ous service than any other Tennessee Congressman and is recognized as Dean of the Tennessee Congressional Delegation; and,

Whereas, he is a dedicated and outstanding citizen who has brought dignity to Cumberland, his Alma Mater, and has sponsored and supported legislation and appropriations for the growth and progress of both private and public institutions of higher learning;

Now, therefore, the Board of Trustees proudly acknowledges the example and influence of the Honorable Joe L. Evins and his devoted wife, Ann, in making Tennessee and the United States a better place in which to live and work; and present to him the Award of the Phoenix, the highest honor that Cumberland can bestow upon one of her graduates.

SENATE—*Thursday, May 20, 1976*

The Senate met at 11 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

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

Eternal Father, for this still moment when all other sounds are hushed save the divine knocking and the entreating voice breaking the barriers of self-will, and echoing across the centuries, "If any man will open the door, I will come in." Then come to us, O Spirit of Love and Purity, cleansing, renewing, strengthening us for the days ahead. Make us to know that above all men and all nations Thou standest in majesty, holiness, and judgment. Deliver us from partial dedications, from false piety, from hypocrisy, from pretending to be better or worse than we are. Keep our humanity under Thy grace.

Spare us from substituting cunning for conviction, cupidity for consecration, deftness for dedication. Keep us true to our high calling as servants of the common good, that radiant joy may transfigure every duty and the tasks of this and every day may be met with purity and power and grace, to the honor of Thy name and for the welfare of the Nation. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 20, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, May 19, 1976, be dispensed with.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the calendar under New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Rosemary L. Ginn, of Missouri, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I request the President be notified.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished minority leader.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes.

RECESS UNTIL 11:35 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 11:35 a.m. today.

There being no objection, the Senate, at 11:04 a.m., recessed until 11:35 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NUNN).

The PRESIDING OFFICER. Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION FOR SUBCOMMITTEE ON JUVENILE DELINQUENCY TO MEET UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, in view of the difficult circumstances surrounding the Subcommittee on Juvenile Delinquency, I ask unanimous consent that it be allowed to meet until 2 p.m. today.

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

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 836.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3440) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to provide for cultural challenge programs, an arts education program and an American Bicentennial Photography and Film Project, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

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

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an amendment on page 1, line 6, strike "Progress" and insert "program."

Page 18, line 18, strike "Definition" and insert "Definitions."

Page 19, line 4, before the period insert "organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns and utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I am very pleased to support a very excellent bill to extend the National Foundation on the Arts and the Humanities Act of 1965. This bill breaks new ground in the cultural area by creating a new program for the support and improvement of museum services, creating a program to generate non-Federal support for arts programs, called the arts challenge program, creating a Bicentennial photograph and

film project, creating a humanities challenge program, and providing for greater State involvement in State humanities programs.

In is particularly exciting that this bill includes a new program for the support of museums. This legislation has been considered by the Subcommittee on Arts and Humanities over the last 4 years. During this period, the testimony presented has demonstrated a very strong case for the vital role of museums in this country and the importance of these institutions as an educational medium, a cultural preservatory, and a place for the stimulation of creative minds. In the past, both the arts and the humanities endowments have assisted museums through special projects, exhibitions, training grants for personnel, the renovation of buildings for security purposes, and the purchase of important objects and artifacts.

However, testimony has clearly documented the increased services and costs of these services provided by museums, and the limited ability of these institutions to meet increased costs. This new program will provide operating assistance to bolster the ability of these institutions to continue to provide stimulating experiences for those who come to them. I think this program, providing an authorization of $15 million for fiscal year 1977 and $25 million for fiscal year 1978 and such sums as may be necessary for the following 2 years, is responsive to the public need, and I am pleased to see it included in this bill.

Both challenge programs which have been adopted also respond to the need of the arts and the humanities in a way which will strengthen their base of support, encourage new participation, and improve their financial and administrative operations. I consider these programs a great investment in the future, and am pleased that they have been included in the committee bill.

And I believe that it is very important that we have included authorization for a Bicentennial photography and film project. Reminiscent of the program of the 1930's, this program will allow us to stimulate a new body of work which will document for posterity this Bicentennial era.

S. 3440 authorizes a total for both Endowments and for the new Institute of $250 million. This authorization is $2 million less than the current authorization, but provides sufficient room for growth from existing appropriations levels, and for funding of the new programs authorized. The bill is in line with the committee submission to the Budget Committee, and I would hope that we will be able to obtain full funding or close to it from the Committee on Appropriations in order to assure the continued vibrancy of the arts and the humanities in this country.

The Arts, Humanities, and Cultural Affairs Act of 1976 is important legislation which will help us continue and expand on the work being done by the National Endowment on the Arts and the National Endowment on the Humanities and I commend it to my colleagues.

Mr. PELL. Mr. President, as chairman of the Special Committee on Arts and Humanities, I am very pleased indeed by the action taken by the Senate today in passing the important and necessary legislation to reauthorize the arts and humanities program for the next 4 fiscal years.

In the CONGRESSIONAL RECORD of May 19, the cosponsors of this legislation are listed. I am very happy that Senator WILLIAMS, the chairman of the Committee on Labor and Public Welfare, is a cosponsor of this legislation and that the other distinguished Members listed in the RECORD—including Senators JAVITS, KENNEDY, NELSON, MONDALE, EAGLETON, HATHAWAY, TAFT, and STAFFORD—joined in this expression of support for the bill.

Particularly, I am delighted that Senator JAVITS is once again joined with me in this endeavor. In the past I have emphasized his pioneering work with respect to the development of the arts and humanities program and its legislative mandate. He and I worked together on the initial legislation which, after several years of preparation, was passed by the Senate in 1965 and became Public Law 89-209. He was also the cosponsor of the legislation which I introduced in the Senate almost a year ago and which formed the basis for our future deliberations.

These deliberations included comprehensive hearings held jointly with the House of Representatives as has become our tradition with regard to the arts and humanities program, and I would like especially to mention the major contributions made to this legislation over the years by my distinguished colleague and counterpart in the House of Representatives, the chairman of the Select Subcommittee on Education, Representative JOHN BRADEMAS. In its action the Senate has amended the House bill, H.R. 12838, which was passed by the House on April 26 of this year.

At this time I would like to present a few highlights of the new legislation we have approved.

First. In title I we have made legislative provision for a State humanities program so that it can more closely relate in format to the highly successful State arts program, included in beginning legislation enacted in 1965. The Humanities Endowment has at present State committees functioning in all the States, but the leadership of these committees has emanated from Washington.

I believe the States should have the opportunity to develop their own programs in accord with their own desires and needs—just as they do in the arts State program.

Let me outline, very briefly, how successful I believe this program has been.

In 10 years State appropriated funding for the arts has increased 15-fold—from approximately $4 million to over $60 million annually.

Municipal governments are increasingly supporting the arts. I attribute this to the grassroots impact of the State programs.

As State programs have grown in significance, so have community arts councils—a dramatic growth rate here as well, from 100 to more than 1,000 in 10 years.

There are no real parallels on the humanities side. I am convinced that the provisions of title I can enhance grassroots support for the humanities—and can enhance the impact of this program so that, in time, it can be equal to the arts. We discussed this thoroughly in subcommittee and in committee. The relevant provisions represent a modification of my original proposal, and gives the States a variety of options among which to choose what seems best to each.

Second. We have added a museum services program under title II. We have considered this legislation in two previous Congresses. Its time has come. Under an imaginative proposal of Senator JAVITS, this program to aid our Nation's museums of art, history, and science is placed within the umbrella of the Arts and Humanities Foundation.

Third. We have added a challenge grant program for the arts, to generate up to $3 non-Federal for the arts for every $1 Federal invested—and to concentrate on long-range planning—rather than on ongoing needs which the present Endowment program addresses. That is title III.

Fourth. There is an arts education program under title IV to allow the Arts Endowment, with all its resources and special experience, to conduct pilot-type programs and demonstration projects on how the arts and creative expression can add a new dimension to future education.

Fifth. In title V we have focused on a special challenge program for the Humanities Endowment, focusing attention on proposals that were made to us by John D. Rockefeller III and other leading citizens to establish a Bicentennial era program, extending until the 200th anniversary of the U.S. Constitution. This special program is concerned with our goals and priorities as a Nation, and it emphasizes citizen involvement and participation, relevant subjects for the humanities.

Also, in title V we have included modest funding for a Bicentennial photography and film survey of the United States, to be conducted primarily through State arts agencies. This would be the first time we undertook such a project since the highly praised survey of the country done by the Government 40 years ago.

I want to stress that this bill contains for fiscal 1977 no more money—and actually $2 million less—than is presently authorized in total for the Arts and Humanities.

In sum, Mr. President, I believe these figures reflect emphasis on the maximum use and benefit of the Federal investment. In arriving at these figures we were most careful not to jeopardize in any way present appropriation expectations. We have provided incentives for increase. But, most of all, we have—I

believe—provided the Arts and Humanities program with the opportunity for new dimensions and new initiatives within existing authorized funding levels.

Mr. JAVITS. Mr. President, today I note my great satisfaction that the Senate will pass the Arts, Humanities, and Cultural Affairs Act of 1976, S. 3440. As the ranking minority member of both the full Labor and Public Welfare Committee and the Special Subcommittee on Arts and Humanities Committee, I am pleased that once again my committee colleagues have successfully collaborated and unanimously reported to the Senate a bill finding broad acceptance to advance the cultural interests of all Americans.

S. 3440 will reauthorize the activities of the National Endowment for the Arts and the National Endowment for the Humanities for 4 years.

In 1949, as a Member of the House of Representatives, I introduced the first bill to authorize a National Arts establishment. Although 16 years passed before the Congress accepted this proposal, a number of our present and former Senate colleagues such as Senators HUMPHREY and PELL, and former Senator Joseph Clark of Pennsylvania, and others, were successful in creating the necessary legislative environment to establish the principal of Federal support for the arts.

Likewise, House Members such as FRANK THOMPSON, JOHN BRADEMAS, and ALBERT QUIE were simultaneously successful in creating necessary House support for this measure.

In 1965, with the energetic support of President Johnson, the principle of Federal support for cultural activities was finally enacted by the Congress and signed into law. Slightly more than a decade later, many of these same colleagues, with the same bipartisan support, have again cooperated to extend and improve the authorizing legislation for the two National Endowments. I am hopeful that President Ford, who has shown his real support for cultural activities by requesting an increase in funding for the endowments' programs in the most recent fiscal year, will look favorably upon this legislation.

I understand that Senator PELL in his remarks today has outlined the key provisions of S. 3440. I would like to touch on highlights of the bill which I feel deserve particular emphasis. The center piece of this legislation is the authorization of 4 more years of activities for the National Endowment for the Arts and the National Endowment for the Humanities. Under the leadership, and with the creative efforts, of Chairman Nancy Hanks of the Arts Endowment and of Chairman Ronald Berman of the Humanities Endowment, both agencies have flourished, each in their own way. It is a mark of their success that the Congress has continued its sound and well reasoned policy of gradually increasing the funds available for their activities. This bill continues the principle of authorizing a gradual expansion of funds so that we may annually judge the national need for Federal support of cultural activities.

Provisions of the bill continue the creative governance mechanism of a National Council for each Endowment, made up of the leading cultural experts and participants in this country. The advice and guidance provided by these Councils to their respective Endowments has been a key to the success, through their ability to provide Federal support for cultural activities without unwise intervention into the determination and selection of grantees of the highest merit. In order to expand the future congressional oversight of each Council, the committee bill has determined that the Senate should advise and consent on future appointments to these Councils. This will allow the Congress to assure that the same high quality of Council participation which has marked the first decade of the Endowment will continue in the future.

