdrawal of the agreement would be one method of letting the Soviet Union know we are tiring of her speaking out of both sides of her mouth and that we recognize her for the bloody aggressor she is. My hope is that other Members of this House will also be inclined to echo my sentiments and let the President know how they feel.●

WHERE TO GO

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mrs. BOGGS. Mr. Speaker, I would like to insert for publication in the RECORD the following article on battered women that was published in the New Orleans Times-Picayune on November 18, 1979.

The article, featured in the Sunday magazine supplement, "Dixie-Roto," is an overview of two local programs of aid for battered women. One program is administered by the New Orleans YWCA; the other Crescent House, is coordinated by Associated Catholic Charities.

The article follows:

WHERE TO GO? WHAT TO DO?

(By Millie Ball)

"One of the ideas that goes along with taking care of women is that it's okay to punish them when they do something wrong," said Jan Logan, who was quick to say not all traditional macho men beat their wives, of course. But she does know a lot about those who do because of her job as director of the Young Women's Christian Association's Battered Women's Program since it was started in December, 1977.

"It's sort of an ownership theory. He takes care of her, and marriage gives him the right to punish her too. Also, if he owns a person, he wants to control her, and he does that through physical force and verbal abuse," said Ms. Logan.

"So often, he has unrealistic expectations of marriage, and of what his spouse can do for him. Chances are he went into it thinking she could do more for him, that she could make him happy, and then, if he's not happy, he decides it's her fault. When things go bad for him, he blames her."

There are thousands of these men in the New Orleans area, and most go undetected. One of the reasons has been that the women had nowhere to go. The YWCA was the first to look to their needs, to offer free counseling and help in getting jobs and gaining confidence, but until this past spring, there was no place just for them, where they could physically pack up and head off for, baggage and children in tow.

Now there's the Associated Catholic Charities' Crescent House, as in Crescent City. Its location has been a big dark secret since it opened March 8. There's no charge for staying there, but there is a contract that must be signed by women who live there. Rule 1. "I agree to keep the location of Crescent House known only to myself, and I further agree to give the telephone number only to those persons on whom I can rely to maintain a high standard of security."

Rule 2. "In order to ensure the confidentiality of Crescent House, I agree to meet any visitors at a location other than the shelter." There are a bunch of other rules, such as helping around the house, but those two and the ones forbidding alcohol, drugs, and weapons are the only ones that never are even slightly bent.

Director Jace Schinderman explained the reason for the secrecy is that it's vital to these women to feel safe from the men who have been abusing them, physically and emotionally. Two men have found the house, but neither made trouble, and both left without seeing the women they sought.

Not all are married. Some have been living with explosive men. Others who seek help have left, many even have divorced, but their previous partners won't leave them alone. "They've had no place to go for protection," said Ms. Schinderman. "Most people—family, friends relatives—don't want to get involved. Until a couple of years ago, it was considered a family matter between husband and wife."

To get into one of the 21 beds set up for women and children at Crescent House, a woman must be referred there by another agency. Many desperate victims call the YWC's 24-hour line at 486-0377. If there is room in Crescent House (as many as 63 women and children have been turned away for lack of space in a single month), and if they have no place else to go, Crescent House could become home for a while.

Once there, the women and their offspring are given two or three days "to get the feel of the place," said Ms. Schinderman. They talk with a social worker to figure out their needs and to set up a target date to leave. Most stay anywhere from 14 days to about a month. After settling in, residents are expected to pitch in with chores, and to attend afternoon rap sessions and semi-weekly group therapy meetings.

"These women are no different from you and me," said Ms. Schinderman. "It's easy to say, 'Oh, poor things. They're so different.' They're not." There have been welfare mothers in the house, but there also have been nurses, an attorney, a professor's wife, and the wife of a man who makes $100,000 a year.

"It's not only a problem of the lower classes," said Ms. Schinderman. "It's just that it's more visible there, because the upper classes can buy more privacy with their money."

Credit for the existence of the house should at least start with Barbara Songy, who for six years was state regent of the 13,000 Catholic Daughters of America in Louisiana. She in turn credits Pat Evans, director of the Louisiana Bureau for Women, who told her of the need for such a home.

Mrs. Songy convinced the archbishop to give a building, the governor to get the state to grant $100,000 to get it going, and the head of Associated Catholic Charities to make it a special project. "We could open six more and still not reach everybody," she said.

The YWCA leaders would agree with that. "We now are seeing 150 to 200 cases each month," said Jan Logan, director of the Battered Women's Program of the Y. "We think that's just a small percentage of the people involved. We consider it the most unreported crime in the nation." Municipal Court, in January, 1979, a sample month, handled 153 arraignments for cases of domestic violence.

In its first year-and-a-half, the Y helped more than 1,800 women. Leaders tried to follow up on 176 "closed" cases. They couldn't find 86 of the women. Of the 90 they could, 77 percent said the situation either had improved or had been eliminated, and 23 percent reported no change.

"We wanted to break down the myth that women don't want help," said YWCA counselor Deb Henson. "It shows when women do have support, they will do something about it."

The Y offers group counselling, one reason being that these women feel so isolated and guilty. "They feel they are bad," said Ms. Henson. "It helps them to hear other women talk."

For those who want to press charges against their husbands, the Y will send someone with them to court. "If he follows her and bothers her, what's she going to do?" asked Ms. Henson. "She has few options. If the violence is severe enough, yes, I would encourage her to press charges."

Legal options are to press criminal charges of simple battery, or, if he uses a weapon, aggravated battery, which is a felony, said Ms. Henson. Civil Court cases filed by battered wives usually involve separation, divorce, or child custody. Sometimes women will combine civil and criminal charges, she said.

"These women usually don't have much of a sense of themselves, an identity of their own. They have tried really hard to please their husbands so he won't abuse them," said Ms. Henson. This can be the wrong tactic, especially the first time it happens.

University of California sociologist Mildred Daley Pagelow studied the situation, and concluded, "The woman's response to the first battering incident is crucial. In one study, the women who reported one incident of abuse and no more, responded to the violence by either leaving the relationship or retaliating physically. Decisive behavior of this sort is necessary so as not to reinforce the violent behavior. Some things that reinforce the violent behavior are the man's increased sense of power and control, and the woman's increased efforts to please and placate him. Unless the first battering is dealt with effectively, battering will not only continue, it will escalate in frequency and severity."

Of course, as time goes on, hitting back could be dangerous, warned the Y women. A sense of independence may make things initially worse, but should help in the long run, they said.

Both men and women in these relationships usually have very traditional views of the male-female roles, they said. Many come from homes where wife beating was accepted behavior.

"Maybe 90 percent of the men who abuse their wives were abused themselves as children or watched their mothers being abused," said Ms. Logan. In at least 80 percent of the cases, the men drink heavily.

"I think often their self-esteem is lower than the woman's," said Ms. Henson. "They feel inadequate, so they blame their spouse for not making them feel better." But they also tend to rely heavily on their wives. "If she leaves, he'll go bananas, and do all he can to find her, because she takes care of him."

But he almost always can't talk about his feelings toward her, or about anything personal, she said. There tends to be a lot of denial of the seriousness of the problem by both man and woman, with both blaming alcohol, job pressures, family pressures, and the woman, saying she deserved it.

"He's often jealous of her friends and family," said Ms. Henson. "So the more he can keep her isolated and alone, the more control he feels."

Added Ms. Logan, "It's so hard for others to understand why a woman wouldn't know ahead of time a man was going to be like this. That's why there's the myth she likes it. But these women don't know what to look for in a relationship."

Chances are the man who can talk about his feelings, who has respect for his wife's part in the relationship, who talks with her about decisions to be made, who doesn't drink too heavily and doesn't anger too readily is a pretty good bet.

Not to say those who don't fit that profile aren't. But the odds are those who come near to it will be able to ride a white horse better than those who don't.

It's just that for too many women, that information is a little late.●

HONORING THE AMERICAN NOBLE LAUREATES IN SCIENCE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. McCORMACK, Mr. Speaker, today, the 1979 Nobel Prizes in Science are being formally presented in Stockholm.

I know my colleagues will want to join me in congratulating those American scientists who have won Nobel Prizes in 1979. The prize in medicine was awarded to Dr. Allan M. Cormack of Tufts University for his role in the development of the imaging technique known as computed tomography. The prize in physics was divided among three theoreticians. The two Americans are Drs. Sheldon L. Glashow and Steven Weinberg of Harvard University. They received the award for their contributions to the theory of the unified weak and electromagnetic interaction between elementary particles. The prize in chemistry was awarded to Dr. Herbert C. Brown of Purdue University for his contribution to the development of the use of boron- and phophorous-containing compounds, respectively, into important reagents in organic synthesis. The prize in economic sciences went to Sir Arthur Lewis of Princeton University and Theodore W. Schultz of the University of Chicago, two economists noted for their work on the problems of underdeveloped countries.

The Nobel Prize Awards Ceremony is a fitting occasion for the Subcommittee on Energy Research and Production, which I chair, to join with the Subcommittee on Science Research and Technology, chaired by my good friend from California, Mr. BROWN, to assemble a distinguished group of Nobel laureates in science to honor American science and to explore issues surrounding the health of the American scientific research.

Last night, several Members of Congress and many distinguished members of the scientific community met at the Great Hall of the National Academy of

Sciences to pay tribute to the 1979 Nobel Laureates, now in Stockholm, and to the ten American Laureates of past years who joined us for a reception and banquet. It was a festive occasion.

Today the two subcommittees held a joint hearing on "Destinies for American Research." The Nobel laureate panel included: Dr. Burton Richter, of Stanford University. He is an elementary particle physicist who won the Nobel Prize in physics in 1976 for his discovery of the Psi of J particle. This was a key step in verifying the so-called quark theory of matter.

Dr. Melvin Calvin, of the University of California, Berkeley: He is a chemist who won the Nobel Prize in chemistry in 1961 for his research on assimilation of carbon dioxide in plants. More recently, he has been doing pioneer work in the development of energy-producing plant life.

Dr. Rosalyn Yalow, of the Veterans' Administration Hospital, in the Bronx, N.Y.: She is a medical physicist who won the Nobel Prize in medicine in 1977 for her research on hormones in the human body, and the use of radioimmunoassay techniques.

Dr. Paul Samuelson, of the Massachusetts Institute of Technology: He is an economist who won the Nobel Prize in economics in 1970 for his work which raised the level of scientific analysis in economic theory.

Our second panel, the research coordination panel was composed of: Dr. Philip Handler, President of the National Academy of Sciences. Dr. Handler is a distinguished biochemist, and

Dr. William O. Baker, chairman of the board, Bell Telephone Laboratories. Dr. Baker is a research chemist.

Both of these gentlemen have led active careers in both science research and in formulating this Nation's science policies.

During the hearing a number of critical issues were explored that bear on the potential for future support of scientific research and its application to new technology. Issues discussed include productivity, industrial innovation, and scientific manpower needs.

These subcommittee events were so successful and so enlightening that we propose to make the reception, banquet, and hearing a special celebration on the day of the formal Nobel Prize awards in December of each year in the future.●

CITIZENSHIP, THE CONSTITUTION, AND PUBLIC ISSUES

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. LONG of Maryland. Mr. Speaker, I welcome 39 students and Mr. Sidney Chernick, chairman of the social studies department, from the Pikesville Senior High School in Pikesville, Md.

My constituents are visting the Capitol in connection with a course entitled, "Citizenship, the Constitution, and Public Issues." They will see Congress in action and tour the FBI Building.

Today will, I am sure, be memorable and interesting. I am pleased to meet with my friends from Pikesville.

The students are: Jon Adleburg, Maurice Aiken, Dana Becker, Michael Bernstein, Elise Burgin, Glori Cohen, Julian Cohen, Richard Frank, Sari Friendlander, Charles Glass, Lisa Glickman, Jon Greenblatt, Mark Heatfield, Michael Grossfeld, and Irving Klein.

Julie Lapides, Harry Lasover, Sharon Martin, Vicky Meier, Keith Mottus, Harold Murveit, Lisa Pickus, Andrew Pollekof, Troy Powers, Laurie Pondfield, Michael Quartner, Michael Radinsky, Jeffrey Ross, Robert Roth, John Scher, and Leslie Schreiber.

Dawn Shuster, Elizabeth Sultan, Wendy Serpick, Ann Unekis, Michelle Uszerowicz, Bonnie Walpert, Harriet Wilder, and Debbie Windesheim.●

THE REAL MEANING OF CHRISTMAS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. HYDE. Mr. Speaker, there is a lot of gloom overhanging our land this Christmas, with our hostages still imprisoned and the economy in precarious shape.

The enclosed newspaper article from the Chicago Tribune of December 6, 1979 caught the eye of Nancy Short, one of my most valuable staff members (and who is every bit as sentimental as I am) and I would like to share its warm and wonderful Christmas message with my colleagues.

The article follows:

[From the Chicago Tribune, Dec. 6, 1979]

THEY KNOW REAL MEANING OF CHRISTMAS

(By Dave Schneidman)

Adolph Sorensen was grinning like crazy Wednesday, despite being sick, broke, and only partially sighted.

Sgt. John Motzny of the Town Hall police district was also grinning, and, so it seemed, were the 20 stuffed toy animals that would brighten the Christmas season for at least some not-so-fortunate children.

For the seventh consecutive year, the 54-year-old Sorensen was delivering his donations to the annual Town Hall police Christmas party. Sorensen, a short gregarious pink-cheeked man with a mane of silver hair, saves money from the small Social Security check he and his sister, Margaret, 63, live on, to buy toys for the police Christmas party.

Motzny, who had come to the apartment the Sorensens share at 3653 N. Ashland Av., to pick up the stuffed animals, is a big Sorensen fan.

"These people live on a pension so small—I wouldn't embarrass them by telling you how small it is," Motzny said. "Yet, every year they donate these stuffed animals to us. And they don't want anything. Nothing. They're just good people in the real sense of the word good."

Sorensen, a diabetic who has lost the sight in his right eye and is fast losing the sight in the left, blushed at Motzny's praise.

"It isn't anything like that," he protested. "What happened was, one day about eight years ago, I was walking by the Town Hall station when they were having the Christmas party—that was when I had full sight—and I saw this little girl, maybe 4 or 5 years old, walking out with a big smile on her face, clutching a little toy animal.

"So, when I got home I said to my sister, 'That's what it's all about. I'm gonna put some smiles on faces too.' So after that, we've been donating the stuffed animals."

Christmas has always meant a lot to the Sorensens. "Our father, Christ Sorensen, was a Santa Claus on State Street before he died about 23 years ago," Miss Sorensen said. "He could speak about eight different languages, so the kids would come up to him and he'd start talking to them in Polish or Italian or German or whatever, and the kids would turn to their parents and say, 'He's the real Santa Claus,' and everybody would feel a little better for it."

Sorensen remembered the candy store he and his sister owned before he became to ill to work. "I remember the first customer I had. She was a little girl and she walks in and orders two of everything. You know, it was just one of those penny candy stores, so she's ordering jaw breakers and licorice sticks and candy dots, and I am thinking to myself, "This place is a gold mine. She's already ordered $1.08 worth of candy.' So then she gives me a penny and asks if she gets any change."

So you took the candy back, right?

"Naw, I didn't have the heart," he admitted. "I took her penny and let her keep the candy. But I didn't give her any change."●

NEED FOR AN INTERNATIONAL CONFERENCE TO FIND POLITICAL SOLUTION FOR CAMBODIA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. SOLARZ. Mr. Speaker, Senator KENNEDY and I introduced a concurrent resolution (H. Con. Res. 219) calling on the President to work with other world leaders to convene an international conference on Cambodia that would work to prevent the destruction of the Cambodian people and the establishment of a neutral Cambodian state. Eighteen Members of the Congress have joined me in sponsoring this resolution.

As press reports have indicated, the continuing conflict between the Vietnamese-backed Heng Samrin forces, Pol Pot's army, and the various free Khmer anti-Communist military groups, has severely hampered the international effort to prevent the death by starvation and disease of the remaining people of Cambodia.

Despite the increased willingness of the Heng Samrin regime in Phnom Penh to allow relief supplies into the country, thousands of hungry and disease-wracked refugees continue to cross over each day into Thailand fleeing the war, famine and disorder which has continued to plague their homeland.