While remaining within existing authorized funding levels for the coming fiscal year, S. 3440 creates several new vehicles to advance cultural activity. Both the Arts Endowment and the Humanities Endowment will have a new Challenge Grant authority to further introduce nongovernmental participation in cultural activities. These authorities will give a new opportunity for cultural institutions and activities to meet the expanded demand placed on them through increased participation by our citizens. While the arts face a troubling financial horizon, their financial shortcomings are primarily the result of their inability to maintain a rate of expansion consistent with their growing constituencies. These two challenge authorities, each tailored to the needs of their respective Endowment, will provide a new vehicle to meet that demand through catalytic action by the Federal Government.

In a similar vein, title II of the bill creates a new museum services program to fulfill a need of these institutional treasure chests of our culture previously unmet by Federal funding. Existing activities by each Endowment have aided museums. However, the new authority contained in title II will for the first time provide undergirding financial support for these cultural institutions which have experienced an unprecedented growth in attendance in recent years. Such cultural treasures cannot have their support contingent upon short-term economic and philanthropic trends. Rather, the Nation must be diligent in assuring that these museums are sustained on a permanent basis. The new provisions to aid museums authorize a modest Federal participation in this national effort.

I am particularly pleased that my colleagues on the Labor and Public Welfare Committee unanimously accepted a proposal which I put forward regarding the Bicentennial challenge grants. As I noted previously, the committee sought to tailor the new challenge grants authorities to the respective need of the two Endowments. Within the Humanities Endowment, the Bicentennial challenge grant will for the first time specifically authorize support of programs and projects to maintain our democratic processes through encouraging citizen participation, to encourage new approaches to resolving complex national problems in an integrated manner, and to make participation of citizens in the democratic system compatible with their everyday life. I wish to commend John D. Rockefeller III, who, as chairman of the National Committee for the Bicentennial Era, provided myself and my Senate colleagues with the central concept embodied in one of the new Bicentennial challenge grants.

Mr. President, I believe the bill we consider today represents an excellent piece of legislation to maintain and enhance the necessary Federal commitment to helping to forward cultural activities to enrich the lives of our citizens, the cultural heritage of the United States.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 837, H.R. 12838.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12838) an act to extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. MANSFIELD. Mr. President, I move to strike all after the enacting clause of H.R. 12838 and to substitute therefore the text of S. 3440, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

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

The bill was read the third time.

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

The bill (H.R. 12838), as amended, was passed, as follows:

That this Act may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

SCOPE OF PROGRAM CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

SEC. 101. Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after the words "United States" the following: "(except that grants and con-

tracts may be made to include international activities provided that the primary purpose of such grants and contracts is to support the arts in the United States)".

ALLOTMENTS FOR PROJECTS AND PRODUCTION RELATING TO THE ARTS

SEC. 102. Section 5(g)(4)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after "(4)(A)" the following new sentence: "The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1).".

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

SEC. 103. (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President."

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

STATE HUMANITIES PROGRAM

SEC. 104. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f)(1) The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting not more than 50 per centum of the costs of existing activities which meet the standards enumerated in subsection (c), and in developing projects in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

"(2) In order to receive assistance under this subsection in any fiscal year, a State, in accordance with the laws of that State, shall submit an application for such grants at such time as the Chairman shall specify. Each such application shall be accompanied by an annual plan in which the Chairman finds that the State—

"(A) designates an existing state agency having responsibility for the arts and the humanities to be the sole agency for administering the State plan; or

"(B) designates a State committee on the humanities or some other appropriate entity to be the sole agency for administering the State plan if the plan—

"(i) is submitted for the approval of the Governor of the State or his designee, prior to submitting it to the Chairman;

"(ii) establishes procedures under which the Governor will appoint a majority of the members of the committee within three years after the date of enactment of the Arts, Humanities, and Cultural Affairs Act of 1976;

"(iii) establishes a membership policy designed to assure broad public representation on the committee;

"(iv) provides a nomination process which assures opportunities for nomination to membership on the committee from a variety of segments of the population of the State;

"(v) provides for the rotation of committee membership and committee officers on a regular basis;

"(vi) establishes adequate reporting procedures designed to inform the Governor of the State and other appropriate State agencies of the activities of the committee; and

"(vii) establishes procedures for public access to information about the activities of the committee; or

"(C) designates as the sole administrator of the State plan the State humanities committee in existence on the date of enactment of the Arts, Humanities, and Cultural Affairs Act of 1976, which has submitted assurances that—

"(i) the State has established independent procedures under which an individual may file with the Governor, his designee, a legitimate grievance regarding the activities or plans of the State humanities committee, for review, and if deemed appropriate by the Governor, or his designee, a hearing to resolve such grievance; and

"(ii) the provisions set forth in subclauses (iii) through (vii) of clause (B) of this paragraph are met; and

"(D) provides that funds paid to the State under this subsection will be expended solely on programs, approved by the State agency in the case of States designating under clause (A) of this paragraph or by the State committee in the case of States designating under clause (B) or clause (C) of this paragraph, which carry out one or more of the objectives of subsection (c); and

"(E) provides that the State agency, in the case of a State designating under clause (A) of this paragraph, or the State committee in the case of a State designating under clause (B) or clause (C) of this paragraph, will make such reports, in such form, and containing such information, as the Chairman may require.

"(3) Of the sums available to carry out this subsection for any fiscal year, each State which has a plan approved by the Chairman shall be allotted at least $200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full such sums shall be allotted among such States in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

"(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to States and regional groups; and

"(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under clause (A) shall be allotted among the States which have plans approved by the Chairman in equal amounts, but in no event shall any State be allotted less than $200,000.

"(4)(A) That part of any allotment made under paragraph (3) for any fiscal year—

"(i) which exceeds $125,000, but

"(ii) which does not exceed 20 per centum of such allotment,

shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of that State.

"(B) Any amount allotted to a State under the first sentence of paragraph (3) for any fiscal year which is not obligated by the State prior to sixty days prior to the end of the fiscal year for which sums are appropriated shall be available to the Chairman for making grants to regional groups.

"(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

"(D) For the purposes of paragraph (3) and this paragraph, the term 'regional group' means any multi-State group, whether or not representative of contiguous States.

"(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to a State during such year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c).

"(6) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

"(A) a group is not complying substantially with the provisions of this section;

"(B) a State agency or a State committee, as the case may be, is not complying substantially with terms and conditions of its State plan approved under this section; or

"(C) any funds granted to a group, State agency, or State committee under this section have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the group, State agency, or State committee with respect to which such finding was made that no further grants will be made under this section to such group, agency, or committee, until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such group, or agency, or committee repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.".

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

SEC. 105. Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 104(a), is further amended by adding at the end thereof the following new subsection:

"(g) It shall be a condition of the receipt of any grant under this section that the group or individual or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.".

ADMINISTRATIVE PROVISION WITH RESPECT TO SURPLUS PROPERTY

SEC. 106. Section 10(a) of the National Foundation on the Arts and Humanities Act of 1965 is amended by redesignating clauses (6), (7), and (8) of such section as clauses (7), (8), and (9), respectively, and by inserting after clause (5) the following new clause:

"(6) to receive and dispose of by grant or loan excess and surplus Federal personal property of all kinds without regard to the Federal Property and Administrative Services Act of 1949 for the purpose of carrying out sections 5(c) and 7(c);".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 107. (a)(1)(A) Section 11(a)(1)(A) of the National Foundation on the Arts and Humanities Act of 1965 is amended to read as follows:

"SEC. 11. (a)(1)(A) For the purpose of carrying out section 5, there are authorized to be appropriated $92,500,000 for fiscal year 1977, and $105,000,000 for fiscal year 1978, and such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g).".

(B) Section 11(a)(1)(B) of such Act is amended by striking out all that follows "Humanities" and inserting in lieu thereof the following: "$82,500,000 for fiscal year 1977, and $95,000,000 for fiscal year 1978, and such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fical year, not less than 20 per centum shall be for carrying out section 7(f).".

(2) Section 11(a)(2) of such Act is amended (A) by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1981"; and (B) by striking out all that follows "not exceed" and inserting in lieu thereof "$15,000,000 for the fiscal year ending September 30, 1977, $20,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the fiscal years ending September 30, 1979, and September 30, 1980.".

(3) Section 11(c) of such Act is amended by inserting before the period a comma and the following: "or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible".

(b) The amendments made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES PROGRAM

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role so that they may better serve the communities in which they are located; to assist museums in modernizing their methods and facilities so that they may better be able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE FOR THE IMPROVEMENT OF MUSEUM SERVICES

SEC. 203. There is established, within the National Foundation on the Arts and the Humanities, an Institute for the Improvement of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) The Board shall consist of nine members as follows:

(1) The Chairman of the National Council on the Arts, and two members of the National Council on the Arts selected by the Chairman.

(2) The Chairman of the National Council of the Humanities, and two members of the National Council of the Humanities selected by the Chairman.

(3) Three members who are not members of the National Council on the Arts or the National Council of the Humanities appointed by the President, by and with the advice and consent of the Senate.

The appointed members of the Board shall be broadly representative of curatorial, education, and cultural resources of the United States and of the general public.

(b) The term of office of appointed members of the Board shall be five years, except that—

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have been expired at the time of such appointment; and

(2) in the case of initial members, one shall serve for a term of five years, one shall serve for a term of three years, and one shall serve for a term of one year.

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the members of the Board who are not also members of the National Council on the Arts or the National Council on the Humanities. Five members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman except that—

(1) the Board shall meet not less than four times each year;

(2) whenever the Director determines that a meeting of the Board is necessary, and whenever one-third of the total number of members request a meeting in writing, the Board shall meet, in which event one-half of the total number of members shall constitute a quorum; and

(3) whenever five of the members request a meeting in writing, it shall meet, in which event five of the members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the power, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are well coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V, United States Code, and shall perform such duties and exercise such powers as the Board may prescribe.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include but are not limited to the National Endowment for the Arts, National Endowment for the Humanities, National Science Foundation, the Department of Health, Education, and Welfare, Library of Congress, and the Smithsonian Institution and related organizations.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the management of the Board, is authorized to make grants to museums to increase and improve museum service, through such activities as—

(1) projects to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) assisting them in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects; and

(6) developing and carrying out specialized programs for specific segments of the public such as programs for urban neighborhoods, rural areas, Indian reservations, penal and other State institutions.

(b) Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

AUTHORIZATION OF APPROPRIATIONS

SEC. 208. (a) For the purpose of making grants under section 206(a), there are authorized to be appropriated $15,000,000 for the fiscal year 1977, $25,000,000 for the fiscal year 1978, and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 209. For the purpose of this title, the term—

(1) "Board" means the National Museum Services Board established under section 203;

(2) "Director" means the Director of the Institute established under section 203;

(3) "Institute" means the Institute for the Improvement of Museum Services established under section 203; and

(4) "museum" means a public or private nonprofit agency or institution organized on

a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns and utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

SEC. 210. Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965 (Public Law 89-209) is amended to read as follows:

"SEC. 4. (a) There is established a National Foundation on the Arts and the Humanities (hereinafter referred to as the 'Foundation'), which shall be composed of a National Endowment for the Arts, a National Endowment for the Humanities, a Federal Council on the Arts and the Humanities (hereinafter established), and the Institute for the Improvement of Museum Sciences as established by the Arts, Humanities and Cultural Affairs Act of 1976.".

TITLE III—CULTURAL CHALLENGE PROGRAM

PROGRAM AUTHORIZED

SEC. 301. (a) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this title, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and nonprofit organizations for the purpose of—

(1) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

(2) providing administrative and management improvements for cultural organizations and institutions particularly in the field of long-range financial planning;

(3) enabling cultural organizations and institutions to increase audience participation in and appreciation of programs sponsored by the organizations and institutions;

(4) simulating greater collaboration and cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

(5) fostering greater citizen involvement in planning the cultural development of a community.

(b)(1) Except as provided in paragraph (2), the total amount of any payment made under this section for a program or project may not exceed 50 per centum of the cost of such program or project.

(2) The Chairman, with the advice of the Council may, for not to exceed 20 per centum of the amount appropriated in any fiscal year, waive the requirement of non-Federal matching funds provided in paragraph (1) of this subsection, whenever he determines that highly meritorious proposals for grants and contracts under this title could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by this title, unless such matching requirement is waived.

(c) In carrying out the program authorized by this title the Chairman of the National Endowment for the Arts shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965.

(d) The provisions of sections 5 (i) and (j) of the National Foundation on the Arts and the Humanities Act of 1965 shall apply to the program authorized by this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. (a) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1981, to the National Endowment for the Arts an amount equal to the total amounts received by the Endowment for the purposes set forth in section 301(a) pursuant to the authority of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (relating to the receipt of money and property donated, bequeathed, or devised to the Endowment), except that the amount so appropriated for any fiscal year shall not exceed the following limitations:

(1) For the fiscal year 1977, $15,000,000.

(2) For the fiscal year 1978, $20,000,000.

(3) For the fiscal year 1979, such sums as may be necessary.

(4) For the fiscal year 1980, such sums as may be necessary.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

TITLE IV—ARTS EDUCATION PROGRAM

STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to improve the quality and availability of arts education for all students by providing financial assistance for inservice training and retraining programs, demonstration projects of exemplary achievements in arts education and the development of the dissemination of information and materials on arts education.

AUTHORIZATION OF APPROPRIATIONS

SEC. 402. (a) There are authorized to be appropriated to carry out the provisions of this title $10,000,000 for the fiscal year 1977, $10,000,000 for the fiscal year 1978, and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

ARTS AND EDUCATION PROGRAM AUTHORIZED

SEC. 403. (a) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized to make grants to, or enter into contracts with, State educational agencies, local educational agencies, State arts agencies, institutions of higher education, or other appropriate public agencies or nonprofit organizations for the purpose of—

(1) developing short-term and long-term inservice training and retraining programs for art teachers, teaching artists, and administrators and other educational personnel involved in arts education;

(2) conducting workshops, seminars, festivals, and other appropriate activities on a national, regional, State, or local basis designed to develop and demonstrate outstanding arts education programs, including materials and techniques involving the arts as defined in section 3(b) of the Arts and the Humanities Act of 1965;

(3) collecting, analyzing, developing, and disseminating information and materials on arts education programs and resources.

(b) In making grants or entering into contract under the provisions of this section for inservice training and retraining of arts teachers, the Chairman, to the extent practicable, shall give preference to proposals in which artists and art resources of the community (including museums, performing arts groups, and other similar groups) will be used in carrying out the proposal.

(c) In making grants or entering into contracts under the provisions of this section, the Chairman shall, whenever the proposal is made by an institution of higher education, by a public agency (other than the State or local educational agency) or by a nonpofit organization require that the proposal contain adequate provision for consultation with, and whenever practicable, participation by the appropriate State or local educational agency, or both.

(d) In carrying out the program authorized by this title the Chairman shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965.

CONSULTATION; COOPERATIVE PROGRAMS

SEC. 404. (a) In the development and review of grants and contracts made under this title, the Chairman shall consult with the Commissioner of Education and with the John F. Kennedy Center for the Performing Arts through the Alliance for Arts Education to insure improved coordination in the arts education program assisted under this title.

(b) Whenever appropriate, the Chairman, with the advice of the National Council on the Arts, is authorized to enter into cooperative programs for arts education with the National Endowment for the Humanities, the John F. Kennedy Center for the Performing Arts, and the Office of Education.

TITLE V

PART A—BICENTENNIAL CHALLENGE GRANTS

FINDINGS AND PURPOSE

SEC. 501. (a) The Congress finds that—

(1) the continued vitality of our representative democracy is dependent upon a renewed commitment to, and understanding and strengthening of, the principles underlying the Constitution;

(2) the period between the two hundredth anniversary of the signing of the Declaration of Independence and the two hundredth anniversary of the ratification of the Constitution is an appropriate time to take measures to insure the future of such vitality by assessing where our society and Government stand in relation to founding principles and seeking to determine the most effective methods to pursue goals appropriate to America and its citizens in the third century; and

(3) while the commemorative efforts regarding the Bicentennial of the Declaration of Independence have, until the present, been largely celebratory in nature, the observance of the Bicentennial of the Constitution should be primarily focused on projects which will bring together the public and private sectors in an effort to find new processes for solving problems facing our Nation in its third century.

(b) It is the purpose of this part to establish a Bicentennial Challenge Grant program designed to—

(1) maintain and strengthen democratic processes and institutions through encouraging citizen participation in such processes and institutions;

(2) develop new and innovative insights and approaches to resolving, in an integrated manner, problems of a social, political, and economic nature, which confront America in its third century; and

(3) develop new approaches for citizen involvement in the democratic system which attempt to make participation in the decisionmaking processes compatible with the daily lives of all Americans who desire and who seek to participate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 502. (a) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1981, to the National Endowment for the Humanities an amount equal to the total amounts received by the Endowment for the purposes set forth in section 502 pursuant to the authority of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (relating to the receipt of money and property donated, bequeathed, or devised to the Endowment), except that the amount so appropriated for any fiscal year shall not exceed the following limitations:

(1) For the fiscal year 1977, $15,000,000.

(2) For the fiscal year 1978, $20,000,000.

(3) For the fiscal year 1979, such sums as may be necessary.

(4) For the fiscal year 1980, such sums as may be necessary.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

PROGRAM AUTHORIZED

SEC. 503. (a) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized in accordance with provisions of this part, to establish and carry out a program of contracts with, or grants-in-aid, to public agencies and nonprofit organizations for the purposes of this part.

(b) The total amount of any payment made under this part for a program or project may not exceed 50 per centum of the cost of such program or project, except as provided by section 504.

(c) In carrying out the program authorized by this title, the Chairman shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965. The Chairman, with the advice of the Council, shall take such steps as he deems necessary to coordinate the program authorized by this part with the other activities of the Endowment.

(d) The provisions of section 7(g) of the National Foundation on the Arts and Humanities Act of 1965 shall apply to the program authorized by this part.

WAIVER OF MATCHING REQUIREMENTS

SEC. 504. The Chairman, with the advice of the Council, shall waive the requirement of non-Federal matching of funds provided by section 501(b) of this part, whenever he determines that highly meritorious proposals for grants and contracts under this part could not otherwise be supported from non-Federal sources or from Federal sources other than Funds authorized by this part, unless such matching requirement is waived.

DEFINITIONS

SEC. 505. For purposes of this part—

(a) "Chairman" shall mean the Chairman of the National Endowment for the Humanities;

(b) "Endowment" shall mean the National Endowment for the Humanities; and

(c) "Council" shall mean the National Council on the Humanities.

PART B—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

FINDINGS AND STATEMENT OF PURPOSES

SEC. 521. (a) The Congress finds (1) that the federally supported photographic projects conducted during the 1930's created a lasting national historic and artistic resource of priceless value and (2) that the American Revolution Bicentennial presents the opportunity to create a similar portrait, through photographs and film, of the people and communities of the United States.

(b) It is the purpose of this part to establish the American Bicentennial Photography and Film Project, by providing assistance to State arts agencies to support qualified photography and film projects within their States, and by establishing the National Endowment for the Arts as national coordinator for the national Bicentennial photography and film project.

AUTHORIZATION OF APPROPRIATIONS

SEC. 522. (a)(1) There are authorized to be appropriated to the National Endowment for the Arts for the purpose of this part not to exceed $5,000,000 for each of the fiscal years 1977 and 1978 and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(2) Sums appropriated pursuant to this subsection shall remain available until expended

(b) Of the amounts appropriated pursuant to subsection (a) of this section, not to exceed one-fifth shall be reserved by the National Endowment for the Arts for purposes of section 524, and the remainder shall be apportioned among the States on the following basis: The first $3,000,000 shall be allocated among the States in equal amounts, and the remainder shall be apportioned among the States on the basis of population.

STATE PROJECTS

SEC. 523. (a) From funds appropriated and apportioned to each State pursuant to section 522, the Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this part. Such assistance shall also be available for acquiring essential equipment and supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this part.

(b)(1) No financial assistance may be made under this part unless an application is made at such time, in such manner and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

(2) In providing financial assistance under this part, the Endowment shall give priority to proposals which involve promising photographers or film makers who are unemployed or underemployed.

NATIONAL PROJECT

SEC. 524. From funds allotted to the Endowment pursuant to section 522(b), the Endowment shall pay the costs of administration, provide for collection and dissemination of photographs and films produced pursuant to this section, and provide direct assistance to applicants for photography or film projects of special merit which meet the purposes of this part. The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this part are made available for the permanent collection of the Library of Congress.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 3440 be indefinitely postponed.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator of National Aeronautics and Space transmitting, pursuant to law, a report on a proposed transfer of funds from "Construction of Facilities" (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to provide for the use of margarine as part of the Navy ration (with accompanying papers); to the Committee on Armed Services.

REPORT OF THE ASSISTANT SECRETARY OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report on procurement from small and other business firms for July 1975–February 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on the actions taken by the Bank during the quarter ended March 31, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE

A letter from the Chairman of the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance transmitting, pursuant to law, a report entitled "Electronic Surveillance" (with an accompanying report); to the Committee on the Judiciary.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General: one transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of April 1976; and the second transmitting pursuant to law, a report entitled "Policies and Programs Being Developed To Expand Procurement of Products Containing Recycled Materials" (with accompanying papers and report); to the Committee on Government Operations.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Under Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend and extend the program authorized by the Child

Abuse Prevention and Treatment Act (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE NATIONAL SCIENCE FOUNDATION

A letter from the Director of the National Science Foundation transmitting a draft of proposed legislation for authorizations for the fiscal year 1978 (with accompanying papers); to the Committee on Labor and Public Welfare.

NOTICE OF CERTAIN MEETINGS RELATING TO ENERGY

A letter from the Assistant General Counsel of the Federal Energy Administration transmitting notice, pursuant to law, of certain meetings related to the international energy program (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACTS FOR RESEARCH PROJECTS

Six letters from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, six proposed contracts for research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

SALE OF AGRICULTURAL COMMODITIES TO SYRIA

A letter from the Assistant Secretary of State transmitting, pursuant to law, a Determination with Statement of Reasons permitting the sale of up to $4.3 million of agricultural commodities to Syria (with accompanying papers); to the Committee on Agriculture and Forestry.

AGRICULTURAL SALES TO BANGLADESH

A letter from the Assistant Secretary of State transmitting, pursuant to law, a Determination waiving the exclusion of the Government to Bangladesh from the definition of "friendly country" for the purpose of agricultural commodity sales to it (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting, pursuant to law, its annual report for the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE ATTORNEY GENERAL

A letter from the Attorney General transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act (with accompanying papers); to the Committee on the Judiciary.

PUBLISHED REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Director of the Office of Reglatory Review of the Department of Health, Education, and Welfare, transmitting, pursuant to law, a copy of published regulations relating to educational programs (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Res. 448. A resolution urging United States policy with respect to Lebanon (Rept. No. 94–908).

By Mr. LONG, from the Committee on Finance, with amendments; and an amendment to the title:

H.R. 8948. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms (Rept. No. 94–909).

By Mr. WILLIAMS, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

S. 2849. A bill to amend the Investment Advisers Act of 1940 to authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers, and for other purposes (together with minority views) (Rept. No. 94–910).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

S. Res. 451. An original resolution authorizing additional expenditures for the Committee on Interior and Insular Affairs. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PEARSON, from the Committee on Commerce:

S. John Byington, of Virginia, to be a Commissioner of the Consumer Product Safety Commission (together with minority views) (Exec. Rept. No. 94–24).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Ronald G. Coleman, of Virginia, to be an Assistant Secretary of the Interior.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations, with a declaration:

Exec. E, 94th Congress 2d session. Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes (Exec. Rept. No. 94–25).