More needs to be done to insure that the needed food and medical supplies reach these desperate people. We commend our colleagues who have worked hard to improve the humanitarian relief operation, and particularly those who traveled to Cambodia to personally intercede with the authorities in Phnom Penh to give greater access to the relief

shipments, and to broaden the distribution beyond the Phnom Penh area.

But we are convinced that only a political solution will insure the survival of the Khmer race and the existence of a Khmer nation. Despite the presence of between 150,000 and 200,000 Vietnamese troops in Cambodia, the prospects for a protracted guerilla war seem certain, particularly with China and other nations continuing to support Pol Pot. For while such a war proceeds, the suffering of the Khmer people will continue, and the threat to the peace and stability of the entire region is magnified.

To seek a permanent peaceful solution to the fighting and suffering in Cambodia, we urge the convening, as soon as possible, of an international conference, which could be held under the auspices of the United Nations, to bring together all of the various parties claiming to represent the Cambodian people with other concerned nations, to examine the various factors which are increasing tensions and threatening the peace in Southeast Asia. Such a conference would work to develop a political solution that would lead to the establishment of a neutral, nonaligned Cambodian state that posed no threat to the security of any other nation in the region, and also provide the people of Cambodia an opportunity to freely determine their own future.

Ten months ago in February, eight of my colleagues, Messrs. SEIBERLING, BEDELL, PEASE, DODD, BARNES, WOLPE, LAGOMARSINO, and HYDE, joined me then in writing to the President to urge U.S. support for the convening of an international conference to seek a political solution in Cambodia that might defuse regional tensions and prevent the needless deaths of thousands of Cambodians who had already endured 4 years of terror under the murderous Pol Pot regime. Unfortunately, at that time the administration indicated that the political climate was not right for such a conference, and that there would be insufficient support at the United Nations for such an initiative.

Three weeks ago it was clear the climate had changed dramatically with the United Nation's General Assembly voting 91–21 in support of an ASEAN resolution condemning the Vietnamese invasion of Cambodia and the obstruction of the relief effort. The General Assembly urged the secretary general to take an active role in seeking a peaceful solution to this conflict and to explore the possibility of an international conference on Cambodia.

Obviously the road to a peaceful solution in Cambodia and to reduce regional tensions will not be an easy one. But unless world leaders make a serious attempt soon to seek such a solution, hundreds of thousands of additional Cambodian refugees will flee into Thailand, while thousands of others will perish in the fighting and continued famine. The ancient Khmer race and nation may disappear, a victim of a regional power struggle.

No responsible nation can refuse to participate in such an international diplomatic effort to reach a negotiated settlement to prevent the ultimate destruction of the Cambodian people and to avoid another conflagration between Vietnam and China.

The generous response of the American people to the international Cambodian relief appeal, and the strong support by the Congress of U.S. participation in this effort indicates, to me, a deep commitment by our citizens to all reasonable efforts to prevent the destruction of this tiny nation and to cooperate in efforts to rebuild this shattered land.

I hope that other Members of the House will join me in cosponsoring this resolution as an indication of the strong Congressional support for the convening of an international conference on Cambodia.●

CRS REPORT ON WOMEN AND RETIREMENT INCOME

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, I would like to call my colleagues' attention to a recent publication of the Select Committee on Aging's Subcommittee on Retirement Income and Employment, which I chair. At our request the Congressional Research Service wrote a report entitled "Women and Retirement Income Programs: Current Issues of Equity and Adequacy." Because of the importance of this issue, this report is now available from the subcommittee.

CRS has done an outstanding job of analyzing the important issues of adequacy and equity of retirement incomes programs available to women, including social security, private pensions and the major Federal retirement systems. The adequacy of older women's incomes is a particularly critical issue.

Women are, and will continue to be, the majority of our elderly population and they are disproportionately poor. The poverty rate for elderly women is 60-percent higher than that for men. The number of elderly women who are poor is more than double the number of elderly poor men. Obviously we will not end poverty among the elderly unless we know more about the income problems facing women.

CRS has reviewed the pending questions of women's social security coverage and the proposed reforms, such as earnings sharing or a double-decker system of wage- and nonwage-related benefits. The report also examines flaws in private pensions' coverage from the point of view of women workers and women who are dependents or survivors of men with pension coverage. Many of the circumstances that cause women workers to be disadvantaged in the pension system—such as a pattern of interrupted work histories or the tendency to work in jobs that do not have pension coverage—are circumstances shared by minorities. Pension reforms to meet women's new needs are likely to benefit many other disadvantaged groups.

As the CRS report shows, the inadequacies in retirement income programs are not deliberate. Most occur because programs have not changed to reflect the changing roles and responsibilities of women in American life. Women represented nearly three-fifths of the increase in the labor force in the last decade. The majority of women working do so because of economic need, in many cases a result of divorce which is, regrettably, rising at alarming rates. Unfortunately, women's work patterns and job choices still limit the pension coverage they are likely to receive. The number of families in which both husband and wife must work is also increasing, yet private and public pension systems still base benefits on the one-wage-earner family model.

Correcting the way in which social security and public and private pensions protect women workers and dependents will be among the major issues before the Congress in the next few years. Already the Ways and Means Committee has begun hearings on the social security system's coverage of women. The adequacy of private pension coverage for women will be one issue before the Education and Labor Committee as it considers possible improvements in the Employee Retirement Income Security Act next session. This outstanding CRS report will be a valuable source of information when we address reforms in retirement income programs and I hope my colleagues will have the opportunity to review it.●

A KENTUCKIAN'S NETWORK CAREER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. CARTER. Mr. Speaker, recently the Louisville Courier-Journal printed an article on Mr. Julian Goodman, former president of the National Broadcasting Co.

Mr. Goodman is a native of Glasgow, Ky. His father was born near Fountain Run, in Monroe County. It has been my pleasure to know Julian many years, and during those years he has been thoughtful and kind enough to visit my office. I was pleased to be a guest when NBC of Washington gave a party for him at the Washington Hilton.

Julian attained his high position by hard work and dedication. He is truly one of our greatest Kentuckians. I include for the perusal of the Members an article by Tom Dorsey, entitled, "A Kentuckians' Network Career."

A KENTUCKIAN'S NETWORK CAREER

(By Tom Dorsey)

NEW YORK.—Julian Goodman, the former president of NBC, is spending a leisurely afternoon—unlike the hurried and harried pace of the past decade when he captained the NBC television ship through troubled network waters. He's out of it now. NBC's waters became too treacherous. Retired from the company, the press releases politely put it.

He doesn't seem much the worse for the ego-bruising blow, not in his conversation,

which still shows traces of his Western Kentucky accent. He's a Glasgow, Ky., native. But he's taken a shine to the bright lights in the two decades he's lived in New York City.

He is having a quiet lunch at The Board Room, an exclusive Manhattan club at the top of the Bankers Trust Building on Park Avenue. He ushers his guest from one window of the dining room to the other, pointing out notable landmarks along the skyscraper canyons. He proudly saves the best view for last. It's from the men's washroom.

Goodman is at home in the executive washroom, just as he is at ease among The Board Room diners, titans of industry who occupy plush corporate head offices in the glass and granite boxes. For a dozen years he was the man at the top of one of America's most powerful businesses—a radio and television network. In a business where tenures are now marked in months, that was a marathon stint. His NBC career took him from overnight news rewrite man to the top of the news division. After that it was a rocket ride to the network presidency—all in less than 20 years.

It's a long way from the top of the Bankers Trust Building down to Glasgow, Ky. And miles aren't the measure for Goodman.

He began his journey as a newspaperman—stealing stories from broadcasting. "I used to work for the Glasgow Daily News when I was in high school," says the 57-year-old Goodman, a grin coming to his face as he remembers. "They were a poor newspaper. Could only afford to pay me $3 a week. They couldn't afford a wire service so I used to listen to WHAS. I'd get the ball scores and whatever little bits of news I could gather, and I'd write it down, and they'd put it in the paper."

He fondly recalls his greatest broadcasting theft in the service of print journalism. "It was the day Jean Harlow died. I got the flash on the radio and ran it down to the paper to write it up. They put it in a little box right on the front page."

The front page was still uppermost in his mind when he began his freshman year at Western Kentucky University. He majored in English and still has a soft spot for the woman who taught him how to write.

"That would be Miss Francis Richards," he says, "a great journalism instructor." But the year was 1939 and the clouds of war were gathering even though the storm had not yet broken. Goodman was sure war was imminent.

"I left school and volunteered. Serial No. 15315032," he says with a quickness to his voice as though he were still answering the Army bugle at Fort Benjamin Harrison in Indiana. "I got pneumonia, and they overdosed me on some medicine. They apparently thought I was going to die and wanted to get rid of their mistake, so they discharged me right away."

But he was determined to stay with the coming war effort in some way. He moved to Washington where he found himself heading an office of 19 women at the War Combined Production Board. "The idea was to combine the resources of Canada, the U.S. and Great Britain and then give it all away to Great Britain."

One of the women at the board was Betty Davis of Dawson Springs, Ky. And as it turned out, the two Kentuckians came all the way to Washington to meet and combine their own resources into 33 years of marriage and four children. But back in those World War II days his only responsibility was writing and rewriting bureaucratic memos.

"There was this one 150-page report on the requirements for postwar electricity in Italy that was sent back. I'm sure I'm the only person who ever read it. I boiled it down to two pages. So whatever electricity the Italians are enjoying today they owe to me," he says with a laugh.

But when the lights came on again all over the world, including Italy, Goodman was suffering from a serve case of writer's cramp. The government was cramping his style. He got out and pursued his first love—writing the news. The good newspaper jobs were going to the veterans so Goodman, recalling his prior source of news, tried radio. NBC was willing if he wanted to work nights.

"I replaced David Brinkley on the night desk as my first job," Goodman says, sounding even today like the kid who talks of wearing Babe Ruth's number. A decade later he would be Brinkley's boss as president of NBC news. But he still ranks Brinkley high on the list of the most impressive people he met on his way to the top.

"Brinkley will be ranked with the greats of broadcasting, and it's because of his writing. He not only shaped NBC's style of writing and delivery, he changed the whole concept of network news reporting. He has an incisive ability to bluntly sum up a story quickly in a way that others can only imitate," Goodman says. "Brinkley is one of the smartest, ablest people who has ever appeared on television."

If Goodman's description would turn Brinkley's head, then Johnny Carson ought to blush bright red at Goodman's undisguised admiration for the "Tonight" show host: "Carson is the consummate broadcasting professional. He's the best I've ever seen. People told me he wouldn't last out the first year. They said that with less conviction the second and third years he was on. Now 17 years later you can't get them to admit they ever said it at all.

"He is a true child of the television age. He knows what television is. He's studied it and mastered it like no one else has. He has quickness, wit, intelligence, and he works awfully hard. But it's timing that is most important. You see, Johnny knows when to keep his mouth shut."

Goodman sat in on Carson's contract renewals over the years as the salary figure mounted from thousands to millions. "I nostalgically look back to the days now when we were only paying him a million. But he has never been overpaid." Carson makes $3 million a year, but his show is seen by 15 million people nightly and brings in $130 million for NBC yearly. "Both NBC and Johnny came out very well over the last 17 years," Goodman reflects.

"I know people say, "Oh why does he take so much time off?' But they have no idea how hard he works to be as good as he is when he is on the show. They'll find out how good he was when they have to replace him."

There's talk that NBC will replace Bob Hope's specials with something else next season. The talk is that the 75-year-old Hope has worn out his TV welcome. Goodman would object to this view if he were still running things. "Look at George Burns and Jack Benny," says Goodman, making his case that comedians age like wine—not milk. "It's hard to bring up new, young comedians these days. The old guys like Hope learned their trade on the vaudeville circuits playing towns all over America. People ought to be glad Hope still wants to work."

One of the things that Goodman likes about Hope is that he is his own man. "He had lots of assistants and a big company behind him, but Bob always made his own decisions."

A man of decision is how Julian Goodman would like to think of himself. And he had plenty of chances to hone that cutting edge at a television network where decisions were demanded with almost every sweep of the second hand on the clock. Some of the toughest ones had to do with the White House. "Each president I saw used the power of TV differently, but every one used it."

Earlier Presidents Roosevelt and Truman only had access to radio. Goodman can still remember the day the maverick Truman broke the rule about never allowing a presidential news conference to be recorded. Goodman was sent to do the job because he was the only one who knew how to work the apparatus. "Truman was the easiest president I ever dealt with."

Later he watched as Eisenhower became the first president to allow filming of a news conference. Goodman also dealt with Nixon but won't say how he was. "I have to save something for the book I'm writing so people will think it's worth the $12.95 price tag," he says. He does recall the heat he felt when he was producing the famous Nixon-Kennedy debates of 1960.

"CBS was responsible for the first debate in Chicago, and I was watching because I was going to do the second one for NBC. The first thing I noticed was that Nixon was sweating heavily." That was to become a key image factor in many people's minds. The trickle of sweat made Nixon look nervous no matter how cooly he fielded the questions. Goodman decided that the heated issues and not the thermostat should decide the outcome of the next debate.

"When our turn came, I told the technicians to cool the studio all day and keep it at 72 degrees. Nixon couldn't help it that he perspired more than Kennedy, and I wanted to be fair." But the Kennedy-campaign people had a different idea, according to Goodman. "They arrived at the studio early and when they found out we had cooled it down they demanded the heat be turned on. His sweat was their political advantage and they knew it." But Goodman kept it cool.

Goodman may have regretted his good sportsmanship 15 years later when he faced down Nixon's attorney general, John Mitchell, who wanted reporter's notebooks. "The greatest threat to the free press since the Sedition Acts of 1798," Goodman angrily retorted at the time. That's another presidential encounter he's hoarding for that book.

But if Nixon was his nemesis, he found dealing with Kennedy nothing but cordial. If Johnny Carson was the consummate child of the TV age, Jack Kennedy was its finest presidential practitioner in Goodman's mind.

"He has a sharp sense of humor and an uncanny ability to read his audience." Goodman thinks that Kennedy's use of television during the Cuban missile crisis after the Bay of Pigs may have been the most dramatic use of the medium in broadcasting history. It was a scary moment and the first time television had been used as a diplomatic weapon in an international crisis.

"Kennedy came on TV and admitted his mistake and then sent a message to Khrushchev by television." One head of state had never ignored diplomatic channels to deliver an ultimatum to another by television. "It was dramatic, striking, and it had an impact on Khrushchev that a private letter never could have had," Goodman says.

Kennedy had an impact on network presidents, too. "But he never called me up to complain. Bobby Kennedy would call. He was more volatile than his brother. Jack always did it through his news secretary, Pierre Salinger."

That wasn't Lyndon Johnson's style, however. "He watched all three network newscasts at the same time every evening on a set that we built for him. Sure he'd call me up and bawl me out. Somebody always heard from him after the evening newscast." Goodman wants to leave the specifics for that book, but he did tell about one of the most interesting calls. "He called me up after he heard one of our reporters saying he was meeting with the Russans: 'It's a lie. No truth to it.' The next day he met with them."

Every president uses television. They use it most when they're trying to get elected. Early in their administrations you see a lot of them on the tube. But when the going gets

tough, as it has for Carter, they begin retreating from the tube—especially from those live news conferences. That's when they decide to use TV to take their case to the public, Goodman thinks.

"They try to go over the heads of Congress and around the polls to reach the people directly, as Carter did in Bardtsown. The last four presidents have all done something like this. They come to the conclusion that the press is against them because the press won't write what they want to read or hear. They think they can go straight to the people. It never works. Substance is the only thing that matters. If they have something of substance to offer they can go through the press or to the people directly and it doesn't matter which."

But Goodman is convinced that the tube acts as a presidential lie detector. "You can't fool it—no way they can fool it. Television has made every American a political expert at reading character. If you have character it comes across on TV. If you don't, that comes across even stronger."

And contrary to the widely held belief, Goodman argues that TV by itself cannot elect a slick, good-looking fraud to office. "I reject that theory and I don't think you have to be pretty to use television in your campaign. I think Lincoln would do very well on television. His sincerity and honesty would come through, and besides that he had something to say."

Goodman had his say on issues over the years and sometimes he was in spots as hot as the president. One painful date sticks in his mind. "It was Dec. 17, 1968, I believe," he says, like a man still trying to erase a lipstick smear that won't go away from his shirt collar. It will be forever remembered in the halls of NBC, like Pearl Harbor. Actually it was just a pro-football game between the Oakland Raiders and the New York Jets. And the Raiders were getting beat 32 to 29. Less than a minute remained.

As the clock closed in on 7 p.m. the director assumed the game was over. Millions of children were tuned in waiting for the network's presentation of "Heidi." The decision was to kill the last few seconds of the game in favor of the kids. Millions of fans almost murdered NBC.

"The Raiders came back to score two touchdowns in nine seconds and win the game," Goodman recalls, still wincing as if it were yesterday. "The whole press department was off at a meeting somewhere. Reporters started calling me. I explained how reasonable the decision seemed at the time. They weren't buying."

Every television director knows that tale. They all remember it whenever they get an itchy finger. Of course, they don't remember it as well as Julian Goodman does—and no one ever will.

But Goodman isn't reluctant to discuss his mistakes. "When you make decisions all the time, you make some wrong ones." His staff saved him from a bad one in a midnight coast-to-coast conference call.

"When I saw the first episode of the 'Flip Wilson Show,' and he came out dressed like a woman, playing Geraldine, I thought, 'Oh no.' I got on the phone to my people in California. I told them it was terrible, in bad taste—that people would be offended. They finally argued me out of it. The show went on. We never got that first peep of protest."

He and other NBC executives watched CBS's "All in the Family" birth with indecision. "We decided it would either be the biggest hit or the greatest failure," Goodman recalls. But he isn't jealous over its success. "I'm glad CBS did it. You have to try new things—you have to fail in TV to succeed."

He thought ABC's "Mork and Mindy" would fail. "I never saw it coming." People constantly ask him when more shows such as "Little House on the Prairie" are coming. "You can't duplicate success. We've tried. Everybody's tried. I'll bet you there have been a hundred attempts to copy 'Laverne and Shirley.' "

You won't catch Goodman putting down the girls from Milwaukee. "There's a place for 'Laverne and Shirley' on TV. People pay $20 to see a Neil Simon play on Broadway that isn't all that far from TV situation-comedy. Don't knock it. It's the culture of our times."

Sports takes up the next biggest block of TV time and Goodman has doubts about that. "I think the networks have overdone sports. It appears to be getting worse, not better," Goodman says flatly. But he attacks the widely held belief that television was much better once upon a time.

Time and again Goodman hears that The Golden Age of Television was better than today's bill of fare. "People think the 'Studio One' sort of thing was great, and it was in its time. But it can't compare to the best dramas on TV today. The Golden Age of TV is an illusion. It couldn't live up to its reputation if we showed it now."

He doesn't think NBC lived up to its reputation when it moved "Centennial" from night to night on the schedule last year. "That was a strong series. The scheduling was one of the more embarrassing insanities I can recall, and all for the shading of a rating point."

If you expect the former head of a TV network to defend those ratings, Goodman isn't your man. "It's meaningless whether a program is No. 1 or last if you like it." Does he think press attention to TV ratings creates the problem? "No, the problem is the network's slavish devotion to them. That's what's so wrong."

But Goodman admits to having been a prisoner of those rating and the huge profits that they can mean for a network. "I'm not blaming the ratings. There's no excuse for it."

In a rare confession for a TV executive, Goodman denounces the system that made tens of millions of dollars for NBC. "Competition is good . . . for instance in news . . . but in the world of entertainment the competition for the greatest audience is a serious deterrent to quality programming."

It was quality, innovative programs that Goodman pledged himself and NBC to when he took over the top job 20 years ago. How much quality was he able to bring to the home screen? "Not nearly enough," he sighs.

"And that was because of pressures I put on myself. Nobody put them on me. The incentives to do better commercially are far greater than the rewards for doing a good program. That's unfortunate."

He also promised himself and his family when he took the job that he was not going to move to the office as so many other top executives do. "As it turned out I worked 18 hours a day, seven days a week. If I'd been in the laundry business, as I once was with my brother, I would have worked just as hard."

He pauses to reflect on the breakup of marriages and poor health that are often the consequences to men like himself. He escaped those divorce and death sentences that come with corporation life.

Goodman is still married to his wife of 33 years and his daughter has made him a grandfather. His three sons are nearly grown and out on their own. And now as he approaches 60, he's out on his own once again, too.

It's no secret that the new broom that whisked Fred Silverman into office at NBC swept a lot of top executives out. Goodman was one of them. "I'm not bitter. Broadcasting appears more bitter because it's a visible industry. We alone of all American industry go into every home in the country.

"So people are more interested in what happens to us. I'm sure that diamond business is as cutthroat, but you don't know about it. We in television are very highly paid. It's very enticing. The stakes are high. So are the risks."

Television, also unlike other industries, make exiles of the corporate executives it fires. And performance is not the reason many are let go. Arthur Taylor was the boy genius of CBS when board chairman William Paley hired him. Taylor's reign at CBS was during its heyday of situation-comedy successes and huge profits. Then suddenly one day Paley fired him. "It's his candy store," Taylor said as he left.

Now Taylor can be found at the same club where Goodman eats lunch this day. "I see him for lunch over here occasionally," Goodman muses. "He has an office somewhere. He's on committees. He seems to accept it quite well."

Baseball and football managers are fired with about the same rapidity as TV executives, but they almost all show up heading some other team. In broadcasting fired executives are lepers. No one will touch them. Most end up going into private consulting or forming their own production firms.

"I have no thought of leaving the communications business," Goodman says. He doesn't know exactly how he'll remain in it though. He's going to write that book first, then set up an office probably somewhere in Manhattan. After that, well, he'll just have to see.

Moving into the executive suite changes people though. When Goodman moved up, he told a reporter that he'd always be just as happy back on the night news desk where he started in broadcasting in 1945. But you can't go back.

"No, no," he says. "I couldn't do that now. Oh, I think I could still write stories, but no, I couldn't go back again."

He's decided instead to take a page out of his father-in-law's paper, The Dawson Springs Progress.

"W.T. Davis was a good newspaper editor, and when he left us at 80 recently he said he wasn't ready to go—that he still had things to do that he hadn't done. So do I." ●

RENAISSANCE AT THE REGENCY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. ROSENTHAL. Mr. Speaker, at a time when rental housing throughout the country is threatened by abandonment and decay, the case of the Regency Apartments, a large apartment building in my district, should be of interest to all of us.

The last 10 years had seen a sharp decline in conditions at Regency Apartments. Vandalism was rampant, garbage littered the halls and public drinking and drug transactions in the lobby were commonplace. Tenants suffered from lack of heat, hot water and other essential services. At one point, there were over 100 outstanding violations on the property. As a result, many moved out, leaving behind a building which was an eyesore to the surrounding community.

It would appear from the above description that there was little hope for the future of this building. However, in the past year, a remarkable transformation has taken place at Regency Apartments. The new owner, Jerome Belson

Associates, began to make major repairs soon after the building was purchased. It is interesting to note that the initial renovations were carried out by 10 CETA workers, who are now, as a result of the training they received, employed by a private firm. In addition, management worked closely with the Regency's tenants organization and even encouraged residents to join.

The spirit of cooperation shown by all parties involved in the rebirth of Regency Apartments demonstrates that landlords and tenants can work together to overcome even the most difficult of obstacles. I commend their efforts and hope that their success will provide a model for others to follow.●

TRIBUTE TO A DEDICATED PUBLIC SERVANT

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. COELHO. Mr. Speaker, I would like to share with my colleagues a biographical tribute to Dr. Carl Sharsmith, who has served for nearly half a century as a naturalist-botanist in the Yosemite National Park area, which I represent. Dr. Sharsmith has been heralded by the National Park Service and by innumerable comments from individuals who have visited the High Sierra. I believe that it is fitting that this body likewise express its gratitude to this gentleman who continues to serve the public.

It is not easy to construct a brief biography on Dr. Carl Sharsmith. To state simply that he started his career as a Sierra Nevada botanist in 1930 and has been pursuing this as a naturalist with the National Park Service over the following 49 years would represent a half-told story and would preclude a subjective assessment of the knowledge, joy, and the deep impression he has made on an estimated 400,000 visitors to Yosemite and the Sierra Nevada.

Carl Sharsmith received his A.B. in botany in 1931 from the University of California, Berkeley, and his Ph. D. from the same institution. His dissertation was entitled, "A Contribution to the History of the Alpine Flora of the Sierra Nevada," a subject fitting for a man who was to become perhaps the most revered and respected of the State's botanists and ecologists.

His first acquaintance with the Sierra Nevada came in early teens when he worked as a logger at a time when, he says, "loggers knew trees, not machinery."

Sharsmith's association with Yosemite and the National Park Service began in 1930 with the Yosemite Field School of Natural History, which had been started by Stephen T. Mather, the first National Park Service Director, to train "Nature Guides." The following summer was his first season as a ranger-naturalist. The summers spent at Tuolumne Meadows in Yosemite were continuous with three exceptions. In 1941 he served as a naturalist in the newly created Kings Canyon National Park. In 1957 he was commissioned to conduct a meadow ecology study in Sequoia-Kings Canyon National Park. His findings of heavy overuse provoked park managers to impose restrictions which would reduce impact and promote restoration of the fragile environment.

Two years later he conducted a similar survey in Yosemite's high mountain meadows. Then, in 1970, the U.S. Forest Service engaged Sharsmith to direct visitor impact studies in a particularly choice area of the Sierra Nevada in Inyo National Forest.

The Yosemite years continued, and Sharsmith's unique presence became legendary among high-country visitors. Carl fascinated avid mountain enthusiasts on his week-long hikes and casual visitors at his evening campfire programs.

It is safe to say that no one ever forgot Carl Sharsmith. In 1956, Sharsmith was given the National Park Service's Meritorious Service Award. In the presentation, Park Supt. John C. Preston stated:

> In his 23 summers of duty, Dr. Sharsmith has been an inspiration to younger men in the National Park Service, both permanent and seasonal. His comprehension of the aims and ideals of the Service is combined with an ability to impart this to others, both visitors and co-workers. Without reservation, we can say that the interpretive program—nature walks, hikes, and campfires—conducted by this ranger-naturalist could be cited as an example of the ideals for which the Service should strive. At least two generations of park visitors at Tuolumne Meadows have enjoyed the friendly teachings of an outstanding educator and a great naturalist.●

MR. RICHARD HERRMANN RECEIVES INDIVIDUAL OF THE YEAR AWARD

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. HYDE. Mr. Speaker, one of my constituents, Mr. Richard T. Herrmann of Franklin Park, Ill., was recently awarded his community's Chamber of Commerce and Industry's "Individual of the Year" award. Mr. Herrmann received his award at the chamber's 33d annual installation dinner dance which was held on November 29.

Because Mr. Herrmann has long been involved in public service activities in his community, I feel his recent honor deserves mention in the CONGRESSIONAL RECORD, and I am including portions of a news article about him which appeared in the Suburban Progress newspaper on November 21.

I know my colleagues join me in congratulating Mr. Herrmann on this recent honor, and in wishing him continued success.

The article follows:

INDIVIDUAL OF THE YEAR

The Franklin Park Chamber of Commerce & Industry this week announced their choice for the 1979 "Individual of the Year" award. That honor goes to Richard T. Herrmann of Franklin Park. The Chamber award is presented once a year "for outstanding service in and for the Village of Franklin Park."

In announcing their selection, Chamber spokesmen said, "Mr. Herrmann is well known here for his unending contribution to the community as co-ordinator of the Kiwanis Blood program in Franklin Park as well as for insuring its continued success. He is also active in other Kiwanis community service activities, and with his church."

Dick and his wife, Hilde, without whom, he freely admits, he "could not have been so honored," have resided in Franklin Park for 31 years, and have had four sons complete their education in local schools. A past commander of Franklin Park Post 974, American Legion, Dick joined Kiwanis in 1970, and was its president in 1974–75. In 1973 he was named to introduce a blood program as a club project. With the help of Carol Grabowski of Michael Reese Blood center and fellow Kiwanians, following guidelines set up by Kiwanis International, he surveyed the Village to begin what became a work of love for countless individuals who are involved in the 'Plan.' From telephone solicitors to nurses, to ancillary help, to donors, all have felt enrichment through the program, which is considered one of the finest in the State of Illinois.

In initiating the 'Plan,' Herrmann recalls, it was necessary to contact virtually every religious, social, and service organization in the Village. How do you find them, and identify their officers? Two organizations solved that problem. The Franklin Park Chamber of Commerce and the Franklin Park Journal.

Their assistance he says made what seemed a hopeless task one of comparative ease. With a lot of brainstorming and a lot of leads eventually 20 groups joined the 'Plan,' which is about to complete its sixth year.

Dick and Hilde are active in St. Maria Goretti church, where he is organist and choir director. He serves on the Career Education Advisory council for the Leyden high schools, is bulletin editor for Kiwanis, and owns and operates a machine shop in the City, joined by his two oldest sons, Dick and Bob, Son Carl works on the Soo Line, and Eric is a graphic arts student at Arizona State university.

While Dick is very proud of this new honor, all he will say is, "I didn't do it alone." ●

DRINAN BILL CALLS FOR TWICE-A-YEAR INCREASES IN SOCIAL SECURITY BENEFITS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. DRINAN. Mr. Speaker, in January of this year I introduced H.R. 294, a bill which calls for twice-a-year rather than once-a-year cost-of-living increases in social security benefits. I was pleased to see that the Advisory Council on Social Security, in its recent report to the Congress, has recommended such action.

When Congress provided an automatic cost-of-living increase in social security, the intent was to make benefits "inflation proof." That intent, however, has not been accomplished because of the spiraling rate of inflation. This year alone inflation will exceed 11 percent. Older citizens and other beneficiaries who rely on social security as the mainstay of their budgets cannot wait until

next July for an increase in their payments.

Each month their expenses rise as food, medicine, housing, and utility costs escalate. The lag between the rise in costs and the actual increase in benefits results in a loss of purchasing power.

In recognition of this fact, Congress provided Federal retirees with a twice-a-year increase in their benefits, and the same recognition should be extended to social security beneficiaries. Under my bill cost-of-living increases, based on the rate of inflation, would be received twice a year, better enabling beneficiaries to keep pace with inflation. I invite my colleagues to join with me in this effort.●

NATIONAL SOLAR HEATING AND COOLING INFORMATION CENTER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. FLORIO. Mr. Speaker, in 1976, Philadelphia's Franklin Institute was the successful bidder on the contract to operate the National Solar Heating and Cooling Information Center—and, since its inception, people at the center have answered more than half a million questions about solar energy.

At a time when many governmental institutions have difficulty maintaining credibility with the public, the National Solar Heating and Cooling Information Center has maintained an inevitable level of acceptance with the consumer. The center's toll-free hotlines handle some 3,000 calls per week from every State in the Union—from people in every walk of life.

Trained solar analysts staff the phones from 9 a.m. to 8 p.m. E.S.T., Monday through Friday so that callers in any of the 50 United States can call during regular business hours.

Callers to the center speak to a trained person to help them frame their guidelines. They get answers, often immediately on the phone, and where research is required, the answers are sent by mail. The center provides a one-to-one contact with citizens interested in solar energy.

In a real sense, NSHCIC wrote the book on solar. Actually, many books ranging from highly technical reports and manuals for designers and installers of solar systems to publications for consumers. To date, 15 million pieces of material have been distributed by the center.

The public, the media, and agencies of government see NSHCIC as the disseminator of unbiased and accurate information about America's most abundant renewable resource. Since the start of the contract in May 1976, both HUD and DOE have expanded the center's role and funding, so that today NSHCIC serves many of the functions outlined in section 605 of S. 932, the bill now before the house which would expand the center's responsibility to encompass all forms of renewal energy and include conservation information as well. Although the National Solar Heating and Cooling Information Center is not specifically mentioned in the bill—the energy committee report suggests that the new National Solar Energy Information Center—be a continuation of the existing NSHCIC. Quoting from the committee reports:

> The Secretary is required to establish a National Solar Energy Information Center. This Center is viewed as a continuation of the existing National Solar Heating and Cooling Information Center (NSHCIC) funded by the Department of Energy and managed by HUD. Existing legislation authorizes specific statutory funding for this Center only through fiscal year 1979.