JOINT REFERRAL OF A BILL— S. 2510

Mr. GRAVEL. Mr. President, I ask unanimous consent that S. 2510, a bill relating to the construction of the Alaska gas pipeline, which has been referred to the Committee on Commerce also be referred to the Committee on Interior and Insular Affairs.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUDDLESTON:

S. 3457. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. BUCKLEY:

S. 3458. A bill to amend the Housing and Community Development Act of 1974 with regard to the definition of the term "city" as it is used in that Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN (by request):

S. 3459. A bill to provide for increased participation by the United States in the Asian Development Bank. Referred to the Committee on Foreign Relations.

S. 3460. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, and for other purposes. Referred to the Committee on Foreign Relations.

S. 3461. A bill to amend the Foreign Assistance Act of 1961, and for other purposes. Referred to the Committee on Foreign Relations.

S. 3462. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations. Referred to the Committee on Foreign Relations.

S. 3463. A bill to amend the Foreign Assistance Act of 1961, as amended, to authorize additional authority for Overseas Private Investment Corporation for fiscal year 1978. Referred to the Committee on Foreign Relations.

S. 3464. A bill to provide for increased participation by the United States in the Asian Development Fund. Referred to the Committee on Foreign Relations.

S. 3465. A bill to provide for increased participation by the United States in the International Development Association. Referred to the Committee on Foreign Relations.

S. 3466. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the buildings program for fiscal years 1978 and 1979. Referred to the Committee on Foreign Relations.

By Mr. BURDICK:

S. 3467. A bill to include unpledged deposits in the Bank of North Dakota, maintained by any financial institution which is a member of a Federal Home Loan Bank, or is an insured institution as defined in section 401(a) of the National Housing Act, as assets for purposes of meeting the liquidity requirements under section 5A(b) of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b)). Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GARY HART (for himself and Mr. HASKELL):

S. 3468. A bill to provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PEARSON:

S. 3469. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 3470. A bill to amend titles XVIII and XIX of the Social Security Act to provide for the coverage of certain social work serv-

ices under the supplementary medical insurance benefits program and the medicaid program. Referred to the Committee on Finance.

By Mr. BROOKE:

S. 3471. A bill to amend the Securities Exchange Act of 1934; and

S. 3472. A bill to amend the Securities Exchange Act of 1934. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WILLIAMS:

S. 3473. A bill for the relief of Tomiko Kukuda Eure. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 3474. A bill to amend title II of the Social Security Act to make more equitable the provisions relating to deductions from benefits on account of noncovered remunerative activity outside the United States. Referred to the Committee on Finance.

By Mr. CANNON:

S. 3475. A bill relating to the display of certain historical documents within the U.S. Capitol Building during the calendar year 1976. Referred to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUDDLESTON:

S. 3457. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees establish pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. HUDDLESTON. Mr. President, the Agricultural Stabilization and Conservation Service is the agency of the U.S. Department of Agriculture that administers specified commodity and related programs designed for production adjustment, resource protection, and price, market, and farm income stabilization. County ASCS employees are employed by county ASC committees established pursuant to section 8(b) of the Soil and Domestic Allotment Act as amended. Although county ASCS employees help administer Federal programs assigned to the committees by the Congress, Secretary of Agriculture, Executive order, et cetera, they are not included under the civil service system because the act specifies that these programs shall be administered at the county level by farmer-elected committeemen.

The Congress has extended to county ASCS employees the same retirement, leave, insurance, and other benefits provided civil service employees, as well as the opportunity to transfer to other agencies within the USDA. The legislation which I am introducing today, if enacted, would permit county office employees of the Agricultural Stabilization and Conservation Service to carry their leave balances, leave earning capacities, years of service, et cetera, to governmental departments other than USDA.

Mr. President, county ASC employees help administer Federal programs. In my judgment, they are qualified, skilled, and competent and should be afforded the same transfer opportunities available to other Federal employees. This bill, if enacted, would not permit county ASC employees to bypass any eligibility requirements or give them any privilege to "bump up."

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

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

S. 3457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5334(f) of title 5, United States Code, is amended by striking out "under the Department of Agriculture".

(b) The first sentence of section 6312 of title 5, United States Code, is amended by striking out "in the case of any officer or employee in or under the Department of Agriculture".

(c) 'Section 3502(a)(C) of title 5, United States Code, is amended by striking out "who is an employee in or under the Department of Agriculture".

SEC. 2. The amendments made by the first section of this Act shall take effect on the date of the enactment of this Act.

By Mr. BUCKLEY:

S. 3458. A bill to amend the Housing and Community Development Act of 1974 with regard to the definition of the term "city" as it is used in that act. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BUCKLEY. Mr. President, students of local government in New York State have long been aware of the fact that its development has proceeded in a random and less than logical pattern. The original existence of the town as a largely rural unit of local government and the city as a thickly populated urban unit, a pattern which is still characteristic of many other States, has, in New York State, yielded to a later pattern which displays a combination of large urban towns, exercising virtually all of the functions normally associated with city government; heavily urbanized villages which originated as outgrowths of towns but which in many cases now function as de facto cites, although still designated officially as villages, and cities which in many cases are far smaller in population, and less complex, than many existing towns and villages.

The extent of the diversity which characterizes New York's local government is easily appreciated by glancing at a few statistics. New York's towns range in population from a low of approximately 50 inhabitants to a high of over 800,000; the State's villages cover a range from approximately 25 inhabitants to approximately 40,000; while our cities vary from approximately 3,000 to the 7 million-plus of New York City.

The point I wish to make today is that a system of local government which is characterized by several different forms of municipal organization—town, village, city—is ill served by the type of Federal law which fails to recognize the diversity that exists from State to State. Specifically, I suggest that the Housing and Community Development Act of 1974 is deficient in that it defines "city" in such a way as to rule out the large urban towns of New York State. This discrepancy might not be a problem for many other States, which have other, simpler patterns of local government; it is a serious problem for New York. To take an extreme example, it is unrealistic for the town of Hempstead, whose population exceeds 800,000 and which provides all of the municipal services of any large metropolitan city, to be excluded from certain features of this act because of the historical accident which made it a "town" and not a "city."

Therefore, I am today introducing legislation to correct this shortcoming of the Housing and Community Development Act of 1974 by redefining the term "city." I request that this bill be referred to the proper committee so that this issue might receive the serious study it deserves. I ask unanimous consent that the bill be printed at this point in the RECORD.

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

S. 3458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102(a)(5)(B) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "and" immediately before "(ii)"; and

(2) by striking out ", and (iii)" and all that follows through "the Census".

By Mr. SPARKMAN (by request):

S. 3459. A bill to provide for increased participation by the United States in the Asian Development Bank. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for increased participation by the United States in the Asian Development Bank.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated May 14, 1976.

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

S. 3459

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Asian Development Bank Act (22 U.S.C. 285–285h) is amended by adding at the end thereof the following new section:

"SEC. 22.(a). The United States Governor of the Bank is hereby authorized to subscribe to the additional shares of the capital stock of the Bank allocated to the United States under the second replenishment of the ordinary capital resources of the Bank.

(b) In order to pay for the increase in the United States subscription provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary for payment by the Secretary of the Treasury.

THE SECRETARY OF THE TREASURY,
Washington, D.C., May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the Asian Development Bank."

The draft bill would authorize the Govenor of the Asian Development Bank (ADB) to agree to subscribe to additional shares of the capital stock of the Bank under the second replenishment of the ordinary capital resources of the Bank and to pay to the Bank such sums as may be necessary for the increase in the United States subscription. The bill would also authorize the appropriation without fiscal year limitation of such sums as may be necessary for payment by the Secretary of the Treasury.

This legislation is necessary because section 5 of the Asian Development Bank Act (Public Law 89–369, as amended) provides that Congressional authorization must be obtained for the United States Governor to subscribe to additional shares of stock of the Bank. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to contribute to the ADB.

The Administration is currently involved in international negotiations which have not yet reached a stage where a specific figure regarding the size of the U.S. share can be included in the proposed legislation. As soon as a specific figure is available, we will submit it to the Congress for its consideration.

The proposed legislation is being transmitted at this time in compliance with the Congressional Budget Act of 1974 because the Administration may request an appropriation for FY 1978 as the first installment of the United States subscription to the Second Replenishment of the ordinary capital resources of the ADB.

The Asian Development Bank was established in 1966 for the purpose of lending funds, promoting investment, and providing technical assistance to developing countries in the Asian region. Of the 42 members of the Bank, 28 are regional countries and 14 are non-regional members including Canada, and the United States and 12 European nations.

The ADB's resources consist of ordinary capital resources and special funds resources. The ordinary operations of the ADB are financed from its ordinary capital resources which consist of the ADB's subscribed capital stock, the proceeds of borrowings (which are backed by the ADB's callable capital), the sale of participations in its loans, and profits derived from ordinary operations. In its nine years of operation, the ADB has approved loans at near market rates totaling nearly $1.9 billion from its ordinary capital resources.

In 1975 it became clear that an increase in subscribed ordinary capital would become necessary if the ADB was to continue lending operations through the end of the decade. In November 1975 ADB Management submitted, for the consideration of the Board of Directors, the outlines of a replenishment proposal to finance ADB ordinary capital operations from mid-1977 through 1981. Under this proposal there would be a 135% increase in the ADB ordinary capital stock amounting to about $4.96 billion. A 135 percent increase for the U.S. would total about $814 million.

Several countries, including the United States, have raised questions about the Management's proposal and discussions are continuing. The Administration, in principle, supports U.S. participation in an ADB replenishment but has made no decisions on the size of any U.S. participation. Before the Administration makes such a decision, we will consult with the Congress. Assuming international agreement is reached, an appropriation of a first installment may be sought in FY 1978.

I believe that strong Congressional support for the ADB is essential to the foreign assistance policy of the United States. I hope we can achieve agreement on the general principles of the replenishment in order that the U.S. can continue to play its key role in the ADB.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

GEORGE H. DIXON,
Acting Secretary.

By Mr. SPARKMAN (by request):

S. 3460. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, and for other purposes.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated May 14, 1976.

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

S. 3460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act (22 U.S.C. 286–286K–2) is amended by adding at the end thereof the following new section:

"SEC. 24. (a) The United States Governor of the Bank is authorized (1) to vote for an increase of $8,444,450,000 in the authorized capital stock of the Bank and (2) if such increase becomes effective, to subscribe on behalf of the United States to thirteen thousand five additional shares of the capital stock of the Bank; *Provided, however,* That any subscription to additional shares shall be made only after the amount required to pay for the paid-in portion of such subscription has been appropriated.

(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated $1,568,858,175 to remain available until expended."

THE SECRETARY OF THE TREASURY,
Washington, May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the International Bank for Reconstruction and Development, and for other purposes."

The bill would authorize the Secretary of the Treasury as the United States Governor of the International Bank for Reconstruction and Development (IBRD) to vote for an increase of $8.4 billion in the authorized capital stock of the Bank and to subscribe on behalf of the United States to 13,005 additional shares of capital stock. However, any subscription to additional shares could be made only after the amount required to pay for the paid-in portion of such subscription has been appropriated. The bill would also authorize the appropriation of $1,568,858,175 for the increase in the United States subscription.

This legislation is necessary because Section 5 of the Bretton Woods Agreements Act provides that Congressional authorization must be obtained for the United States Governor to agree to an increase in the capital stock of the Bank and in the United States subscription. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to make payments for the additional shares.

The proposed legislation is being transmitted at this time in compliance with the Congressional Budget Act of 1974 because the Administration plans to request a FY 1978 appropriation for the first installment of the United States subscription to the IBRD Selective Capital Increase.

We consider the World Bank, now lending at an annual rate of five billion dollars, to be an indispensable source of capital for the developing countries. Bank loans can only be productive when extended to countries following sound economic policies conducive to achieving rapid rates of growth and the efficient use of domestic resources. The Bank has the technical expertise to provide the policy advice to these countries to maximize the effectiveness of its credits.