I would like to see the recommendation of the committee written into the bill itself. So often, new institutions are created to serve functions already well performed by existing organizations. The Nation's need for immediate and accurate information to ease our dependence on foreign fuel is too great to allow ourselves the wasteful luxury of reinventing the electric light bulb.

Franklin Research Center has done a good job—HUD thinks so, DOE thinks so, and I think so as well. Let us build on an already firm base. I ask my fellow Members to retain and expand section 605 of S. 932 so that we do establish a National Solar Energy Information Center with the National Solar Heating and Cooling Information Center as the core, operated by the Franklin Research Center.●

NATIONAL FOREST MULTIPLE-USE MANAGEMENT ACT OF 1980

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. FOLEY. Mr. Speaker, I am today introducing the National Forest Multiple-Use Management Act of 1980, a bill to assure multiple-use management under the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, of national forest lands examined during the roadless area review and evaluation process (RARE II) and not included in the National Wilderness Preservation System.

In taking this action, I am seeking to bring to a final resolution the controversy surrounding the management of the roadless and undeveloped areas within the National Forest System.

The bill is an outgrowth of the roadless area review and evaluation process (RARE II), which was initiated by the Department of Agriculture in June 1977, and consisted of a comprehensive review and evaluation of over 62 million acres of roadless and undeveloped areas which were identified by the Department as having the potential for wilderness designation.

It is important, I believe, to note the stated purpose of the RARE II process as set forth in the letter from Secretary Bergland to the Speaker dated May 2, 1979, and transmitting the results of the RARE II process to the Congress. Secretary Bergland points out that RARE II was undertaken as an effort with full public participation to determine which lands should be recommended for wilderness, which lands require further planning, and which lands should be managed for uses other than wilderness.

I wholeheartedly support the administration's efforts in this connection and believe that it is important to recall President Carter's statement in his announcement on the results of the roadless area review and evaluation:

> This decision also meets two major Administration goals. First, the recommendations fulfill the pledge in my May 23, 1977, Environmental Message to enlarge the nation's treasury of wilderness resources. And second, by releasing some of the land for uses other than wilderness, we respond to our urgent need for energy, wood products, livestock, forage, minerals and a broad array of recreational opportunities. In sum, our recommendations are vital to the effort to reduce inflation, control unemployment and encourage energy development.

I personally recognize and support the legitimate interest in congressional action to complete a sound wilderness component of the National Forest System. On the other hand, I am convinced that it is absolutely necessary that Congress move to assure that lands within the National Forest System that have not been designated by Congress for inclusion in the National Wilderness Preservation System, reserved by Congress for wilderness study, or set-aside by Congress for special management purposes shall be managed for multiple use purposes other than wilderness.

In taking this latter step, Mr. Speaker, we will be reducing and ultimately eliminating the uncertainty that has plagued that segment of our society because of the inability to resolve issues relating to management of these roadless areas. By assuring the American people that they will continue to have access to these resources and uses of the lands within the National Forest System, we will, as the President points out, reduce inflation, control unemployment, and encourage energy development. This will have direct benefits to the Nation as a whole, but is absolutely essential to the economic stability of local communities in my congressional district and in many of the congressional districts of the West and Pacific Northwest.

I believe that it is important to point out that the bill which I am introducing reaffirms the President's RARE II decisions by assuring the continued management for uses other than wilderness of lands allocated to nonwilderness purposes by the administration in its final determination following completion of RARE II. This bill will not preclude the agency from considering the wilderness option whenever National Forest plans developed under the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, are revised as required under the act. This bill does not seek to preclude this or any future President from submitting recommendations to Congress identifying lands which in the opinion of the administration should be designated by Congress as wilderness.

What this bill seeks to do is to reaffirm

existing statutes that require congressional action to place lands within the National Wilderness Preservation System, that until and unless Congress acts to designate National Forest system lands as wilderness, they should be managed for uses other than wilderness.

Because I recognize the magnitude of the wilderness proposals that have been submitted by the administration following the RARE II process, the bill which I am introducing provides that lands which have been recommended for wilderness designation may be protected and managed as wilderness—without congressional action—until January 1, 1984. Under the terms of this bill, failure by Congress to act prior to that date will cause these lands or any portion thereof to be returned to nonwilderness, multiple use management.

This legislation directs the Department of Agriculture to reach a final land allocation decision by January 1, 1985, for all of the areas identified by the RARE II process for further study. It is my intention, Mr. Speaker, that the Department proceed as expeditiously as possible to complete the land management plans for these areas in accordance with regulations inmplementing section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended. Should a determination be made by the Department through this planning process that certain of these areas be released to nonwilderness, multiple-use management, this bill affirms that decision and requires that the lands forthwith be managed as such.

In the event that Congress receives prior to January 1, 1985, a formal recommendation from the administration identifying certain of these areas for consideration by the Congress for possible wilderness designation, this bill provides that they may be managed as wilderness—without an act of Congress—until January 1, 1987. Failure by the Congress to act by that date on such recommendations will automatically trigger a return of these lands to management for uses other than wilderness.

This bill seeks to handle the primitive areas of the National Forest System in a similar manner. Thus, if the administration has proposed to terminate the designation of these lands as primitive and return them to nonwilderness, multiple-use management, this bill affirms that recommendation. On the other hand, if the Administration has proposed that certain of these primitive areas be designated as wilderness, then Congress is given until January 1, 1984, to dispose of these recommendations.

Mr. Speaker, this is a moderate and reasonable bill that reaffirms provisions of existing law. It is one that provides adequate time to the Congress to act on pending wilderness recommendations. It does, however establish certain deadlines for action which will, in my opinion, provide sufficient opportunity to Congress for careful examination of all of the complex issues involved in the establishment of wilderness areas.

It is important to note that nonwilderness, multiple-use management does not necessarily result in maximum commodity production. Under provisions of existing law, these lands will be managed for uses other than wilderness in accordance with comprehensive land management plans developed by interdisciplinary planned teams under existing regulations and only after full public participation. Thus, these lands could be subject to a wide range of management direction under the general meaning of multiple-use, including but not limited to backcountry or research area designations, visual resource management, management to protect and enhance wildlife habitats, limited access management, designation as historic sites, or management to encourage dispersed recreation opportunities.

Mr. Speaker, I am committed to moving forward with this legislation in this Congress so that we can address the problems resulting from the uncertainty about the management of lands within the National Forest System. Multiple-use of these lands is, I believe, essential to the maintenance of the quality of life that we have come to enjoy in this country.

I urge my colleagues to join with me in this effort to affirm the RARE II process and get on with the business of managing our public lands in a way that will insure that they play a vital role in reducing inflation, controlling unemployment, encouraging energy development, and meeting the needs of our people for all of the resources and uses of these lands.●

RESEARCH INTO FIRE ANT CONTROLS

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. MARKS. Mr. Speaker, I recently voted against lifting the Environmental Protection Agency's ban on the use of the pesticide Mirex, as did the majority of my colleagues. My reasons for voting to maintain the ban were reflected by the many, eloquent statements made on the floor by opponents of committee amendment No. 2.

It is not my intention on this day, however, to discuss the drawbacks of utilizing Mirex to eradicate, or to control the spread of, fire ants. Now that we, in the House, have denied these nine Southern States one possible fire ant control device, it is incumbent upon us to monitor the activities of the EPA and the U.S. Department of Agriculture to insure they are doing all that can be done to develop other fire ant controls. I am certain that it is the desire of all Members for the EPA and the USDA to cooperate and, when appropriate, act together to further the research into eliminating this pernicious problem.

Today, I would like to call the attention of my colleagues to a highly insightful article from the Georgia Gazette and Journal Record entitled "Mite Work." In this article, Charles Flowers, who has conducted exhaustive research on this subject, outlines the very type of bureaucratic territoriality and pettiness that we must seek to eliminate if the fire ant problem is to be controlled. He also discusses the use of a possible alternative to Mirex—a solution which would be much safer for human beings—a method to control fire ants without chemicals.

I would encourage further investigation into this type of research. The article is intriguing and I commend it to my colleagues.

[From the Georgia Gazette and Journal Record, Apr. 30, 1979]

MITE WORK

(By Charles Flowers)

A method developed by a pair of Savannah scientists to control fire ants without chemicals has failed to gain the support of the U.S. Dept. of Agriculture. Meanwhile, U.S. Rep. H. Dawson Mathis of Albany has introduced a bill that would lift the federal ban on the controversial fire and pesticide Mirex.

William A. Bruce and George LeCato performed experiments using tiny so-called straw itch mites to parasitize fire ants in their nests. Bruce claimed "70 percent success" with the experiments, but he was unable to secure any funding from the USDA for additional experiments.

"I'm not saying I've got a way to control fire ants," Bruce said from his tiny office in the Stored Products Lab on Edwin Avenue where he and LeCato do research for USDA on insects that infest stored grains. "But we've developed a method that's as good as any method I know of, and it's a biological control with none of the chemical side effects of Mirex, which isn't all that successful anyway."

The USDA said the research was unauthorized and that the department had put a great deal of money into fire ant research and did not believe the itch mite showed enough promise to fund a continuation of the local scientists research.

Bruce, president of the board of the Savannah Science Museum, and LeCato said they started their fire ant research three years ago out of curiosity. They often work with the mites, which are parasites of other stored grain pests, like cigarette beetles. First the scientists hatched mites on pupa (an intermediate stage of an insect between larva and adult) of the cigarette beetles, then spread the mixture on fire ant nests collected from the grounds near the Southside lab.

ANTS PARALYZED

"Within an hour the ants were paralyzed," Bruce said. With that success the pair moved to two experimental sites. Last fall (*Gazette* 11/27/78) they announced their results, hoping to get "a few grad students and some money to continue the study." What they got instead was a stern warning from the USDA not to meddle in research they had not been assigned.

Under pressure from Georgia farmers, Rep. Mathis introduced a bill last week in Congress that seeks to repeal the 1978 ban on Mirex, which environmentalists say causes more harm to other species than it does to fire ants. Other Georgians, insisting that the government help them get rid of the pesky ants that infest nine Southern states, want Mirex or something stronger.

"I've used vinegar, ammonia, black pepper like my grandmother used to use on other ant nests. I mow them down with a fury with my lawnmower and it won't be three days till they're back," said Nina Zipperer, wife of former state Sen. Sen. Ed. Zipperer. "There's no way except Mirex."

Bruce and LeCato did the major part of their research with mites as an ant control at the Zipperers' 2,000-acre farm in southern

Chatham County. Of 19 fire ant nests treated with mixture of mites and immature carpet beetles on which the mites were feasting, 10 were rendered inactive.

"It was extremely successful," said Nina Zipperer. "But they (the USDA) won't let them continue. They'll investigate whether elephants have ivory tusks, but they won't do anything to help the farmer."

Bruce said he was not sure why his fire ant research was not allowed to continue.

The Georgia Conservancy, pressing the USDA for an explanation, received a letter earlier this month which gave a breakdown of the agriculture department's nearly $1 million annual fire ant research budget. Much of it was devoted to research for a stronger, yet safer chemical agent.

The letter, to Conservancy director Robert Kerr from USDA staff scientist D. A. Lindquist, said:

"At the present time and based on the data available we do not believe that the itch mite shows much promise as a biocontrol agent for the imported fire ant." Lindquist said the USDA had not requested additional funding to conduct research on the mites for the next fiscal year.

MIREX DOESN'T WORK

Lindquist said the budget is used to fund research at labs in Gainesville, Fla. and Gulfport, Miss. One source close to the subject who declined to be identified said, "The problem is that Bruce made the right discovery at the wrong lab. These scientists are very jealous of research money."

The Conservancy's Kerr said, "If it (the Bruce-LeCato research) is as promising as I've been led to believe it is, then I will definitely put pressure on the USDA to continue funding the research." Kerr added that he is assembling all the information on the Savannah scientists' research, and hopes to meet with representatives of the American Farm Bureau and Rep. Mathis.

"There's a lot of informed scientific opinion that Mirex doesn't control the ants," said Kerr. "So why visit upon the environment all the damages of Mirex if the ants come back to the same nests?"

Bruce said his research had shown no reinfestation of nests eradicated with mites. And as for the mites themselves, they die out in a few days when they lose large numbers of insects to prey on.

"One mite is capable of paralyzing and parasitizing the queen of an ant colony," Bruce said. "And when the queen's dead, it's only a matter of time before that nest will die out."

Bruce explained that fire ants, imported from South America through the port of Mobile, Ala., earlier this century, breed in early spring in this part of Georgia. The ants sprout wings and mate in the air. The queen burrows into the ground and lays her eggs, sometimes hatching out a society of 250,000 individuals from her cave six inches to three feet below ground. As fast as the ants breed, the mites breed even faster. A single female mite can produce 100 offspring, 95 of which are female. With its short, four-day life cycle, if the insects are plentiful enough the mites can produce 10,000 trillion creatures in a month.

"If you could release these mites at the time of (fire ant) swarming, I'm convinced you could reduce new populations of fire ants," Bruce said.

ANTS MISUNDERSTOOD

Bruce said he did not believe fire ants could be completely eradicated by any method, and said he was not sure it would be a good idea if they were wiped out.

"You hear about all the damage the fire ant does, but it's also reduced the numbers of other pests like ticks and boll weevils," he said. "I attended a symposium where a scientist from Texas A&M gave a talk called, "Is the Fire Ant a Problem?' You can imagine how popular he was."

"The much-publicized case of four-year-old Michael Lollis of Johnson's Corner, near Vidalia, has given the fire ant a reputation that is hard to shake. The Lollis boy is allergic to fire ant bites, and is receiving treatment from Donald McLean of the Peachtree Allergy Clinic in Atlanta after being severely bitten last week.●

ECONOMIC SLUMP FORECAST FOR WORLD ECONOMY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. CONYERS. Mr. Speaker, In These Times, an independent socialist weekly newspaper published in Chicago, has maintained throughout its 3 years of publication a consistently high quality of economic news reporting and analysis. An example of this is an excellent interpretive article written by John Judis, entitled, "Economic Slump Forecast for World Economy," that appeared in the September 12, 1979 issue.

The article examines the theory of "surplus capacity" and its implications for the economies of industrialized nations, and relates this worldwide phenomenon to the conditions of stagflation in the United States. I urge my colleagues to read it. The article follows:

ECONOMIC SLUMP FORECAST FOR WORLD ECONOMY

Capitalist economies cannot escape the ups and downs of recovery and recession. There have been six recessions since World War II, and the U.S. is now entering a seventh.

The promise of postwar capitalism rested on its ability to limit, not to avoid, recessions. But the depth of the 1974–'75 recession and the shallowness of the subsequent recovery suggests that this promise cannot be kept.

The 1974–'75 recession was more serious than past recessions (8.9 percent unemployment). It was accompanied by double-digit inflation and rather than occurring in one capitalist country at a time (and permitting them to pull each other out), it occurred in all simultaneously.

During the alleged recovery, unemployment finally dropped to 5.8 percent in 1978, roughly the level of which unemployment peaked in the 1949, 1954, and 1970 recessions. In the European Common Market countries, unemployment has averaged 5.1 percent the last five years, twice the average of the previous five. And new industrial investment has increased an average of 1.5 percent a year during the last five years, compared to 5.6 percent for the previous five.

These dry but depressing figures have suggested to some economists that the capitalist world is not merely going through a recession/recovery cycle, but that it is also experiencing a longrun downturn, which will lead to steeper recessions and shallower recoveries.

Jay W. Forrester, an economist at the Massachusetts Institute of Technology, has revived Russian economist Nikolai Kondratieff's theory of long waves, according to which world capitalism goes through 50-year cycles of boom and depression. According to Forrester, the world capitalist economy goes through 30-year expansions followed by 10-year plateaus, 10-year depressions, and 30 years of recovery. He dates previous transition points in 1814, 1870, and 1920, and he speculates that 1970 was the beginning of another plateau, which will be followed by 10 years of depression.

Ernest Mandel, the Belgian Marxist economist, has also resurrected a version of the long wave theory. In The Second Slump (Schocken, 1978), an analysis of the 1974–75 recession, Mandel argues that its depth was caused by the coincidence of a business cycle downturn and a more longrun downturn.