Additional capital is now required for the Bank to continue to play its key role in development finance, to maintain its lending program into the 1980s, and to retain the confidence of the private capital markets from which the Bank derives most of its resources. After several months of discussions, the Bank's Board of Directors has reached agreement on an increase in the authorized capital stock and on additional subscriptions by member countries. The proposal has been submitted to the Board of Governors for its approval. Under the proposal, the authorized capital stock would be increased by $8.4 billion and present members would subscribe to an additional $8.3 billion, of which 10 percent would be paid-in and the remainder callable.

As in the past, the Bank expects to derive the great bulk of its ordinary capital resources from capital markets. As a consequence, it must itself lend at near market rates. In contrast, the International Development Association, which is a member of the World Bank Group, derives its highly concessional funds from the national budgets of its donor members.

The full U.S. subscription is $1.57 billion. Because subscriptions to callable capital represent highly contingent obligations, it is our present intention to restrict our appropriations request to the $157 million which is required to be paid-in. The purpose of callable capital is essentially to guarantee owners of IBRD bonds against a situation in which widespread defaults on Bank loans would prevent the Bank from servicing its obligations. It is consistent with budget practice not to appropriate for guarantees in advance of the need for funds. Moreover, the Bank has never had a borrower default. In the event a default actually occurred, its net income which is $200–$300 million per year

and reserves of $1.9 billion would be the first line of defense.

Appropriations will be sought in three annual installments of $52 million, beginning with the FY 1978 budget with anticipated outlays in similar amounts over the same three year period. No U.S. subscriptions would be made until appropriations are obtained. Once the paid-in portion is appropriated, a subscription to the callable and paid-in portions of that installment would be made.

The sizes and country shares of the proposed capital increase are related to the recent International Monetary Fund (IMF) quota increases. The policy of having increases in IBRD subscriptions parallel to special increases in IMF quotas is based, fundamentally, on the view that members whose relative economic strength has increased, as reflected by their receiving a larger share in IMF quotas, can appropriately be expected to take a corresponding increase in their subscriptions to the capital of the IBRD. In order to achieve this result the percentage increase in the current capital increase of different countries varies widely, ranging from 270 percent for Saudi Arabia and Iran through 19 percent for the United States to nothing for the United Kingdom. The overall increase is 27 percent.

Because most countries have larger increases in percentage terms than the United States, our share of the capital increase is about 19 percent as compared to our 25 percent share of IBRD capital. The U.S. voting power will, as a consequence, drop from 22.6 percent to 21.9 percent of the total.

The increase in the authorized capital stock requires a 75 percent majority of the total voting power and the United States has the largest single share of votes, almost 23 percent. Therefore, U.S. approval will almost certainly be necessary in order to allow the increase in authorized capital stock to take place and enable other countries to subscribe to additional capital stock.

A Special Report of the National Advisory Council on International Monetary and Financial Policies on this increase in the resources of the Bank will be transmitted separately to you and to the Speaker of the House of Representatives.

I urge prompt and favorable consideration from the Congress of this legislation.

It will be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

GEORGE H. DIXON,
Acting Secretary.

By Mr. SPARKMAN (by request):

S. 3461. A bill to amend the Foreign Assistance Act of 1961, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to authorize foreign assistance development programs for the fiscal years 1978 and 1979.

The bill has been requested by the Agency for International Development and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD at this point, together with the letter from the Administrator of the Agency for International Development to the President of the Senate dated May 14, 1976.

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

S. 3461

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 "International Development Assistance Act of 1977".

DEVELOPMENT ASSISTANCE

SEC. 2. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 102 is amended by:

(A) Adding after subsection (c) a new subsection (d) as follows:

"(d) For the purpose of promoting economic growth in the poorest countries, the President is authorized, notwithstanding any other provision of law, to make available to the relatively least developed countries assistance under this chapter on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives", and

(B) Redesignating subsection "(d)", subsection "(e)".

(2) In subsection 103(a), immediately after "purposes," by deleting "$291,000,000" and all that follows through "1976 and" and inserting "and such sums as may be necessary for the fiscal years 1978 and 1979," immediately after "1977".

(3) Section 104, relating to population planning and health, is amended to read as follows:

"Section 104. Population Planning.—(a) In order to increase the opportunities and motivation for family planning, and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for population planning. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, such sums as may be necessary for the fiscal years 1978 and 1979, which amounts are authorized to remain available until expended.

"(b) Assistance under this section shall be planned, programed and carried out in close coordination and to the extent possible integrated with programs under sections 103, 105, 106 and 107 in order to maximize the availability of information on responsible parenthood, motivational programs and the effective delivery of family planning commodities and services to the poor."

(4) Immediately after new section 104, add the following new section and renumber the following seven sections accordingly:

"Section 105. Health.—(a) In order to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health, disease prevention and environmental sanitation. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, such sums as may be necessary for the fiscal years 1978 and 1979, which amounts are authorized to remain available until expended.

(b) Assistance provided under this section shall be used primarily for health sector planning which stresses the relation of nutrition, family planning, education and agriculture to health; for extension of low cost integrated delivery systems to rural areas and the poorest economic sectors as one means of providing better nutrition to pregnant women and infants and reducing the infant mortality rate; and for disease prevention, environmental sanitation, and health education. Emphasis shall be placed on the use of paramedical and auxiliary medical personnel, intermediate and other appropriate technology, clinics and health posts, and other modes of community outreach."

(5) In new subsection 106(a), immediately after "purposes", by deleting "$90,000,000" and all that follows through "1976 and" and inserting "and such sums as may be necessary for the fiscal years 1978 and 1979," immediately after "1977".

(6) In section 107(b), immediately after "purposes", by deleting "$99,550,000" and all that follows through "1976 and" and inserting "and such sums as may be necessary for the fiscal years 1978 and 1979" immediately after "1977".

(7) Add the following new section at the end of the chapter:

"SEC. 117. EXAMINATION OF POPULATION GROWTH IMPACT.—(a) Assistance under this part shall be administered so as to give particular attention to the impact of all programs, projects, and activities on population growth. All activities proposed for financing under this part shall be reviewed to identify their possible impact on human fertility. Particular attention shall be given to opportunities to build motivation for family planning into programs in other fields such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to the urban poor. Care should be taken to consider indirect as well as direct influences on fertility.

"(b) The President is authorized to study the complex factors affecting population growth in developing countries and to identify the factors which might motivate people to plan family size or space their children. To the maximum extent consistent with the principles set forth in section 102, projects in other development fields should be designed to reduce population growth and to maximize recognition of the benefits of planned family size.

(b) The authorization of appropriations for the fiscal year 1977 contained in section 104 of the Foreign Assistance Act of 1961 prior to the enactment of this Act shall remain in effect through September 30, 1977.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 3. Section 214 of the Foreign Assistance Act of 1961, relating to American schools and hospitals abroad, is amended as follows:

(a) In subsection (c), by deleting "1974" and all that follows through "years" and inserting "and such sums as may be necessary for fiscal years 1978 and 1979," immediately after "$25,000,000".

(b) In subsection (d), by deleting "1974" and all that follows through "years" and inserting "and such sums as may be necessary for fiscal years 1978 and 1979," "immediately after "$7,000,000".

HOUSING GUARANTIES

SEC. 4. Title III of Chapter 2 of Part I of the Foreign Assistance Act of 1961 is amended as follows:

(a) In section 221, by striking out "$430,000,000" and inserting in lieu thereof "such sums as may be necessary"; and

(b) In section 222(c) by striking out "$600,000,000" and inserting in lieu thereof "such sums as may be necessary"; and

(c) In section 222A(h) by striking out "1977" and inserting in lieu thereof "1978"; and

(d) In section 223(b) by striking "section 221 and section 222" and inserting in lieu thereof "sections 221, 222, and 222A", and by striking "section 221 or section 222" and inserting in lieu thereof "sections 221, 222 or 222A";.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 5. Section 302 of the Foreign Assistance Act of 1961 is amended by deleting in subsection (a)(1) "1974" and all that follows through "Institute" and inserting in lieu thereof "such sums as may be necessary for fiscal years 1978 and 1979".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 6. Chapter 9 of Part I of the Foreign Assistance Act of 1961 is amended in section 492, relating to international disaster assistance, by adding a comma after "1977" and inserting "and such sums as may be necessary for fiscal years 1978 and 1979."

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Executive Branch, I have the honor of transmitting the enclosed bill to authorize Foreign Assistance development programs for the fiscal years 1978 and 1979. The Office of Management and Budget advises that there is no objection to the presentation of this proposal to Congress and that its enactment would be in accord with the program of the President.

Submission of this authorization bill for development assistance programs represents a significant departure from past practice of the Executive Branch. It recognizes the desire of the Congress, as evidenced by the enactment of the International Development and Food Assistance Act of 1975, which contains authorization for development assistance for fiscal years 1976 and 1977, and of the Executive Branch, that separate authorizing legislation be enacted for development and security assistance.

The enclosed bill is transmitted at this time pursuant to section 607 of the Congressional Budget and Impoundment Control Act of 1974, which requires that authorizing legislation affecting budget levels for fiscal year 1978 be submitted to the Congress by May 15, 1976. However, because the Executive Branch is still in the process of reviewing overall budget levels for fiscal year 1978, it is impossible to include specific requests for assistance at this time. We have, therefore, requested authorizations of such sums as may be necessary for most programs.

Among the principal substantive provisions of this bill are the following. A provision recently discussed by Secretary of State Kissinger at the United Nations Conference on Trade and Development in Nairobi that aid donor nations, to the extent possible, provide economic assistance to the relatively least developed countries on a grant basis. It also contains an amendment creating separate authorizations for population planning and health programs, and a requirement that all development assistance programs be reviewed to assure that proper attention is paid to the relationship of development assistance programs and worldwide population growth.

I believe that this bill will permit us to continue to move in the direction mandated by the Congress in recent years. On behalf of the Executive Branch, I urge that the Congress consider and enact this legislation.

Sincerely,

DANIEL PARKER.

Enclosure.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1977

I. INTRODUCTION

The proposed International Development Assistance Act of 1977 (hereinafter referred to as the "Bill") is an amendment to the Foreign Assistance Act of 1961, as amended (hereinafter referred to as the "Act"). The major purpose of the Bill is to provide authorization for appropriations for activities under the Act for the fiscal years 1978 and 1979. The Bill contains authorizations for appropriations for development assistance activities only.

The fiscal year 1978 authorization levels requested for programs under Part I of the Act will be those set forth in the President's fiscal year 1978 budget. Specific levels are not included in this Bill because of ongoing reviews within the Executive Branch with respect to the overall budget for fiscal year 1978. Requests in this Bill are therefore for "such sums as may be necessary". The Bill complies with the requirement of the Budget Reform Act of 1974 that authorization legislation for fiscal year 1978 be submitted to the Congress no later than May 15, 1976.

The principal substantive amendments to Part I of the Act are a provision that development assistance be made available to the relatively least developed countries on a grant basis to the maximum extent consistent with U.S. development objectives, the creation of separate authorizations for population planning and health activities, and the addition of a requirement that all development programs be reviewed to determine their impact on worldwide population growth.

II. PROVISIONS OF THE BILL

Section 2(a). Development assistance authorizations

This subsection, consisting of seven paragraphs, provides development assistance authorizations which will permit the Executive Branch to conduct an effective bilateral development assistance program in fiscal years 1978 and 1979. The specific authorizations provided are as follows:

(1) This paragraph (A) adds a new subsection (c) to section 102 to provide that development assistance under Chapter 1 of Part I may be made available to the relatively least developed countries on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives. This provision is consistent with the United States position at the recent UNCTAD IV conference in Nairobi where the United States urged the aid donor nations to provide the relatively least developed countries on the UNCTAD list with assistance on a grant rather than a loan basis. Paragraph (B) Redesignates existing subsection 102(d) as 102(e).