Both Mandel and Forrester point to the development of surplus capacity in industry as a key factor in the longrun slump. As a result of the long postwar boom, they argue, capitalist firms can no longer market at acceptable rates of profit all the electrical appliances, automobiles, steel, textiles, and other commodities that they are able to produce.

Mandel finds the situation similar to the 1930s, except in one important respect—the greater strength and organization now of the labor movement and working class parties in Europe—and to some extent, in Japan and North America as well. This greater strength of organized workers prevents the fascist "solutions" to the 1930s crisis attempted in Germany, Italy, Spain, and Japan.

Mandel and Forrester's speculations have been supplemented by several empirical studies. One such study was published this summer by a British economist, Susan Strange, in International Organization, a journal dealing with international relations. In an essay entitled "The Management of Surplus Capacity," Strange documents the capitalist logjam that has occurred within textiles, steel, and shipping.

BANKRUPTCIES AND MERGERS

In the last 30 years, there has been a persistent problem of surplus capacity in agriculture and some raw materials, which has largely been met by national or regional restrictions on production and by producer cartels. But in the 1970s, the problem has spread to processing and manufacturing industries.

The problem of surplus capacity is peculiar to capitalism. In pre-capitalist or planned economies, surpluses can either be prevented, or if they occur, they can be eliminated by distribution according to need. Capitalist surplus capacity is too many goods, not relative to people's needs, but to their ability to buy at prices satisfactory to corporate producers.

The current problem of surplus capacity arose from the rapid reconstruction of Western Europe and Japan, which fuelled the postwar boom, but has now led to massive duplication of effort and the threat of a trade war, and the recent industrialization of the Third World, which has poured more goods onto the world market without providing a corresponding increase in world demand.

The three industries Strange discusses typify the problem. Textile production has spread to Brazil, Colombia, Hong Kong, Singapore, Macao, Malaysia, Taiwan, and Eastern Europe. Brazil and South Korea have their own steel and shipbuilding industries. West Germany and Japan have supplanted the U.S. in steel production. And Japan has challenged Europe's supremacy in shipbuilding.

There have been several immediate consequences of surplus capacity:

Firms have tried to cut wages and costs, but to the extent they have been unable to, there has been a general decline in profitability. Each industry's weaker firms have faced bankruptcy. In steel producing, Spain's Empressa Nacional Siderurgica and Italy's

Italsider; in autos, the British Leyland Co. and Chrysler Corp.

Corporate managers in industries that are suffering from surplus capacity have used their profits to diversify rather than expand production or increase efficiency. U.S. Steel now gets 43 percent of its profits outside of steel. RCA, which used to be known for its innovations, recently spent $1.3 billion to purchase CIT Financial Corp.

Firms have fled to low-wage areas both in the Third World and within their own countries.

Overall industrial investment has declined.

And, as Strange documents, a host of protectionist measures have been erected, particularly in the U.S. and Western Europe, to keep out less expensive imports in steel, textiles, and other commodities.

REMEDIES FAIL

The immediate remedies attempted by corporations and governments have only made things worse. The flight of firms to the Third World and the build-up of industrial capacity in Third World countries has occurred within the framework of world imperialism—the Brazilian auto or textile industries or Taiwan's television industry manufacture for export—and not for an internal market. Industrialization in these countries is invariably based on the general impoverishment of the people, which it perpetuates. It has led to an influx of new goods on the world market without a substantial increase in demand.

Government creation of "orderly marketing agreements," import quotas, or special pricing agreements to protect domestic industries has probably prevented layoffs, but it also has encouraged domestic inflation and raised the spectre of a trade war.

And government deficit financing, which has been used to maintain demand, ease the crunch of unemployment, and subsidize ailing industries, has also encouraged inflation by infusing credit into an economy unwilling to expand fast enough to absorb it. The result has been simultaneous unemployment and inflation.

THE OPEC DETONATOR

In contrast to most economists, Mandel de-emphasizes the role of the energy crisis in the 1974-'75 slump and in the subsequent flagging recovery. The rise in oil prices, according to Mandel, "intensified trends that were already inherent in the cycle." Mandel cites American economist William Nordhaus' study of postwar rates of profit, which showed a decline beginning in 1966, well before the onset of the energy crisis.

This decline Mandel traces to surplus capacity and a working class powerful enough to gain wage and benefit increases for itself. The energy crisis was merely the "detonator" of the 1974–'75 slump, a role it is also playing in the 1979–'80 slump.

Neither Mandel nor Forrester expect the kind of crash that occurred in the 1930's. But Mandel warns that it could occur in the event of a major bank crisis, the bankruptcy of a heavily indebted Third World country like Peru or Zaire, or the collapse of the dollar as an international currency.

Forrester sees a solution to the depression of the '80s in a new wave of technological innovation, which will provide both an area of investment and a source of greater productivity and lower costs. In a Business Week interview, Forrester speculates that the new innovations could be biological in origin.

Mandel thinks that an upturn is impossible "without a very severe political and social defeat for the proletariat of the imperialist countries, the colonial revolution and/or the bureaucratized workers' states." Such a defeat could provide capital with new profit margins and new markets.

Mandel expects battles between labor and capital comparable in their scope and intensity to the battles of the '30s and '40s. He warns that workers could once again be facing a choice between "socialism and barbarism."

On the basis of his optimism and his belief that workers are in a much stronger position now than they were at the beginning of the '30s, Mandel thinks that this time the West may opt for the former rather than the latter.●

SINAI BASES COULD GUARD U.S. INTERESTS THROUGHOUT REGION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. ROSENTHAL. Mr. Speaker, the crisis in Iran and other recent events throughout the Middle East have illustrated some of the problems we have in reacting to threats to vital American interests in that volatile part of the world.

The logistics of sending aircraft to a hot spot are enormously complex, and the planes have no assured operations base once they arrive. Fleet aircraft and ships are often precious days away.

One proposal that has been put forth to deal with this problem calls for the United States to lease the two major air bases Israel built in the Sinai. Under its peace treaty with Egypt, Israel will be pulling out of these bases, considered among the finest of their kind anywhere in the world today, over the next 2 years. Treaty terms presently require the bases be used only for civilian purposes after they are handed over.

U.S. officials reportedly have expressed an interest in leasing the bases. There is some doubt about whether Egypt is ready to agree, although Israel is believed to support the idea.

The Soviets already have bases at the tip of the Arabian Peninsula and, "Whether we in the United States like it or not, there can be no dispute that Soviet strategic influence in this region is increasing," according to Senator RICHARD STONE, chairman of the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs.

"We need both naval and air facilities in the Middle East to provide notice to all that we consider the stability of the region and the continued supply of oil to be in our vital national interest, and that we are in a position to respond quickly from nearby to any request for assistance from our friends there," Senator STONE writes in an article published in the December 2, 1979, Washington Star.

He puts forth a concise, articulate, and persuasive argument in support of U.S. leasing of the Sinai air bases. I am inserting his article in the RECORD at this point:

SINAI BASES COULD GUARD U.S. INTERESTS THROUGHOUT REGION

(By RICHARD STONE)

Our embassy in Tehran is seized. Our embassy in Islamabad is burned. The United States is falsely accused of complicity in the attack by Moslem extremists on the Grand Mosque at Mecca. Does this not reveal the inability of the United States to protect its vital interests in the Middle East?

When the shah's regime collapsed, both regional stability and non-political delivery of oil collapsed. An Iran that all recent U.S. administrations could rely on has been replaced by an Iran that is itself a source of regional instability and the political use of oil. Thus, the vital interests in the Middle East of the United States and the entire civilized world are challenged and we find it difficult to respond.

Last summer the administration began to address the obvious need for the United States to bolster its presence in the area to fill this security vacuum. The decision was taken to increase the number of ships in our Middle East force from three to five, and to increase naval task force visits to the area from three to four times a year. In times of crisis, the United States is to rely on "surge forces" based in Europe, Asia, or the United States which, in theory, could be rapidly moved to the region.

Unfortunately the recent series of Middle East crisis indicates that such half-measures have not sufficiently increased our ability to react quickly. The recent deployment of the Navy's Kitty Hawk force from the Pacific to the Persian Gulf took seven to ten days, a delay which could prove disastrous in some conflict situations. Fortunately, in this instance, the delay was not harmful.

But on two other occasions, our inability to respond quickly to a Middle East situation lessened the effectiveness of our actions.

Last February a deployment of F-15 fighters to Saudi Arabia designed to reassure our friends that we had the ability to come to their aid created as much misgiving as reassurance. Numerous air-to-air refuelings were needed. We had great difficulty in finding a transit base.

The deployment of only one squadron (24 planes) took nearly a week. Moreover, we had to move more than 250 ground personnel to Saudi Arabia and 24 air tankers were needed to support transoceanic flights. Once again, time could have been a critical factor.

During last February's occupation of the U.S. Embassy in Tehran we had to search for allies willing to assist in the movement of airplanes and Marines to possible staging areas. Fortunately, that occupation was short lived, but it is obvious that this problem will continue. To use "surge" forces, we have to depend on the cooperation of other nations in Europe or Asia. Therefore, our ability to act becomes dependent on political considerations and on pressures felt by other governments.

Whether we in the United States like it or not, there can be no dispute that Soviet strategic influence in this region is increasing. The Soviets have just concluded a long-term friendship and cooperation pact with South Yemen which solidifies a Soviet air and naval presence with Soviet bases at the tip of the Arabian Peninsula. The Soviets have been operating from their own home bases to these facilities in South Yemen and to bases in Ethiopia and Iraq in a pattern of military supply maneuvers throughout the region. They also supply Iraq, Syria, Libya, North and South Yemen, Ethiopia, the Polisario and the PLO with large quantities of sophisticated weaponry.

The time has now come for the United States to be able to protect its interests promptly without having to rely on the case-by-case permission of others. In the Middle East, a standing American military presence appears to be the only way to resolve this problem. We need both naval and air facilities in the Middle East to provide notice to all that we consider the stability of the region and the continued supply of oil to be in our vital national interest, and that we are in a position to respond quickly from nearby to any request for assistance from our friends there.

TWO USEFUL BASES

There are several possible locations for such bases. Most, however, would require prohibitive construction and political costs.

The most advantageous places for our naval and air facilities in the region would be at the existing Sinai bases at Etzion and at Sharm Al Sheikh (Ophira). The Etzion facility has been rated by our own experts as the finest tactical air base in the world. At Sharm Al Sheikh on the Straits of Tiran there are both air and naval facilities which can handle and service all American fighter and supply aircraft as well as naval vessels—including carriers.

This territory is close enough to Middle Eastern areas of strategic interest, yet far enough from population centers to avoid many of the political liabilities facing other potential locations. These particular bases offer ready-made, sophisticated, strategic staging platforms with no construction costs.

Both bases, under the final Camp David agreement, will be located in the United Nations patrolled zone after 1982, where neither Israeli nor Egytian troops can be present.

Egypt will undoubtedly be criticized by its adversaries for establishing such a close relationship with the United States. President Sadat, however, has never bowed to such criticism when Egyptian national interests are preserved.

Egypt has much to gain. It can obtain substantial long-term rent for allowing us to use these bases. In this way, the American taxpayer also gains tangible returns from our foreign assistance and will be reciprocally supportive of Egypt in the future. Egypt, at the same time will not be giving up its sovereignty over the area.

CHANGED CONDITIONS

Last January, when the first signs of Arab concern following the fall of the shah became evident, I took this Sinai base proposal to President Carter who received it with interest. I then discussed it in detail with Secretary of Defense Brown, who posed it in his trip to the Middle East in February. At that time, Egypt was not prepared to agree. However, this was nine months ago. Events in the region have become such that all our friends in the region must consider how best their own collective security can be served.

The bases at Etzion and Sharm al Sheikh can be leased now from Israel over the short time they have left to possess the bases, and then from Egypt in a long-term arrangement. If it should be determined that other base locations in the region should be added, the precedent will have been established.

Some among our adversaries will object, challenging our motives. But trying to appease implacable foes who wish us ill will does not safeguard our true goals of peace and stability in the Middle East.

The Middle East is important to the United States not only for oil, but because it is made up of nations which share our interests and are endangered by those opposed to us all. I see no greater challenge emerging before us today than to identify where our interests lie in the Middle East and to take immediate tangible steps to insure them.●

IS NATO PREPARED FOR THE NEXT WAR—OR THE LAST WAR?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. MICHEL. Mr. Speaker, in his recent news conference, November 28, 1979, President Carter made reference to NATO. He stated that NATO "has a new spirit, a new confidence, a new cohesion * * * much more able to withstand any threat from the east * * *."

Since this curious assessment totally contradicts assessments of NATO's capabilities made by experts, we can only wonder on what reports the President bases his optimistic opinions.

Be that as it may, the question of NATO's ability to resist armed aggression from Soviet forces is a serious one. One of the ironies of the situation is that urban sprawl, that phenomenon of affluence and growth we usually associated with the Northeast section of our own Nation, may well have transformed Europe to such a degree that the classic tank attacks that marked World War II will not be possible. But is NATO aware of this? It would seem not. Drew Middleton, military writer for the New York Times has recently written that—

The Russians seem more aware than NATO of the changes forced on tactics by urbanization and of the need to train troops for operations in urban areas.

At this time, I wish to insert in the RECORD, "In Case Nuclear Combat Erupts in Europe" by Drew Middleton, the New York Times, December 6, 1979.

IN CASE NUCLEAR COMBAT ERUPTS IN EUROPE

(By Drew Middleton)

How many Europeans would be killed—10 million, 50 million or 100 million? Would tens of millions of refugees make Atlantic alliance defense impossible? Is the urbanization of Western Europe a barrier or an advantage to attacking Soviet armies? Could the North Atlantic Treaty Organization withstand the strains that would result from a Soviet threat to use nuclear weapons?

These are some of the questions that lie behind the phrase "theater nuclear war." They have not come to the surface, except among specialists, in a debate on both sides of the Atlantic over plans to deploy medium-range ballistic missiles and cruise missiles in Western Europe.

Some experts contend that no war between NATO and the Warsaw Pact can be localized. But American strategy emphasizes "Europe first." The Carter Administration's efforts to win acceptance of the new missiles demonstrates the continuing importance of Europe in defense planning.

The weapons would be deployed to deter the use of similar Soviet missiles. The threat of nuclear war could raise appalling problems for NATO.

The governments and peoples of the NATO countries are highly sensitive to the casualties and physical destruction that would result from a Soviet nuclear attack.

VULNERABLE TO COERCION

They would be, as Paul Bracken of the Hudson Institute has pointed out, "especially vulnerable to political-military coercion by manipulation of massive civilian damage to Western Europe."

The issue is as old as NATO. Since the Russians achieved nuclear capability, every NATO military commander has had to take into account the possibility that strains in the alliance arising from the threat of nuclear attack might lead some governments to declare neutrality or, if war began, to accept a negotiated and unfavorable settlement once Soviet nuclear weapons had been launched.

Nuclear war raises unanswerable questions, unanswerable because no nation has had experience with that sort of war.

A primary factor that would influence thinking in governments and among the people in Western Europe is "collateral damage," a euphemism for civilian casualties and destruction of nonmilitary structures and facilities.

The main NATO armies and air forces are based in West Germany, which is about the size of Oregon but has a population density twice that of the Northeast in the United States. There are no proven guides on what collateral damage would be in West Germany in a nuclear war.

1.5 MILLION "DEAD" IN 1955 WAR GAME

In 1955, NATO carried out the Carte Blanche war game in which 355 nuclear weapons were "exploded" in West Germany in a simulated exercise lasting 48 hours. Civilian casualties were estimated at 1.5 million to 1.7 million dead, and 3.5 million wounded.

Soviet nuclear weapons then were much less powerful than they are today. Herbert F. York, writing in the Bulletin of Atomic Scientists in 1976, calculated that Soviet medium and intermediate-range ballistic missiles available at that time would kill more than 100 million people.

One argument against the possibility of such a nuclear "apocalypse" is that an attack of this scale would increase the probability of an American nuclear strike against the Soviet Union.