(2) This paragraph amends section 102(a) of the Act, which authorizes funds to alleviate starvation, hunger and malnutrition and to provide basic services to poor people by increasing their capacity for self-help, by authorizing such sums as may be necessary to carry out section 103 programs in fiscal years 1978 and 1979. Food and nutrition programs will continue to receive primary emphasis under this authorization.

(3) This paragraph amends section 104 of the act by creating a separate authorization for population planning programs. In the existing Act, section 104 contains authorizations for both population planning and health programs. This amendment is intended to permit consideration of each of these important areas in separate authorization and appropriation categories.

Section 104(a) contains an authorization of appropriations of sums as may be necessary for population planning in fiscal years 1978 and 1979.

Section 104(b) requires that population planning programs be carried out in close coordination and to the extent possible integrated with development programs carried out under sections 103, 105, 106, and 107 of the Bill.

(4) This paragraph adds a new section 105 relating to health programs, and renumbers the remaining sections in Chapter 1 of the Act accordingly. Subsection 105(a) contains an authorization of appropriations of such sums as may be necessary in fiscal years 1978 and 1979 to prevent and combat disease and improve environmental sanitation. Subsection 105(b) contains a policy statement relating to the types of health programs that will be authorized by this new section. The primary emphasis is on the relation of nutrition, family planning, education and agriculture to health. It also stresses the extension of low cost integrated health delivery systems to rural areas and the poorest economic sectors to provide better nutrition to pregnant women and infants thereby reducing infant mortality and disease and improving environmental sanitation and health education. This new authority also stresses the use of paramedical and auxiliary medical personnel, intermediate and other appropriate technology and other means of community outreach.

(5) This paragraph authorizes appropriations of such amounts as may be necessary for renumbered subsection 106(a), which relates to education and human resources, for fiscal years 1978 and 1979.

(6) This paragraph, which relates to the programs of technical assistance, energy, research, reconstruction, and selected development problems authorized by renumbered subsection 107(b) contains authorization of appropriations of such sums as may be necessary for fiscal years 1978 and 1979.

(7) This paragraph adds a new section 117 to part I of the Act, relating to the examination of the impact of development assistance authorized under chapter 1 of part I on population growth. Subsection 117(a) requires that all programs administered under part I of the Act be reviewed to identify their possible impact, both direct and indirect, on human fertility. It also provides that particular attention be given when developing programs under sections 103, 105 and 106 of the Act to including opportunities to build motivation for family planning.

Subsection 117(b) authorizes the President to conduct studies into the factors affecting population growth in developing countries and to identify factors which might motivate people to adopt population planning methods. It also directs that consistent with the principles contained in section 102 of the Act, projects in other development fields should be designed to encourage population planning.

Section 2(b)

This subsection contains a technical provision assuring that funds authorized for the fiscal year 1977 for section 104 programs prior to the enactment of this Bill will remain available for such purposes through September 30, 1977.

Section 3. American schools and hospitals abroad

This section, consisting of two paragraphs, amends section 214 of the Act, which authorizes assistance to institutions located outside the United States that are sponsored or founded by U.S. citizens, as follows:

(a) This paragraph amends section 214 (c) by authorizing such sums as may be necessary for fiscal years 1978 and 1979.

(b) This paragraph amends section 214

(d) by providing foreign currency authorizations of such sums as may be necessary for fiscal years 1978 and 1979.

Section 4. Housing investment guaranty program

This section, consisting of four paragraphs, amends Title III of Chapter 2 of Part I of the Act as follows:

(a) This paragraph amends section 221 relating to the worldwide housing investment guaranty ceiling to authorize such sums as may be necessary through September 30, 1978.

(b) This paragraph amends section 222(c) relating to the Latin America housing investment guaranty ceiling to authorize such sums as may be necessary through September 30, 1978.

(c) This paragraph amends section 222A (h) by extending the authorization for the Agricultural and Productive Credit and Self-Help Community Development Programs from December 31, 1977 until December 31, 1978.

(d) This paragraph amends section 223(b) to permit fee income generated by programs administered under section 222A to be used to pay certain administrative and operating costs of section 222A guaranty programs.

Section 5. International organizations and programs

This section extends the authorization for International Organizations and Programs through fiscal year 1979, and authorizes appropriations of such sums as may be necessary for each of fiscal years 1978 and 1979. This authorization will enable the Executive Branch to make its voluntary contributions to international organizations whose programs are focused on the developing world.

Section 6. International disaster assistance

This section extends the authorization for International Disaster Assistance through fiscal year 1979, and authorizes appropriations of such sums as may be necessary for each of the fiscal years 1978 and 1979.

By Mr. SPARKMAN (by request):

S. 3462. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations.

The bill has been requested by the U.S. Arms Control and Disarmament Agency and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Director of the U.S. Arms Control and Disarmament Agency to the President of the Senate dated May 14, 1976.

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

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

S. 3462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Arms Control and Disarmament Act, as amended, is further amended as follows:

Section 49(a) (22 U.S.C. 2589(a)) is amended by inserting in the second sentence thereof immediately after "nondiscretionary costs)," the following: "and for fiscal year 1978 such sums as may be necessary to carry out the purposes of this Act,".

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., May 14, 1976.

Hon. NELSON ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to section 607 of the Congressional Budget Act of 1974 (31 U.S.C. 11c), I transmit herewith for consideration of the Congress proposed legislation authorizing the enactment of new budget authority to continue the program and activities of the Arms Control and Disarmament Agency for fiscal year 1978. The Agency's current authorization and appropriations expire September 30, 1977.

As you know, the Arms Control and Disarmament Agency has the principal support responsibility for the Strategic Arms Limitations Talks. The Agency also plays an active role in the negotiations relating to mutual and balanced force reductions in Europe, and at the Conference of the Committee on Disarmament in Geneva. In addition, international efforts in support of the Treaty on the Non-Proliferation of Nuclear Weapons, as well as supporting research for all of these activities, will also be funded under this authorization.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the President's program.

Sincerely,

FRED C. IKLE.

By Mr. SPARKMAN (by request):

S. 3463. A bill to amend the Foreign Assistance Act of 1961, as amended, to authorize additional authority for Overseas Private Investment Corporation for fiscal year 1978. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1961, as amended, to authorize additional authority for Overseas Private Investment Corporation for fiscal year 1978.

The bill has been requested by the Overseas Private Investment Corporation and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the president of the Overseas Private Investment Corporation to the President of the Senate dated May 14, 1976.

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

S. 3463

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 "Overseas Private Investment Corporation Amendments Act, 1977."

SEC. 2. Title IV of Chapter 2 of Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191–2200a) is amended as follows:

(1) In section 232, strike out "and" in the first sentence following "$20,000,000" and insert a comma in lieu thereof, and strike out the period at the end of the first sentence, and insert thereafter the following: "and for the fiscal year 1978 such sums as may be necessary to carry out the programs and activities provided for in subsection 234(c)."

(2) In subsection (f) of section 235, strike out "$25,000,000" in the second sentence and insert in lieu thereof "$100,000,000", in the fourth sentence, strike out "$100,000,000" and insert in lieu thereof "$250,000,000", and in the fifth sentence, strike out "one" and insert in lieu thereof "two".

OVERSEAS PRIVATE INVESTMENT CORP.,
Washington, D.C., May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Overseas Private Investment Corporation ("OPIC") hereby submits for your consideration and appropriate reference the enclosed draft bill, entitled "To Amend the Foreign Assistance Act of 1961, as amended, to authorize additional authority for Overseas Private Investment Corporation for Fiscal Year 1978."

In authorizing OPIC in 1974 to carry out its present 3 year experiment in the formation of private associations to underwrite investment insurance in conjunction with OPIC, Congress recognized the need for actual experience from which to judge the possibility of ultimately transferring these activities to the private sector. However, as indicated in OPIC's March 1976 report to the Congress entitled "On the Possibilities of Transferring OPIC Activities to the Private Sector," OPIC's experience to date with the operations of these associations has been too brief to provide comprehensive legislative recommendations.

Consistent with the foregoing, we anticipate that OPIC will submit proposed legislation early in 1977 providing for an extension of OPIC's insurance, reinsurance and guaranty authorities, which will expire on December 31, 1977 under present legislation, and including any additional amendments that may be suggested by our experience in the sharing of insurance risks with the private sector. Nevertheless, OPIC is required under section 607 of the Congressional Budget Act of 1974 to submit any request for new budget authority for Fiscal Year 1978 by May 15 of this year. The draft bill complies with this requirement.

The provisions of the draft bill and a brief explanation of them follows.

1. Increase in Capital.—The draft bill provides authorization of such sums as may be necessary for additional paid in capital for fiscal year 1978. These funds would be used to augment OPIC's Direct Investment Fund ("DIF").

An increase in the DIF would be necessary to permit OPIC to continue making direct loans beyond the end of fiscal year 1977. OPIC recently took steps to increase the DIF from $40 million to $50 million by reallocating retained earnings of OPIC, but loan applications presently being considered should result in the balance of the DIF being committed within eighteen months. The DIF is used to meet Congressional directives that OPIC give special consideration to projects

sponsored by smaller firms and those in the least developed countries.

2. Increasing OPIC's Ability to Make Prompt Cash Payments in the Event of Catastrophic Losses.—The draft bill modifies the provision of section 235(f) that prevents OPIC from seeking appropriations to augment the Insurance Reserve until that Reserve is less than $25 million so as to permit such appropriations whenever the Insurance Reserve is less than $100 million. The draft bill also increases OPIC's authority under section 235(f) to borrow from the Treasury to discharge insurance and reinsurance liabilities from $100 million to $250 million and extends the length of time for repayment of any such loan from one year to two years.

These amendments would materially improve the marketability of OPIC's reinsurance by increasing OPIC's ability to make prompt payments in the event of catastrophic losses. Part of the reluctance of private insurers to assume large underwriting obligations, even if reinsured against excess losses by OPIC, is their concern that unpredictable catastrophic losses could exhaust OPIC's Insurance Reserve, forcing the private insurers to bear the cost of discharging OPIC's liabilities while appropriation legislation was pending. The recommended amount of these increases reflects the heavy concentration of OPIC's exposure in a few countries as a result of the AID insurance portfolio transferred to OPIC in 1971.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill to the Congress and its enactment would be consistent with the program of the President.

Sincerely yours,

MARSHALL T. MAYS.

By Mr. SPARKMAN (by request):

S. 3464. A bill to provide for increased participation by the United States in the Asian Development Fund. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for increased participation by the United States in the Asian Development Fund.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated May 14, 1976.

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

S. 3464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Asian Development Bank Act (22 U.S.C. 285–285h) is amended by adding at the end thereof the following new section:

"SEC. 22. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States such sums as may be necessary, subject to appropriation thereof, for the second and third installments of the United States contribution to the First Replenishment of the Resources of the Asian Development Fund, a special fund of the Bank, in accordance with and subject to the terms and conditions of Resolution Numbered 92 adopted by the Bank's Board of Governors on December 3, 1975.

(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary for payment by the Secretary of the Treasury."

THE SECRETARY OF THE TREASURY,
Washington, D.C., May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the Asian Development Fund".

The draft bill would authorize the United States Governor of the Asian Development Bank (ADB) to contribute on behalf of the United States such sums as may be necessary to the Asian Development Fund (ADF), which is administered by the ADB. It would also authorize the appropriation of these sums for payment by the Secretary of the Treasury.

The funds for which authorization is being requested would be part of the U.S. contribution to a new replenishment of ADF resources. The U.S. contribution would be made in three installments over fiscal years 1977–1979. A request for the authorization of a first installment of $50 million was transmitted to the Congress on February 25, 1976. The present request is for funds which would constitute the second and third installments of the United States contribution.

This legislation is necessary because Section 5 of the Asian Development Bank Act (Public Law 89–369, as amended) provides that Congressional authorization must be obtained for the United States Governor to provide financing for the Bank. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to contribute to the ADF.