Analysts say that Soviet tactics in war could follow a number of courses:

The Russians might decide to inflict heavy "collateral damage" on West Germany at the outset, believing this might move Bonn to sue for peace to avoid further destruction and death.

Or Soviet nuclear strikes might be directed at military targets in the hope of reducing collateral damage. A devastated and radioactive Ruhr industrial region would be no prize for the conquerors.

NATO planning often appear to assume that in a war the Russians would do what NATO hopes they would do—for instance, that the Soviet advances would avoid cities and suburban areas and thus expose the attack spearheads to maximum Western counterattack by conventional and nuclear weapons.

Nothing in published Soviet military doctrine supports this. On the contrary, the Russians seem more aware than NATO of the changes forced on tactics by urbanization and of the need to train troops for operations in urban areas.

Urbanization of Western Europe since 1945 has greatly altered the options open to both defense and offenses. It has also increased the probability of widespread collateral damage, even when missiles are targeted solely on military objectives.

Ten large urban areas have emerged in West Germany alone. The most important is the Rhine-Ruhr district, which is moving toward convergence with the Randstad urban area of the Netherlands.

For NATO, urban sprawl could be an advantage. As open space gives way to cities and suburbs, the area suitable for massive Soviet armored attacks shrinks. The pros-

pect of a Soviet tank force sweeping across plains has been reduced.

West Germany, to protect its territory and people, has urged a NATO doctrine of forward defense. And the alliance has accepted it.

The reality, as seen by many officers, is that under present circumstances NATO will be unable to maintain a forward defense against an enemy superior in manpower, tanks, aircraft and guns, forces that are now qualitatively equal to those of the defenders.

RUSSIANS REMEMBER STALINGRAD

Soviet doctrine, influenced by the lesson of Stalingrad in World War II, holds that under present conditions, "combat action in a city will be a frequent occurrence." The Russians expect to fight in cities.

Do more accurate Soviet missiles, such as the SS-20, preclude heavy damage to cities. With the urbanization of West Germany, many targets are now within or just outside city boundaries. Much of the American Seventh Army's military supplies are based in or around heavily built up areas west of the Rhine.

Mr. Bracken of the Hudson Institute points out that "a single stray SS-20 warhead could easily inflict 50,000 civilian casualties." ●

WHAT PRICE DEFENSE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. MICHEL. Mr. Speaker, there is a question as to whether the Duke of Wellington ever really said that "the battle of Waterloo was won on the playing fields of Eton." But there can be no question that future battles of our Nation may already be lost in the cost accounts of today.

By this I mean that inflation is as great a threat to our national defense as any other we face. In a sense we are always dealing with two realities when it comes to funding our defense forces. One is the reality of the budget figures and the other is the reality of what that money can really buy in an inflated economy.

We have to come to grips with the insidious and destructive effect of inflation on our national security. One way to begin is to have realistic estimates—and not fantasies—about how much weapons systems will cost.

Inflation has forced the Marines to cut back by 5,000 men. Inflation is making the Air Force cut back on maintenance, one of the key factors for any defense force depending on highly sophisticated technological weapons systems.

At this time I wish to insert in the RECORD "Military May Be Losing War on Inflation; Critics Blame Pentagon Mismanagement" from the Wall Street Journal, December 7, 1979:

MILITARY MAY BE LOSING WAR ON INFLATION; CRITICS BLAME PENTAGON MISMANAGEMENT

(By Kenneth H. Bacon)

WASHINGTON.—The Marine Corps has cut its strength by 5,000 people. The Air Force can't afford to stockpile enough spare aircraft parts for wartime operations. The Army trimmed planned purchases of antiaircraft missiles even as it was complaining of inadequate air-defense protection.

These reductions are signs that the generals and admirals charged with preparing to fight future wars are losing today's battle against a persistent enemy—inflation. Rapidly rising prices are making it harder for the military to buy, maintain and operate weapons that it says it needs.

Consequently, as President Carter considers the possible use of force in response to the Iranian crisis and as Congress worries about increasing Soviet strength, Pentagon officials say overall military readiness is suffering. To match the growth of Soviet forces and to protect American interests around the world, Defense Secretary Harold Brown says the U.S. must overcome problems in three areas—"strategic forces, conventional forces and inflation."

Critics contend that Pentagon mismanagement, as well as inflation, causes cost overruns on some weapons programs. But rising costs clearly mean that the Pentagon will get a greater share of future federal budgets. And the Pentagon's share probably will be further increased by public and congressional demands for a stronger U.S. military—demands that have been sparked by the debate over the Strategic Arms Limitation Treaty, the Soviet combat brigade in Cuba and instability in the Mideast.

President Carter is preparing to propose a defense-spending increase of about $15.6 billion, or 12 percent to about $143 billion for the fiscal year beginning next Oct. 1. This will produce "real" spending growth of 3.5 percent above projected inflation in fiscal 1981, followed by real increases of 4 percent or more in later years. The Pentagon plans to use the increased funds to buy new strategic weapons, to expand capacity for deploying conventional forces to distant trouble spots, and to improve the readiness of forces that it already has.

Because of inflation, "just to stand pat on our major commitments is a major problem now," a White House official asserts. Several months ago, for instance, the Pentagon asked Congress to add $2.3 billion to the defense budget for the current fiscal year so the U.S. could meet its commitment to European allies to increase defense outlays by 3 percent above inflation.

NO "REAL" INCREASE

These additional dollars won't buy one new plane or pay one more soldier; they merely maintain the purchasing power that the Pentagon requested last January. Then, the administration assumed a 6.7 percent inflation rate in the year begun Oct. 1. Last summer, it raised the inflation estimate to 9.3 percent.

The higher inflation assumptions similarly will push up long-range defense outlays. Last January, the Pentagon laid out a five-year defense plan calling for total outlays of $722.5 billion in fiscal years 1980 through 1984. But based on the adminisration's increased inflation estimates for that period, the Pentagon figures it will need about $50 billion more to meet the plan's goals—even before President Carter's additions.

"The new inflation rates reprice our programs," says Brig. Gen. Roger Peterson, an Air Force procurement officer. "We end up with prices that are significantly higher" for planes and missiles, he says. Mainly because of inflation, F15 fighter jets that the Air Force in 1970 estimated would cost $9.8 million each now cost $17.8 million. And that doesn't include the latest inflation adjustments.

MAINTENANCE CUTBACKS

To compensate for higher costs, the services frequently curtail other programs, such as military operations and maintenance. "When you have inflation during the year, much of it tends to be taken out of readiness," says Gen. David Jones, chairman of the Joint Chiefs of Staff. "You cut back on flying hours. You cut back on small purchases" that tend to affect readiness, he says. "We have a backlog of maintenance at our bases and facilities, on ship repairs and aircraft overhauls."

Sometimes, such cuts can go too deep. Several years ago, the Air Force made a conscious decision to keep certain aircraft-procurement programs on schedule by moving money out of maintenance and flight operations, says Gen. Lew Allen, the Air Force chief of staff. But readiness deteriorated more rapidly than anticipated as inflation sapped maintenance dollars, and now the Air Force is trying to restore the balance.

Nevertheless, last year the service could afford to run only seven of the 11 major tactical air-combat exercises that it had scheduled. And it slighted plans to increase wartime reserves of aircraft space parts in order to get enough parts to support day-to-day flight and training operations.

The most painful choice is to cut personnel. Last year, the Marine Corps reduced its 190,000-member force by 5,000 people to channel a higher proportion of its budget into weapons procurement and maintenance. "Inflation was killing us," a Marine official explains.

REDUCING THE NUMBERS

Cutting the number of weapons in a program is a common way of holding down its total cost when prices are rising. For example, in 1972 the Army planned to buy 240 Patriot air-defense missile units, each of which includes 20 missiles and related equipment. The total cost was to be $5.24 billion, or $21.8 million a unit. But now the Army plans to purchase only 103 units for $5.63 billion, or $54.7 million each.

"Because the U.S. must live with a relatively fixed defense budget (after adjusting for inflation), major cost increases contribute to the procurement of far fewer units of weapons than our military leaders say we need to maintain an adequate defense," says Jerome Stolarow, a procurement expert at the General Accounting Office, an arm of Congress.

But Mr. Stolarow thinks the Pentagon is often too quick to charge cost increases to inflation in instances where management foul-ups are more to blame. The effect of inflation on weapons programs, "while substantial," he asserts, isn't as great as the Defense Department would lead you to believe.

COMPLICATED PROBLEM

"Cost growth of weapons systems is a highly complex and multifaceted problem involving economics, military judgment and politics," he says. "Human nature plays a roll" as well, he contends, particularly in the early stages of a weapon's development when its military backers and contractors hold down the price projection to make the program more acceptable to the Defense Department and Congress.

"They tend to be highly optimistic with respect to costs, technical developmental problems and operational characteristics" in an effort to show that "the proposed weapon will do wonders at a very low cost," Mr. Stolarow explains. The difference between estimated costs and actual expenses can be substantial. Since the Army began its Roland air-defense missile program in 1975, its projected cost has risen to $2.39 billion from $1.12 billion, with $694 million of the increase attributed to underestimated costs beyond inflation. The GAO also contends that the weapons often turn out to be more costly because they are too complex.

Milton Margolis, a Pentagon cost analyst, agrees that unrealistically low cost estimates have been common: "There's no

question that the advocates want to keep the cost down—both to win support within the building and in Congress. It's the camel's-nose-under-the-tent philosophy."

ANNOYED CONGRESSMEN

The philosophy angers some members of Congress. "I think the Congress and perhaps even the administration are sold a bill of goods by the services," Sen. William Proxmire says. "They say they can develop a weapons system for a certain price. We make the commitment, and we go ahead." Then comes the surprise, the Wisconsin Democrat complains: When "we have a lot of money in the pot," and the project has support in Congress, industry and the Pentagon that makes it difficult to kill, Congress learns that it will "cost 50 percent more. 100 percent more".

The House Government Operations Committee, after hearings on the estimation of weapons-system costs, recommends that the Pentagon should give Congress a range of projected costs and improve its cost-analysis techniques.

But without better inflation projections—something that economists, let alone generals, seem unable to produce—the chance of major improvements in estimating weapons costs appears slight. As of Sept. 30, the Pentagon projects that it will cost $235.08 billion to develop and purchase the 51 major weapons systems currently under way. When it began the systems, the Pentagon projected a bill of $139 billion.

That's a cost rise of $96.08 billion. However, $32.79 billion, or about 34 percent of the increase, reflects decisions to expand the number of weapons in some programs. About $23.55 billion, or about 25 percent, reflects unanticipated inflation.

The Pentagon does hope to improve its management of two areas of cost growth: scheduling changes and cost estimates. Overall, about 15 percent of the cost growth in weapons programs results from longer-than-expected development and production schedules. This can reflect technical difficulties—not uncommon in complex weapons—or management problems. To hold down costs, the Pentagon is trying to shorten procurement cycles and increase competition for weapons contracts.

Another 10 percent of the total cost increase results from what the Pentagon euphemistically calls "estimating error" in forecasting a weapon's cost. To deal with this problem, the Defense Department is paying more attention to sniffing out unrealistically low cost estimates.

But the hard truth is "they've got to kill a number of programs in each of the services to fit within their budget restraints," even with Mr. Carter's higher spending plans, says Dale Church, a deputy under secretary of defense. He concedes this will be painful: "We haven't hung very many medals on program managers who have stepped up and said, 'My program is a disaster—kill it.'" ●

MAYOR WALTER DOLLMAN—OUTSTANDING LEADER

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. BAILEY. Mr. Speaker, it is a pleasure for me to bring to your attention and the attention of our colleagues a very fine mayor from the municipality of Murrysville, Walter Dollman. He has shown outstanding leadership qualities as mayor, guiding the community through a tenuous period of boundary and governmental structure changes.

We are saddened to learn that Mayor Dollman has decided not to accept reelection to the mayor's office because of a recent promotion at his place of employment. While we congratulate him on his advancement, we regret that he has had to resign as mayor.

In his letter of resignation he stated:

With the additional demands of my new position, I will be unable to devote adequate time to the Mayor's office. It would be improper to accept another term knowing my involvement will be insufficient to maintain my current performance level. This would be unfair to the Municipality and its people.

We admire him for honesty and, at the same time, thank him for the unwaivering support he provided for the community to insure its growth and prosperity. He is a superior leader of unquestionable integrity and trustworthiness.

The municipality of Murrysville is fortunate to have benefited by his leadership. On behalf of the residents of Murrysville and myself, I wish him continued success in all his endeavors.●

VOLUNTARY SCHOOL PRAYER: A STATE ISSUE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, the framers of the Constitution recognized that the Federal judiciary could move beyond its role of settling specific disputes to enunciating broad legislative policies. Accordingly, they incorporated a provision into the Constitution, article 3, section 2, giving Congress power to restrict Federal court jurisdiction. Thus, Congress, in which "all legislative powers" are vested under article I, can prevent the judiciary from usurping the legislative province.

The Founding Fathers also realized that Supreme Court pronouncements would apply nationwide. Sensitive moral questions should not be settled on a national level. Each community and locality should be able to translate its own values into policy. Article 3, section 2, provided a check on court instrusions into questions better reserved for local decisionmaking.

This provision has been used on occasion to protect some of the prerogatives of Congress or localities. For instance, the Norris-LaGuardia Act restricted Federal court jurisdiction over labor disputes. In fact, the Supreme Court itself in the case of Ex Parte McCardle upheld the power of Congress to limit Federal court jurisdiction.

Current conditions call once again for the use of the article 3 power. The Supreme Court has deprived States and localities of the freedom to reaffirm fundamental values in volntary classroom prayers. By ruling against school prayer, the Court has denied the right of communities to decide for themselves whether educational curricula should contain a reverent affirmation that we are indeed "one Nation under God." We should restore that right.

I have launched a discharge petition that would call for an immediate vote on S. 450 which limits Supreme Court jurisdiction over school prayer questions. Your signature on discharge petition No. 7 would do much to reestablish a proper balance between the courts and Congress as well as between Federal and local authority.

I also call attention to the Reader's Digest article, which I shall include with my remarks. It restates the position of the American people on this question:

SHOULD PRAYER BE RESTORED TO OUR PUBLIC SCHOOLS?

(By Eugene H. Methvin)

(The Supreme Court has said no. Yet three out of four Americans favor voluntary school prayer—and the remedy is in Congress's hands.)

In 1962 the U.S. Supreme Court ruled by a six-to-one vote that voluntary prayers said in public-school classrooms violated the U.S. Constitution. Few Supreme Court decisions have stirred such public controversy and outrage, encountered such open disobedience* or stimulated such sustained efforts for reversal.

Public-opinion polls have shown that a stable majority of about 75 percent of Americans favors restoring public-school prayer. Last April the U.S. Senate, by a 51–40 vote, approved legislation introduced by Sen. Jesse Helms (R., N.C.) that would restore voluntary prayers to the classrooms. And once again the issue has touched off a torrent of mail to Capitol Hill, this time to the House of Representatives, whose members may soon consider the question.

The Senate's action would largely restore the situation that existed before the 1962 Supreme Court opinion: decisions would be left to the states or to local authorities, and justices in Washington would be out of the business of refereeing local arrangements for voluntary classroom prayer. Which is precisely the way the Founding Fathers, who wrote the First Amendment guarantee of freedom for religion, wanted it.

The First Amendment says: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." Those words, known as the establishment and free-exercise clauses, were meant to guarantee that religious matters would be decided at the local level.

The record leaves no doubt. When the First Amendment was presented to Congress in 1789, five states had established churches; others had recently disestablished or refused to establish churches. A major purpose of the amendment, as James Madison assured Congress, was to provide that the national government would have no power to disturb these local arrangements. It clearly forbade federal interference either for or against community decisions.

No one would have been more astonished at the Court's 1962 interpretation than the framers of the First Amendment. The same day in 1789 that Congress approved the Bill of Rights, the legislators asked President George Washington to proclaim "a day of public thanksgiving and prayer to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God." Washington thereupon issued the first Thanksgiving Day proclamation—an act that

*Many schools simply disregarded the Supreme Court's ruling and continued to conduct prayers, freely excusing those who did not wish to participate.

by the Warren Court's logic violated the First Amendment while its ink was still wet.