The proposed legislation is being transmitted at this time in compliance with the Congressional Budget Act of 1974 because the Administration plans to request a FY 1978 appropriation for the second installment of the United States contribution to the ADF Replenishment.

Multilateral discussions were held during 1975 with a view to replenishing the resources of the ADF which were almost fully committed at the end of 1975. The ADB Board of Governors, on December 3, 1975, adopted a resolution providing for an ADF resource replenishment of $830 million for the 1976–78 period. The United States abstained from voting and reserved its position on the suggested U.S. contribution of $231 million, which was based on the generally accepted formula of country contributions equal to approximately 150 percent of initial contributions to the ADF.

At U.S. insistence the resolution permitted donor countries to change their proposed contribution levels, subject to the approval of the Board of Governors, prior to the ADB's 9th annual meeting on April 22–24, 1976. At the annual meeting this deadline was postponed to June 30, 1976 in order to accommodate those countries which had not yet taken formal decisions on their replenishment contribution.

The Administration has consulted with the Congress, but no final decision on the amount of the U.S. contribution has yet been made, although we expect to request a level substantially less than the $231 million suggested. We will promptly inform the Congress when a final decision is made.

The Asian Development Bank was established in 1966 for the purpose of lending funds, promoting investment, and providing technical assistance to developing countries in the Asian region. Membership is open to all members of the Economic and Social Commission for Asia and the Pacific (ESCAP) and other regional countries which are members of the United Nations or of any of its specialized agencies as well as to nonregional developed nations. The Bank now has 42 members, of which 28 are regional countries including the three developed countries of Japan, Australia, and New Zealand. Nonregional members include 12 European nations, Canada, and the United States.

The ADB's resources consist of ordinary capital resources and special funds resources. Ordinary capital resources are used to make loans at near market rates and consist of the ADB's subscribed capital stock, the proceeds of borrowings (which are backed by the Bank's callable capital), the sale of participations in its loans, and profits derived from ordinary operations. In its nine years of operation, the ADB has approved loans totaling over $1.9 billion from its ordinary capital resources.

The highly concessional operations of the Bank are financed from its special funds resources which consist of contributions made by members, income from special funds loans, income earned by investment of undisbursed special funds resources, and amounts set aside to special funds by the Board of Governors from ordinary capital resources. The special funds resources are used to provide concessional loans to members such as Afghanistan, Burma, Bangladesh, Sri Lanka, Western Samoa, and Pakistan because their financial position requires that they receive loans with lower interest and longer maturities. As a matter of practice, India does not borrow from the ADB. In the years that it has been making special funds loans, the ADB has approved $658 million of such loans, including $166 million in 1975.

Prior to 1973, the ADB's special funds were a collection of contributions each of which was made pursuant to different terms and conditions as to its use. In 1973, the ADB's Board of Governors, with U.S. support, adopted a resolution creating a new multilateral special fund, the Asian Development Fund, to which all contributions would be made and used on the same terms and conditions. Subsequently, agreement was reached among the Bank's developed country members on an initial resource mobilization for the new ADF of $525 million for the three-year period ending December 31, 1975. In FY 1972 and FY 1975 the Congress authorized U.S. special funds contributions totaling $150 million, of which $100 million has been appropriated and contributed to the ADF. The final U.S. contribution of $50 million to the initial mobilization was included in the FY 1976 appropriation request. The Conference Committee on the 1976 Foreign Assistance appropriation bill has recommended an appropriation of $25 million.

I believe that strong Congressional support for the ADF is essential to the foreign assistance policy of the United States. As the soft loan window of the Asian Development Bank, the Fund is a primary source of assistance for the very poorest countries of Asia.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

GEORGE H. DIXON,
Acting Secretary.

By Mr. SPARKMAN (by request):

S. 3465. A bill to provide for increased participation by the United States in the International Development Association. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for increased participation by the United States in the International Development Association.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated May 14, 1976.

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

S. 3465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association such sums as may be necessary for the United States contribution to the Fifth Replenishment of the Resources of the Association.

(b) In order to pay for the United States contribution, there is hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary for payment by the Secretary of the Treasury."

THE SECRETARY OF THE TREASURY,
Washington, D.C., May 14, 1976.

HON. NELSON ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the International Development Association."

The draft bill would authorize the United States Governor of the International Development Association (IDA) to agree to pay to the Association such sums as may be necessary for the United States contribution to the Fifth Replenishment of the resources of the Association. It would also authorize the appropriation without fiscal year limitation of such sums for payment by the Secretary of the Treasury.

This legislation is necessary because Section 5 of the International Development Association Act (Public Law 86-565, as amended) provides that Congressional authorization must be obtained for the United States Governor to agree to provide financing for the Association. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to contribute to IDA.

The proposed legislation is being transmitted at this time in compliance with the Congressional Budget Act of 1974 to indicate the possibility that the Administration may request an appropriation for FY 1978 for the first installment of the United States contribution to the Fifth Replenishment of IDA (IDA V).

The International Development Association was established in 1960 at the initiative of the United States to provide the same kind of development finance and expertise as the International Bank for Reconstruction and Development, but on highly concessional terms to meet the needs of the World Bank's poorer members. More than 90 percent of IDA loans go to countries with less than $200 per capita income in Asia, Africa and Latin America. As of December 31, 1975, IDA had made $9.1 billion in total commitments to current borrowers; 95% of these commitments were made in Asia and Africa where the lowest income countries are. Approximately 51% of these commitments were in agriculture and transportation, with the remainder widely dispersed in other sectors.

The Association initiated discussions on IDA V in November, 1975 because existing resources from the Fourth Replenishment (IDA IV) will be fully committed by June 1977. However, international negotiations are at a very preliminary stage. In the discussions that have been held with potential donor countries, neither the total size of the Replenishment nor individual country shares have yet been determined. The U.S. representative has stated that the support of IDA is a high priority of U.S. foreign assistance policy. He has indicated that the U.S. could consider making a substantial contribution, jointly with other donors, provided that the OPEC countries participated in a significant fashion. He has also stated that he could give no indication of the size and timing of a U.S. contribution because the United States has not yet made its first contribution to IDA IV and the Administration has not yet held consultations with the Congress concerning a Fifth Replenishment. Other donors have thus far taken an affirmative position without committing themselves to precise amounts.

The total contribution to IDA IV was $4.5 billion, of which the U.S. has agreed to provide $1.5 billion. The Association is seeking a replenishment which, after adjustment for inflation, will be larger than the total contribution to IDA IV. Such an increase, if agreed to, would require, larger contributions from the traditional donors, in addition to contributions from new donors drawn from among OPEC countries.

Due to delays in the passage of appropriations, the U.S. is currently behind in its contributions to IDA IV. At least one half of our total IDA IV contribution will be awaiting appropriation in FY 1978 and FY 1979—possibly overlapping with the IDA V contributions. An outstanding issue to be resolved is the timing and nature of the U.S. commitment for contributions to IDA V. Our commitment needs to be firm enough to ensure the participation of other countries while taking into account U.S. internal legislative procedures.

Because the poorest countries of the world see IDA as their principal source of external assistance, the Administration feels strongly that the United States should continue to support IDA and its much-needed activities. I hope we can achieve agreement on the general principles of this Replenishment so that the United States can continue to play its key role in IDA.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the Speaker of the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

GEORGE H. DIXON,
Acting Secretary.

By Mr. SPARKMAN (by request):

S. 3466. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations for the Buildings Program for fiscal years 1978 and 1979. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-301), to provide authorization for appropriations for the buildings program for fiscal years 1978 and 1979.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated May 14, 1976.

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

S. 3466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (i) as subsection (k) and by inserting immediately after subsection (h) the following new subsection:

"(i) In addition to amounts authorized before the date of enactment of this subsection, there is hereby authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $16,435,000 may be appropriated for the fiscal year 1979;

"(B) for use in the American Republics, not to exceed $5,480,000 may be appropriated for the fiscal year 1979;

"(C) for use in Europe, not to exceed $2,858,000 may be appropriated for the fiscal year 1979;

"(D) for use in East Asia, not to exceed $8,992,000, of which not to exceed $1,220,000 may be appropriated for the fiscal year 1978;

"(E) for use in the Near East and South Asia, not to exceed $12,295,000, of which not to exceed $4,120,000 may be appropriated for the fiscal year 1978;

"(F) for facilities for the United States Information Agency, not to exceed $315,000 may be appropriated for the fiscal year 1979;

"(G) for facilities for agricultural and defense attaché housing, not to exceed $655,000 may be appropriated for the fiscal year 1979; and

"(2) for use to carry out the other purposes of this Act for fiscal years 1978 and 1979, $99,300,000, of which not to exceed $46,200,000, may be appropriated for fiscal year 1978," and

(2) by changing subsection (j) of paragraph 1 to remove the comma and words after $30,000,000 and adding "for fiscal year 1977, $45,000,000 for fiscal year 1978, and such

sums as may be necessary thereafter, to remain available until expended.", and

(2) by striking out paragraph (2) of subsection (k) as so redesignated by paragraph (1), of this Act, and inserting in lieu thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), (h), and (i) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of any of such paragraphs (1)."

DEPARTMENT OF STATE,
May 14, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate.

DEAR MR. PRESIDENT: As required by Section 607 of Public Law 93-344, the Department of State encloses and recommends for your consideration proposed legislation to amend the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-301), to provide authorization for appropriations for the Buildings Program for fiscal years 1978 and 1979.

The authorized levels sought by this bill are $47,030,000 for the general capital program and $99,300,000 for the operating expenses of the program for fiscal years 1978 and 1979 under the combined Regular Dollar Appropriation (Acquisition, Operation and Maintenance of Buildings Abroad) and the Special Foreign Currency Program. Additionally, the Department requests for the Moscow Embassy Complex, under a separate subsection of its legislation, $45,000,000 in fiscal 1978 and such sums as may be necessary thereafter.

The Department of State has been advised by the Office of Management and Budget that there is no objection to the presentation of this proposal to the Congress.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

By Mr. BURDICK:

S. 3467. A bill to include unpledged deposits in the Bank of North Dakota, maintained by any financial institution which is a member of a Federal home loan bank, or is an insured institution as defined in section 401(a) of the National Housing Act, as assets for purposes of meeting the liquidity requirements under section 5A(b) of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b)). Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BURDICK. Mr. President, as many of my colleagues know, North Dakota has been engaged in a long and very successful experiment with State-owned banking. Since 1919, the State of North Dakota has run the Bank of North Dakota, whose deposits have been safeguarded and insured by the unquestioned solvency of the State of North Dakota.

In this age of tight credit and mass credit exporting, the Bank of North Dakota has been the subject of increasing interest. The legislatures in many States, including New York, Illinois, Massachusetts, and Washington, have in recent years given very serious consideration to proposals which would set up similar banks in those States. This attention has been directed to the Bank of North Dakota because it is performing essential services for the State of North Dakota and the upper Midwest.

While the Bank of North Dakota has been successful in providing many needed services to North Dakota consumers and other area financial institutions, the bank has encountered a major obstacle to serving the best interests of institutions which are members of a Federal home loan bank or are insured institutions as defined by the National Housing Act—section 401(a).

Mr. President, the Federal Home Loan Board—FHLBB—has repeatedly rejected the reasoned requests of Bank of North Dakota President Herb Thorndahl to qualify the Bank of North Dakota as a repository for savings and loan deposits. Such a declaration by the FHLBB is necessary if cash or demand deposits with the bank, belonging to the institutions just referred to, would qualify to meet mandated liquidity requirements of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b)).

Mr. President, I am reluctant to introduce legislation whose purposes could be accomplished without legislative action. However, the Federal Home Loan Bank Board has had an opportunity to review this idea, one which I feel has great merit, and has done nothing.