The more obvious conclusion is that it was the 1962 justices themselves who trifled with the Constitution. Said Harvard Law Dean Erwin Griswold: "We have a spiritual and cultural tradition of which we ought not to be deprived by judges carrying into effect . . . absolutist notions not expressed in the Constitution itself and surely never contemplated by those who put the constitutional provisions into effect. To say that they require that all trace of religion be kept out of any sort of public activity is sheer invention."

Yet that is precisely what the Warren Court decided in 1962, when the justices decided the Supreme Court's first prayer case. The New York State Board of Regents, in consultation with the clergy of Protestant, Catholic, Jewish, Greek Orthodox and other faiths, had developed this nonsectarian prayer: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our country." Local school boards, decided whether to use the prayer, and individual students could excuse themselves from participation if they wished. The Warren Court found this a violation of the establishment clause

To reach its result, the Court had to ignore the First Amendment's clause forbidding the federal government to interfere in the "free exercise" of religion and adopt a new theory advanced by Justice Hugo L. Black. He contended that the establishment clause forbidding Congress to establish a religion had been applied to the states through the Fourteenth Amendment clause which says that no state shall "deprive any person of life, liberty, or property without due process of law." That language, the Court decided, somehow requires Washington—in the form of the justices—to maintain a "wall of separation between church and state," and strict "neutrality" between religion and irreligion.

Potter Stewart was the only justice to dissent: "With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an 'official religion' is established by letting those who want to say a prayer say it. On the contrary, I think that to deny the wish of these schoolchildren to join in reciting this prayer is to deny them the opportunity of sharing in the spiritual heritage of our nation.

The Warren Court's coupling of the First and Fourteenth Amendments was a bold new seizure of authority from both Congress and grassroots institutions. Other decisions followed: The justices ruled against a Maryland law that provided for the reading of a chapter of the Bible and/or recitation of the Lord's Prayer in schools. When the Netcong, N.J., board of education voted to permit students to come to school early for a "period for free exercise of religion" under the expressed First Amendment authority, the state court refused to allow it. This court even refused to permit schoolchildren to read the daily prayer of the House or Senate chaplain as printed in the Congressional Record. By not accepting the case on appeal, the Supreme Court justices let the state decision stand.

These anti-prayer decisions set off a wave of protest that has not stopped. At first, Capitol Hill opponents backed an amendment to the Constitution that would revise the Supreme Court's interpretation of the Fourteenth and First Amendments. In 1966, the Senate voted 49–37 to submit such an amendment to the state legislatures for ratification, but the vote was nine short of the constitutionally required two-thirds majority. In 1971, responding to a nationwide drive sparked by Ohio housewife Louise Ruhlin, the House voted 240–162 for an amendment, 28 short of the necessary two-thirds. In each case, many legislators balked for fear that the wording of such an amendment might be interpreted to do harm to other First Amendment provisions regarding freedom of speech and the press.

But today the outlook for prayer proponents is brighter. In the years since 1962, both the makeup of the Supreme Court and opinion about the limits on its powers have changed. The current Chief Justice, Warren E. Burger, has led this different Court in a substantial federalist restoration, curtailing some of the more ambitious activist claims of judicial power of the 1960s, pointing out, among other things, that Congress has remedies against such claims of amending the Constitution. In fact, the Constitution provides two clear ways to limit the Supreme Court's role in the interpretation of our constitutional rights:

1. Article III, which created the Court, empowers Congress to make "exceptions and regulations" to the Court's appellate jurisdiction. Thus, by a simple majority, legislators can vote to take whole classes of cases away from the Court's jurisdiction.

2. The Fourteenth Amendment, under which the Court claims authority to impose its interpretations of the Bill of Rights on the states, specifically provides: "The Congress shall have power to enforce, by appropriate legislation," the rights the amendment creates. So if the legislators disapprove of the Court's rulings, presumably they can pass statutes—again by simple majority—substituting their own rules.

For three decades the nation has seen decisions and responsibilities transferred from local communities to Washington, thus steadily eroding the federalist concept of our government. When Senator Helms introduced his legislation last April, he emphasized the significance of his proposal in maintaining the Constitution's original plan of a divided and carefully limited power: "Congress must not yield its responsibility under the Constitution to ensure that the freedoms protected by the First Amendment are not undermined by actions of other institutions."

That is why many legal and editorial commentators welcome the Senate move to moderate the harsh anti-prayer rules adopted by the Warren Court. Says columnist James J. Kilpatrick: "When Senator Helms undertakes to restore the possibility of truly voluntary prayer, he merits the support of all those who believe that, while governmental establishments of religion must be resisted, the free exercise of religion should be encouraged. The Constitution expressly authorizes Helms' approach as a form of restraint upon the judiciary short of a constitutional amendment."

Regardless of our views on voluntary classroom religious exercises, all Americans—Christian, Jew, atheist, agnostic, whatever—have cause for alarm when a group of officials in Washington claims the right to dictate radical changes in our lives without consulting us. By debating and deciding such matters locally, we actually strengthen our democratic traditions of tolerance and liberty.

In taking such decisions away from the people, the 1960s-era justices pushed the Court far along the road to a more sweeping tyranny than any that might result from a local excess of religious zeal. As Harvard law professor Raoul Berger says in his recent book Government by Judiciary, "A democratic system requires adherence to constitutional limits, by courts no less than presidents. Respect for the limits on power is the essence of a democratic society." ●

NATIONS REJECT U.S. BID TO LIMIT NUCLEAR POWER OPTIONS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. WYDLER. Mr. Speaker, the bankruptcy of the Carter administration policy on nuclear energy development, based solely on nonproliferation concerns, has been acknowledged as a failure for over 2 years. This view recently received strong confirmation with the news of the report to be released on the international fuel cycle evaluation study. This exercise to review the pros and cons of alternative nuclear technologies aimed at reducing proliferation risk was organized by the United States in October 1979.

It appears now that the summary of the conference will spell out the fact that the United States has not pursuaded any of the developed nations of the wisdom of its nuclear opinions.

I am including excerpts from the Washington Post article dated December 3 on the international nuclear fuel cycle evaluation report for the information of my colleagues.

NATIONS REJECT U.S. BID TO LIMIT USE OF PLUTONIUM

(By Milton R. Benjamin)

The Carter administration has failed in a major two-year effort to persuade the rest of the world to halt construction of advanced nuclear facilities likely to greatly increase the availability of plutonium suitable for use in fabricating atomic bombs.

A 20-page draft summary of the conclusions of the 63-nation International Nuclear Fuel Cycle Evaluation conference, which the U.S. organized in October 1977 as the cornerstone of its effort to prevent nuclear proliferation, began circulating among the participating countries several days ago.

The summary backs the European and Japanese view that advanced facilities—fast-breeder reactors and plutonium reprocessing plants—will be needed to meet the world's future energy needs.

It also takes such a bullish view in the future of nuclear power that some U.S. sources say the Carter administration is seriously considering a formal dissent on this point at the final INFCE meeting in Vienna next February.

The summary, according to an authoritative source who has seen it, spells out the consensus of the participants in the conference "in a way that is most negative to U.S. policy—no ban on reprocessing, no ban on the breeder."

"We certainly did not persuade the rest of the world of the wisdom of our opinions," one of the Carter administration's top nuclear negotiators acknowledged in an interview. "If this was the criteria, we'd rate a D-minus."

To the surprise of few experts, the INFCE conference failed to realize Carter's hopes that it would find new "safer" technologies that could be developed in the next decade to reduce the proliferation risk inherent in a world where nuclear power plants produce large quantities of plutonium as part of their burned-up fuel.

The plutonium can be separated out of the waste by a country that has a reprocessing facility, and used either as new fuel for

power plants or in the manufacture of atomic bombs.

"We discovered no technical fixes," a U.S. official said. "People who thought that we would—their hopes were exaggerated. Whether we like it or not, there is going to be a certain amount of plutonium floating around the world in the future."

The draft summary also distresses many U.S. experts by forecasting construction of hundreds of new atomic power plants around the world in the next two decades—a project that even most European experts now consider too high.

"The estimates were made in 1977," one U.S. official said. "The report doesn't reflect the changes since. The estimates of growth are outrageously high."

But while conference sources express dismay at the possibility that the United States may decide to jeopardize the consensus it has been trying to build in nuclear issues by publicly dissenting from the report, they say the projections on the future of nuclear power will not be revised downward.

"There's no way that is going to be changed," a conference source said. "Anybody who is for plutonium recycling for breeders needs those numbers. The Americans can say whatever they want in the plenary, but the numbers stay in the report."

One reason that some administration officials see a need to put distance between President Carter and the study he commissioned is that they view it as a political embarrassment that belies the fact that a generally more favorable nonproliferation climate exists today than two years ago.●

WELCOMING PATAPSCO SENIOR HIGH SCHOOL STUDENTS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. LONG of Maryland. Mr. Speaker, I welcome 47 students and Mr. Thomas Dessecker from the Patapsco Senior High School in Dundalk, Md. This is a special pleasure because one of the students, Jim Panowski, recently served as my page.

My constituents are visiting the Capitol in connection with a course entitled, "Citizenship, the Constitution, and Public Issues." They will attend House committee meetings and observe floor action. They will also tour the FBI building.

I appreciate this opportunity to meet with my friends from Patapsco Senior High.

The students are:

Thomas Dessecker, teacher; Leslie Backof, Morgan Goff, Dan Stoneham, Rick Cantalupo, Pam Creevey, Dave Modeski, Corry Sweringer, Terri Knight, Ken Ricketts, Chris Sokolis, Sam Baker, Ron Barkhorn, Jeff McMillian.

Rita Kutrick, Sandy Musser, Jim Thompson, Sharon Salger, Dawn Willet, Greg Hershey, Joe Kessler, Greg Chafin, John Der, Tracy Dawson, Jacki Kahl, Janis Capo.

Bill Montgomery, Dan McShane, Steve Rehak, Carol Rippel, Don Stone, Tony Ghouralal, Jim Rose, David Hollifield, Jim Sieling, Sherri Isenhardt.

Stephanie Samuels, Amilo Woodin, Tom Scheidt, Randy Sullivan, Mark Thorton, Marcie Wiland, Douglas Rothenbach, David Knapik, Jim Panowski, Richard Rosso, Mark Cooper, Charles Duncan.●

THE MAN WITH THE SPYGLASS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. DERWINSKI. Mr. Speaker, Members of the House can take pride in the knowledge that a resolution the House passed not long ago has been duly noted and reviewed by the Soviet Union. The resolution, House Concurrent Resolution 200, passed 390 to 0 on November 13, condemned Soviet occupation of the Baltic States and the new Soviet citizenship law. On November 15, the very next day, Moscow World Service radio noted that the "peoples of the Baltic States made their decision long ago * * * when they revolted and established their own Soviet governments." These governments, the speaker pointed out, "were crushed by foreign intervention and local counterrevolution" * * * but later they "reinstituted Soviet government and through their parliaments expressed their wish to join the U.S.S.R. * * *. That is history," the speaker says.

Obviously, we here in this country do not see history quite the way the Soviet Union does. This is one of many cases. The executive branch and the House agree that as a consequence of the infamous Ribbentrop-Molotov pact of 1939, an agreement between Hitler and Stalin, the Soviet Union invaded Estonia, Latvia and Lithuania, and set up pro-Soviet governments in those countries. That is history as we see it in this country. What Moscow World Service radio says, is history as distorted in the Soviet Union.

The Soviet broadcaster believes the House is behind the times with its Baltic States resolution. To illustrate its point, he cites a clever anecdote about "the man with the spyglass." The fact is that the House is catching up with the times by passing its Baltic resolution and, for what it is worth, I always somehow think of a Soviet official when I hear of a man with a spyglass.

Soviet broadcasters also interviewed Lithuania's minister of justice on the radio program and suggests that "the honorable Congressmen" would be "surprised Lithuania even has a Minister of Justice." I, for one, am not surprised, actually, to know that Lithuania has a Minister of Justice. The Ministry of Justice and the Ministry of Interior are among the first bureaucracies set up by the Soviets, along with the secret police, when they take over a foreign country. I am a little curious, however, to know how they got a Lithuanian to take the job.

The text of the Foreign Broadcast Information Service transcript of the Soviet broadcast in question follows:

CONGRESS RESOLUTION ON SOVIET BALTIC STATES CRITICIZED

(Viktor Petrov commentary)

On 13 November the House of Representatives of the U.S. Congress adopted a resolution which, according to a Voice of America broadcast, calls attention to the occupation of the Baltic states by the Soviet Union.

It also expresses concern for ex-Soviet citizens who might be persecuted or arrested when in Moscow during the 1980 summer olympics. Radio Moscow observer Viktor Petrov has the following comment:

I have heard it said that while strolling along the white cliffs of Dover one may encounter a quaintly-dressed gentleman who looks out over the sea through an ancient spyglass. He is a government employee and holds one of the most ancient posts in England. His first predecessor was appointed at the beginning of the last century to warn of a French invasion. Although Napoleon is long gone, the post remains—an absurd and yet touching example of England's love for tradition.

The House of Representatives resolution is somehow remindful of the man with the spyglass though it is hardly touching. The peoples of the Baltic states made their decision long ago, in 1918 to be exact, when they revolted and established their own soviet governments. These were crushed by foreign intervention and local counterrevolution. But a scant 20-odd years later the people of Estonia, Latvia and Lithuania reinstituted Soviet government and through their parliaments expressed their wish to join the USSR as constituent republics, a wish that was granted 39 years ago. That is history, well-documented history for that matter. Of course you can refuse to accept reality, you could make believe things never happened, or did not happen the way they actually did. It is a game anyone can play. But it is about as useful as the man who keeps a sharp eye out for Napoleon's fleet off England's shores.

As for ex-Soviet citizens and hazards that await them in olympic Moscow, I decided to get an official opinion of that. I phoned Pranas Kuris, the minister of justice of the Lithuanian Soviet Socialist Republic, roughly the equivalent of attorney general for that republic, and I asked him what, if anything, ex-Soviets coming here had to fear. Here is the taped answer:

[Kunis, speaking in Lithuanian, fading into English translation] In my opinion they have nothing to fear at all. Simply someone in the United States would like to scare off people from coming to the Soviet Union to the Olympics. I see no legal grounds for the persecution of the ex-Soviets, now U.S. citizens, as long as they commit no crimes while in this country.

That was Pranas Kuris, Lithuania's minister of justice. I suggest the honorable congressmen who voted for the resolution take heed. They will probably be surprised Lithuania even has a minister of justice. But it's never too late to learn, is it? ●

FORMER TOP AND DISTINGUISHED LEADERSHIP OF THE DEPARTMENT OF DEFENSE ANALYZE FLAWS IN THE SALT II TREATY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1979

● Mr. KEMP. Mr. Speaker, the SALT II treaty was under negotiations for 7 years under the leadership of three Presidents. Until the final text of the SALT II treaty emerged, it had been widely expected that most of the former senior officials of the Nixon and Ford admin-

istrations would be supporting the agreement. When the terms of the agreement finally emerged, however, many former senior defense officials were astounded by the radical departure the incumbent administration had made in the content of the agreement.

In one of the most remarkable examples of a loss of consensus for an arms control agreement, the former Secretary of Defense, the Deputy Secretary of Defense, and the Secretaries of the Army, Navy, and Air Force, all supporters of SALT I and the Vladivostok accords have indicated their opposition to SALT II as currently drafted.

The statement of these former officials is testimony to how far the Carter administration has strayed from the American consensus on arms control in its efforts to reach a SALT II agreement before the 1980 Presidential election campaign. The agreement reached reflects the haste for agreement—any agreement, but in doing so has caused supporters of the SALT process to reject the agreement now before the Congress. The statements offered by Secretaries Rumsfeld, Hoffman, Reed, and Middendorf, and Deputy Secretary Clements reinforces the view that SALT II should be rejected by the Senate, and sent back for renegotiation.

Donald Rumsfeld, as Secretary of Defense (with William Clements as Deputy Secretary of Defense) presided over the first period of real growth in the resources made available to the Department of Defense since the 1950's (excluding Vietnam related operating expenditure)—an example which the Carter administration has encountered great difficulty in following. Moreover, he has provided a splendid example of a Defense Secretary who has a grasp of the political-military realities of America's role in the world. Recognizing that "weakness is provocative," he led the fight to persuade the Congress that a decade or more of neglect of our defense posture could have serious consequences for every aspect of American life in the next decade if the deficiencies in our defense posture were not quickly remedied.

Martin Hoffman, William Middendorf and Thomas Reed provided outstanding leadership and managerial expertise in their respective roles as Secretaries of the Army, Navy, and Air Force. They have provided a collective example of how the Department of Defense and the Armed Forces should be led. The Nation could do no better than to heed their leadership on the crucial national security questions we will have to face in the years ahead.

The statement follows:

A STATEMENT ON THE SALT II ACCORDS

This week the question of ratification of SALT II may reach the floor of the United States Senate. The five of us, as the senior civilians in the Department of Defense, were responsible to the President for national security matters until January 20, 1977. As a result, we feel that the Senate and the American people should have our considered views of the pending SALT II proposals.

Each of us was involved in the arms limitations considerations having spent hundreds of hours grappling with these complex issues. All of us hoped the SALT process would bring forth a suitable treaty. We hoped an agreement could be achieved about which we could be as confident that the U.S. security would be enhanced as the Soviets appear to believe that the pending agreement will increase theirs.

We have considered the treaty as it finally emerged, examined the changing strategic balance, and made our individual views known to the Senate and the American people in some detail. Copies of our statements are available here this morning.

In summary, it is our unanimous view that the pending SALT II Treaty, the Protocol, and the various "understandings" do not merit Senate approval. The proposed bargain is a bad one for the United States—and by a significant margin.

We believe that in the mid-seventies the United States could have achieved a treaty comparable to that now before the Senate. It was our view then that such a treaty would not be in the best interests of the United States. It is even more our view today.

A number of able individuals have agreed that this is not a good treaty, but they have taken the position that this treaty, despite its defects, is better than none at all. We strongly disagree.

This is the time to face up to reality, to face the facts of our military posture vis-a-vis the Soviet Union. We are convinced that ratification of SALT II will postpone that reckoning, and that the reckoning, whenever it occurs, is bound to have an impact on U.S.-Soviet relationships whether or not SALT II has been ratified. Whenever the Soviets come to understand that their 15-year military buildup will no longer be abetted by U.S. force reductions and weapons cancellations there is bound to be a debate on that hard fact. Better to face that reality now, while the Soviets are gaining the upper hand, than after several more years when that Soviet upper hand has grown to an iron fist.

Our Nation's situation is more dangerous today than it has been any time since Neville Chamberlain left Munich setting the stage for World War II.

Since World War II, the U.S. has successively moved from exclusive control of nuclear weapons to overwhelming superiority to essential equivalence and now to certain vulnerability by the early 1960's. The massive shift in power—strategic, theater nuclear, conventional and naval—in having the inevitable effect of injecting a fundamental instability into the world equation.

I. SALT II IN RELATION TO NATO

(Donald Rumsfeld)

Several arguments have been put forward by the present Administration in their efforts to gain support for SALT II. A recent claim is that Senate defeat would disrupt, if not destroy, the NATO Alliance. Having dealt with NATO in a variety of capacities, beginning in 1973 as U.S. Ambassador to NATO, I find such a foreboding forecast irresponsible.

Our NATO allies have consistently looked to the United States for leadership on nuclear matters, particularly on U.S.-Soviet strategic arms. Since the current Administration is so vigorously supportive of this SALT II agreement, it comes as no surprise that European officials have followed suit publicly. Nonetheless, many knowledgeable Europeans are concerned about SALT II and what it portends for future arms agreements. This agreement would be an unattractive stepping off point for SALT III negotiations.

I have more confidence in NATO as an institution and in our allies as members than do those alleging that NATO would unravel in the wake of a Senate decision that SALT II should be renegotiated. The Alliance is not that fragile.

I believe this Administration has used NATO recklessly in its efforts to sell a bad treaty. If our allies foresee an era of continuing erosion of U.S. strength relative to the Soviet Union, that will contribute to a loss of confidence. What is needed instead is U.S. leadership and strength.

II. SALT II AND THE GRAY AREA SYSTEMS

(Martin R. Hoffman)

Our European allies have reason to be concerned, since we have displayed an uncharacteristic disregard for their and our interests. The treaty is casual about "gray area" systems (Backfire and the SS-20) which this Administration claims do not pose a threat to the U.S. They represent a very real challenge to western Europe. At the same time, the U.S. has compromised its cruise missile advantages. The strategic arms agreement reached at Vladivostok by President Ford was superior to that concluded in Vienna by President Carter in these regards.

Vladivostok left open the matter of the Backfire bomber for further negotiations *in tandem* with negotiations on cruise missiles. At that time, the Backfire was just coming into operation and there was debate within the U.S. Government as to its capability. Now most agree that Backfire has intercontinental range. Nonetheless, it is left outside the legal SALT II package, while cruise missiles are included. Air-launched cruise missiles, a new American technology, would be restricted in both deployment and payload characteristics. The Protocol obviously will be a precedent with SALT III, and under it sea-launched cruise missiles would be restricted in their nuclear and in their conventional or nonnuclear role. Ground-launched cruise missiles, left open at Vladivostok, would also be restricted, in both nuclear and conventional roles, to the disadvantage of the U.S. and our allies.

In short, the SALT II package creates an unprecedented situation in European security affairs by limiting NATO's Europe-related military capabilities—cruise missiles—to accommodate Soviet arms control pressures. SALT II and the Protocol would: a) place into question the ability of the U.S. to help the Europeans modernize their nuclear and conventional forces; b) possibly limit the U.S. ability to modernize our own defense forces in and around Europe; and c) leave the Soviets' Euro-strategic nuclear forces—primarily the mobile SS-20 missiles and the Backfire bombers—unconstrained by the documents.

III. AMERICAN DEFENSE CAPABILITIES THEN AND NOW

(Thomas C. Reed)

In January of 1977 the United States at least enjoyed something called essential equivalence as President Ford had commenced rebuilding our strategic forces:

The TRIDENT submarine and missile programs were well under way, with an operational first boat expected this year.

The B-1 had been committed to production. The first production aircraft would have been delivered to the Air Force last summer. The first two wings would have been operational by 1982 with the entire force delivered and deployed by 1985.

The cruise missile had been reinvented with modern technology. Air and sea launched versions were to have been deployed two months from now.

The ICBM assembly lines and industrial base had been kept open.

Guidance system improvements and a new, higher yield warhead had been ordered for Minuteman.

The Air Force seriously addressed the need for ICBM modernization and settled on a design, known as M-X. By January of 1977 there were no technical uncertainties to preclude immediate full scale development and production of a 100-ton M-X that would fit in the Minuteman silo, but with ten times the destructive power of that aging missile. The budget submitted to Congress in January of 1977 called for initial operational deployment of M-X in 1983, with means to accelerate that to 1982 if desired. More importantly, the budget submission of January 1977, envisioned the maintenance of essential equivalence at the very least. But in that month there arrived a new and different view of national security.

The Carter Administration recommended immediate cuts in defense programs. Over the four year life of this Administration they would constitute a $50 billion reduction from plans that were in place when they took over. Consider:

The first TRIDENT submarine will not be operational until 1981 and there is no program for deployment of the TRIDENT II missile in that boat.

The B-1 program has ceased to exist, and the Administration has yet to announce how it plans to get the so-called replacement weapon system—cruise missiles—off the ground, away from ground zero, and somewhere near the Soviet Union in the event of surprise attack.

The cruise missile program itself has been delayed at least two years—to the end of 1982.

ICBM production lines have been closed and key personnel have scattered.

M-X has been studied to death, with an initial operational capability delayed to 1986, and a complete force not available until 1990.

On the average, the strategic programs of the United States will have slipped three years during the four years of this Administration. Not a brilliant record. Yet this Administration now is seeking a vote of confidence in these strategic arms policies by proposing a SALT II treaty.

These policies if pursued will be catastrophic for the United States. They have set the stage for the politico-military inferiority of the United States in the early to mid-1980's. They do not deserve a vote of confidence, and the SALT II treaty should not be ratified as proposed.

IV. TRIDENT, SEA CONTROL, AND THE TRANQUILIZER EFFECT

(J. William Middendorf)

This Administration has placed great weight on the Submarine Launched Ballistic Missile as a guarantor of stability. Even in this critical area the Carter Administration is ignoring reality.

The Poseidons are old. They are confined to areas of the ocean that will sooner or later make them susceptible to detection. Yet the TRIDENT submarine program has been reduced. The TRIDENT II missile program with its improved range, payload accuracy—which would have vastly expanded the operational areas of the TRIDENT submarine—has been prostponed indefinitely. And this neglect is only one example of what has happened to the United States Navy.

The Navy shipbuilding program has been emasculated. We worked for three years to bring forward a Navy shipbuilding program that would, by 1990, give us a "sea control Navy" of 580 ships. Despite the vast Soviet naval build-up, this Administration's current program will have the effect of cutting the Navy to about 300 ships in 1990, a cut of more than half in terms of capability.

These reductions are part of a dangerous pattern, in some respects arising from the SALT process itself. This process has had the effect of lulling the American people into believing that an agreement in itself—rather than the real relative capabilities—can assure U.S. national security. Our proper goal should not be an arms agreement per se, but rather peace and the preservation of freedom. To the extent that such an agreement can contribute to that goal—and to that extent alone—it is desirable. I do not believe SALT II as drafted so contributes.

Rather, I believe it contributes to a dangerous tranquilizing effect—a feeling that all is well because the Administration has said so.

V. THE SALT PROCESS AND SOME CONCLUSIONS

(William P. Clements)

This combination of induced public tranquility, determined Soviet progress, and a casual attitude by the U.S. Government toward defense, these factors have all combined to bring us to the brink of mortal peril. During my four years as Deputy Secretary of Defense, I was a member of the National Security Council and was also a member of all of the subcommittees.

The record is clear that over that four year period I supported a proper SALT treaty. My colleagues and I are all in favor of nuclear arms limitation treaties. I was also a strong advocate of the Vladivostok accords. And I strongly advocated "equal aggregates with freedom to mix". But SALT II as it has emerged does not represent a net improvement over the Vladivostok accords. On the contrary, the contentious issues of Backfire and cruise missiles have been resolved in ways largely unfavorable to the U.S., while problems involving verification, survivability of U.S. missiles, and the preponderance of Soviet throw weight have been left to haunt us in the future.

This treaty should not be ratified. Any new treaty must cover the inequities generated by the Soviet "heavy ICBMs", must clarify U.S. rights to build the appropriate mobile ICBM system, must recognize that Backfire is a strategic system, must resolve ambiguities and limitations on U.S. cruise missile technology, and must assure verification.

At the same time, the Congress and the Administration must support immediate defense investment to recover from the false economies of recent years. The widely discussed 5 percent real increase represents roughly $6.5 billion per year. This figure falls far short of meeting the true defense needs of the country. It has taken several years to create this problem, and it will now require a real increase in defense spending of $20 to $25 billion per year with emphasis on strategic systems to have any hope of recovery by the late 1980's.

We all want peace and security for our Nation. The question is how to assure that peace and security.

Leadership and determination are required. We could have had this SALT II agreement years ago. It was not acceptable then. We do not recommend its ratification now.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, December 11, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

DECEMBER 12

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.

235 Russell Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings to examine the size, nature, and economic impact of profits made from illegal narcotics trafficking.

3302 Dirksen Building

9:30 a.m.

Judiciary

Limitations of Contracted and Delegated Authority Subcommittee

To resume oversight hearings on Title III, providing assistance for specific academic, administrative, and student service programs, of the Higher Education Act.

1202 Dirksen Building

Select on Small Business

To continue hearings on the structure of the solar energy industry.

424 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold oversight hearings to review international monetary policy relative to the Eurodollar currency.

5302 Dirksen Building

Conferees

On H.R. 2440, to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, and to provide assistance to aircraft operators to aid them in complying with noise standards.

Room to be announced

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 1829, to establish a community energy efficiency program.

3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To continue markup of S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.
4200 Dirksen Building

Rules and Administration
Business meeting, to resume consideration of S. Res. 281 and S. 2018, measures to simplify and clarify the system by which Senate committees are provided funds for their operating expenses, including staff salaries; S. Res. 293, increasing the limitation on expenditures by the Committee on Finance for procurement of consultants; S. Res. 297, authorizing the Department of Health, Education, and Welfare to determine whether any Senate employees are indebted to the U.S. for defaulted student loans; S. Con. Res. 56, authorizing the reprinting of the committee print entitled "Synthetic Fuels"; S.J. Res. 116, to establish a Special Joint Committee on the Centennial of the Birth of Franklin D. Roosevelt; and other legislative and administrative business.
301 Russell Building

1:00 p.m.
Judiciary
To hold hearings on the nominations of Charles B. Renfrew, of California, to be Deputy Attorney General, Department of Justice; Dorothy W. Nelson, of California, to be U.S. Circuit Judge for the Ninth Circuit; Terry J. Hatter, Jr., to be U.S. District Judge for the Central District of California; and Edward D. Price, to be U.S. District Judge for the Eastern District of California.
2228 Dirksen Building

2 p.m.
*Judiciary
Limitations of Contracted and Delegated Authority Subcommittee
Business meeting, to discuss subcommittee business.
Room to be announced

3 p.m.
Select on Intelligence
Closed business meeting.
S-407, Capitol

DECEMBER 13

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume oversight hearings to review the District of Columbia 1979 Summer Youth Program.
1114 Dirksen Building

8:30 a.m.
Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold closed hearings to review the current status of the strategic petroleum reserve program.
S-407, Capitol

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine the size, nature, and economic impact of profits made from illegal narcotics trafficking.
6226 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on the relationship of energy to community planning and development.
5302 Dirksen Building.

Governmental Affairs
To resume oversight hearings on the Federal Energy Regulatory Commission, Department of Energy.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
Business meeting, to mark up proposed legislation proposing regulatory reform to coordinate and oversee Federal policy.
4200 Dirksen Building

10 a.m.
Armed Services
To receive a briefing on estimated budget proposals for fiscal years 1981 through 1986, for the defense establishment.
318 Russell Building

Labor and Human Resources
Business meeting, to mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, National Endowment for the Humanities, and the Institute for Museum Services, and S. 1429, authorizing funds through fiscal year 1982 for programs under the Museum Services Act.
4232 Dirksen Building

10:30 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

DECEMBER 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.
235 Russell Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine the size, nature, and economic impact of profits made from illegal narcotics trafficking.
3302 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

Foreign Relations
Arms Control, Oceans, International Operations and Environment Subcommittee
To hold hearings on S. 1450, to improve and simplify the personnel system of the foreign service by linking the granting of career tenure, promotions, compensation and performance pay more closely to the quality of performance; by creating a Senior Foreign Service; by limiting foreign service career status to those who accept the discipline of service overseas; by reducing the number of personnel categories; and by establishing a Foreign Service Labor Relations Board and a Foreign Service Impasse Disputes Panel.
4221 Dirksen Building

10:30 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

DECEMBER 17

10:00 a.m.
*Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony on the current price and supply situation for petroleum fuels.
3110 Dirksen Building

Select on Indian Affairs
To hold hearings to determine whether the April 1, 1980, statute of limitations deadline should be extended for commencing actions on behalf of an Indian tribe, band or group by the Federal Government.
1202 Dirksen Building

DECEMBER 18

9:30 a.m.
Judiciary
Business meeting, to consider pending legislation and nominations.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of James V. Day, of Maine, to be a Federal Maritime Commissioner.
318 Russell Building

JANUARY 15, 1980

10:00 a.m.
Banking, Housing, and Urban Affairs.
International Finance Subcommittee
To hold hearings to examine U.S. trade and technological competitiveness with other industrialized countries, focusing on a report by the International Trade Commission on international trade in integrated circuits relating to the electronics industry.
5302 Dirksen Building

JANUARY 30

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 2055, to establish a reservation for the confederated tribes of Siletz Indians of Oregon.
5110 Dirksen Building

CANCELLATIONS

DECEMBER 13

10:00 a.m.
Banking, Housing and Urban Affairs
International Finance Subcommittee
To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

DECEMBER 14

2:30 p.m.
Labor and Human Resources
Business meeting, to consider the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.
4232 Dirksen Building