I am encouraged, however, by the initiative of the 91st Congress which provided just this type of relief for the bank for savings and loans in Chicago. Public Law 91-609 included provisions to include assets in that bank as assets for purposes of meeting liquidity requirements. The reasoning behind this proposal is just as strong, if not stronger than, that of the special provision for the Chicago Bank for Savings and Loan. The Bank of North Dakota is the strongest, safest bank in the United States today. Its deposits are insured by the State of North Dakota—section 6-09-10, North Dakota Century Code—not by the Federal Deposit Insurance Corporation. Therefore, deposits in the Bank of North Dakota by savings and loan associations do not qualify to meet liquidity requirements. They are just nonearning dead assets.

Hence, Mr. President, I ask that the Senate Committee on Banking, Housing and Urban Affairs take favorable action on this legislation. This is an important bill for all consumers and credit users in the upper Midwest.

By Mr. GARY HART (for himself and Mr. HASKELL);

S. 3468. A bill to provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. GARY HART. Mr. President, today my Colorado colleague and I are introducing a bill that provides a workable solution to a problem that has faced many of our Nation's counties which have large holdings of Federal land.

The Federal Government is, of course, the Nation's largest landowner, with title to 2.2 billion acres. But unlike other landowners, however, the Federal Government does not pay property taxes—the critical source of tax revenue to units of local government.

This tax immunity of the Federal Government can be and is a large burden to counties with large holdings of Federal lands and there are numerous such counties in Colorado.

The bill we are introducing today provides for payments to units of local government in lieu of property taxes for 10 categories of Federal lands. Included under the bill would be national parks, the National Forest System, wilderness areas, and land under the administration of Interior Department's Bureau of Land Management.

Let me acknowledge my debt to my Colorado colleague, Representative FRANK EVANS, who introduced and helped through committee a similar bill which formed the basis of this measure.

It provides for an annual payment to units of local government of 75 cents per acre of qualified Federal land. This 75-cent-an-acre payment, however, is subject to two other limitations. Existing payments under other public lands revenue sharing programs would be deducted from the total payment.

A second limit sets a ceiling on payments based on the county's population to avoid windfalls to a few counties with enormous acreage of Federal lands but a tiny population. Units of local government would, nevertheless, receive at least 10 cents an acre. A second major provision of the bill calls for the Federal Government to pay for a period of 5 years the equivalent of 1 percent of the value of any new lands acquired for the National Park System or wilderness areas. This payment, however, cannot exceed the property taxes on the land at the time it is acquired by the Federal Government. The purpose of this provision is to cushion the shock to the local tax base when the Federal Government acquires the land.

The main recipients of the in lieu tax payments will be county governments, because they are the units of local government whose boundaries enclose the tax-exempt Federal lands. There will be cases, however, where cities or townships will qualify for the payments.

This bill follows closely the approach of H.R. 9719 introduced by Representative EVANS but does contain several differences. First, we have added an expiration date of September 30, 1981, as a sunset provision. Since this is the first attempt to provide payments in lieu of property taxes, I strongly believe that Congress should review how this bill works out in practice to determine that the payments meet the burdens brought by Federal public lands holdings.

This bill will also save approximately $8 million over the House version by eliminating additional payments for all national parks and wilderness areas acquired from 1970 to 1975. Furthermore, it does not provide for payments for Corps of Engineers water projects because these lands are largely in asset to the communities, not a burden. The total annual cost will be approximately $109 million annually.

I retain an open mind about other approaches and additional suggestions toward more effective ways to meet the burden on local government caused by Federal tax immunity.

This problem, however, has been under study for years without any action whatsoever. This bill contains a fair and workable approach. I ask unanimous consent that the bill be printed in the RECORD.

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

S. 3468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective for fiscal years beginning on and after October 1, 1976, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in section 6) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in section 2.

SEC. 2. (a) The amount of any payment made for any fiscal year to a unit of local government under the first section shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)), reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)).

In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(b)(1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population equals—	Payment shall not exceed the amounts computed by multiplying such population by—
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(c) For purposes of this section, population shall be determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes.

(d) In the case of a smaller unit of local government all or part of which is located within another unit of local government, entitlement lands which are within the boundaries of both such units shall be treated for purposes of this section as only within the boundaries of such smaller unit.

SEC. 3. (a) In the case of any land or interest therein, acquired by the United States for addition to the National Park System or National Wilderness Preservation System after the date of the enactment of this Act which was subject to local real property taxes within one year preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such lands or interests therein are located, in addition to payments under the first section. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government which have incurred losses of real property taxes due to the acquisition of lands or interests therein for addition to either such system. In those cases in which another unit of local government other than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions will not carry out the purposes of this subsection.

(b) Payments authorized under this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such lands or interests therein are acquired by the United States.

Such payments may be used by the unit or other affected local governmental unit for any governmental purposes.

(c)(1) The amount of any payment made for any fiscal year to any unit of local government under subsection (a) shall be an amount equal to 1 per centum of the fair market value of such lands and interests therein on the date on which acquired by the United States. If, after the authorization of any unit of either system under subsection (a), rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payments shall be computed as if such land had not been rezoned.

(2) Notwithstanding paragraph (1), the payment made for any fiscal year to a unit of local government under subsection (a), when added to the payment to such unit under the first section, shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or National Wilderness Preservation System.

(d) No payment shall be made under this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

SEC. 4. The provisions of law referred to in section 2 are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273; 43 U.S.C. 3151);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section 5 of the Act entitled "To safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes", approved June 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);

(8) section 5 of the Act entitled "An Act to amend the Act of June 22, 1948 (62 Stat. 568) and for other purposes" approved June 22, 1956 (70 Stat. 366; 16 U.S.C. 577g–1);

(9) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355); and

(10) section 3 of the Materials Disposal Act (61 Stat. 681; 30 U.S.C. 603).

SEC. 5. (a) No unit of local government which receives any payment with respect to any land under the Act of August 28, 1937 (50 Stat. 875); or the Act of May 24, 1939 (53 Stat. 753), during any fiscal year shall be eligible to receive any payment under this Act for such fiscal year with respect to such land. Nothing in this Act shall be construed to apply to the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753).

(b) If the total payment by the Secretary to any county or unit of local government under this Act would be less than $100, such payment shall not be made.

SEC. 6. As used in this Act, the terms—

(a) "entitlement lands" means lands owned by the United States that are—

(1) within the National Park System, the National Wilderness Preservation System, or

the National Forest System, or any combination thereof, including, but not limited to, lands described in section 2 of the Act referred to in paragraph (7) of section 4 of this Act (16 U.S.C. 577d) and the first section of the Act referred to in paragraph (8) of this Act (16 U.S.C. 577d–1); or

(2) administered by the Secretary of the Interior through the Bureau of Land Management;

(b) "Secretary" means the Secretary of the Interior; and

(c) "unit of local government" means a county, parish, township, municipality, borough existing in the State of Alaska on the date of enactment of this Act, or other unit of government below the State which is a unit of general government as determined by the Secretary (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

SEC. 7. (a) To carry out the provisions of this Act, there are authorized to be appropriated for each of the fiscal years beginning on October 1 of 1976, 1977, 1978, 1979, and 1980 such sums as may be necessary.

(b) In the event the sums appropriated for any fiscal year to make payments under this Act are less than the amounts to which all units of local government are entitled under this Act, then the payment or payments to each unit of local government shall be proportionally reduced.

Mr. HASKELL. Mr. President, on February 25, 1976, the Senate considered and passed by a vote of 78 to 11, my bill S. 507, the National Resource Lands Management Act, to provide for the management, protection, and development of the lands under the jurisdiction of the Bureau of Land Management. Contained in section 3 of that act is a declaration of policy that—

The national interest will be best served by retaining the national resource lands in federal ownership.

Implementation of this policy would mean that virtually all of this vast area—20 percent of America's land base and 60 percent of all federally owned property—will forever remain public. As the approximately 187.3 million acres set aside in the national forest system and approximately 24.7 million acres incorporated in the National Park Service are already protected from conveyance by the Organic Act of 1897 and the 1916 National Park Service Act, should S. 507 be enacted, one single policy of retention of the Federal interest in land will attach to approximately 761 million acres. This policy means that Federal lands will continue to comprise a high percentage of the land base in many Western States and counties, for example, up to 95.6 percent of land in Alaska and 95 percent of land in Hinsdale County, southwestern Colorado.

S. 507 declares retention to be in the public interest and the public was perceived to be the beneficiary of the 1897 Organic Act, 1916 National Park Service Act, and other laws calling for the maintenance of land in Federal ownership. Accordingly, any cost resulting from such retention should be shared by the public generally. Unfortunately this is not the case. Were these lands in private ownership they would be subject to ad valorem taxation and would contribute to the revenues of local government. These lands, however, are tax exempt.

That the Federal Government's retention of public lands would impact negatively on the revenues of State and local governments was recognized at an early date. The first attempt to provide State and local governments with some revenue for these tax exempt lands occurred in 1907 when the Congress authorized the return of 25 percent of stumpage sale receipts from timber cutting on the forest lands to the counties for public education and roads.

In subsequent years, the Congress has required a percentage of fees and revenues payable to the Federal Government from virtually every major use of the public lands—grazing, mining, mineral leasing, and commercial outdoor recreation activities—be shared with State and local governments. These many provisions of law, however, suffer from numerous inadequacies. For example, a number of the laws require that the shares of Federal revenue be paid to the States and leave to the States the discretion of whether to distribute the funds to the affected local governments. In addition most of these shared funds can be used for very limited purposes—usually for construction of roads and schools only. Third, the shares provided State and local governments are increasingly insufficient to cover the public service costs generated by activities on public lands.

During this Congress and last, I have attempted through the writing of individual bills and amendments to other legislation to remedy these three problems. Presently three Senate passed bills bear provisions I have authored to distribute a greater share of revenues from mining and mineral leasing to States and local governments to assure the impacted local governments receive the lion's share of the funds and to remove limitations on the funds' use. In addition, yesterday, I introduced a major amendment to S. 2125, my bill to reform the policies and procedures employed by the Forest Service in issuing and administering ski area and other commercial outdoor recreation permits, which would achieve the same results in the case of permit fee moneys. It is my firm belief that, with the greater amount of funds and increased flexibility in use of those funds which these provisions, if enacted, would provide, local governments will be better able to meet and mitigate social, environmental, and economic impacts from development activities on Federal lands.

There is, however, one serious inequity which cannot be resolved by amendments to the many statutes providing for distribution of shares of Federal fees and revenues from Federal lands to State and local governments. Large portions of Federal lands do not support revenue generating activities, either because they have been set aside for a single-purpose use, such as national parks, wilderness areas, or wild and scenic rivers, or because they do not possess resources—such as timber, minerals, or forage—sufficient to warrant development or use.

These same lands, however, are placing severe pressures on State and local government as, in our increasingly mobile society, they become destinations for the American public seeking recreational opportunities. Whether Americans drive to or live near these undeveloped public lands, they are increasingly using or enjoying them as if they were extensions of their own back yards. The resulting sewage, water, police, and fire protection, and other public service demands are not covered by the taxation of, or revenue sharing from, those lands.

These inequities can be resolved only by offering an alternative system of payments to local governments not based on receipts from development activities on the Federal lands. The need for such an alternative payment system has long been recognized. Most notably, the Public Land Law Review Commission, which recommended the retention of Federal lands as basic national policy, recognized the concomitant obligation of the United States "to make payments to compensate State and local governments for the tax immunity of Federal lands." The idea is not novel. Various alternative payment schemes have been studied and restudied, argued and reargued, over many decades. The principal alternative payment system so studied and discussed was termed "in lieu tax payments" in recognition that the payments were considered to be full or partial reimbursement for revenues which otherwise would be collected if the lands were in private ownership and subject to taxation.

Mr. President, this concept of in lieu tax payments was the fundamental roadblcok to a more equitable system of payments to State and local governments to defray public service impacts of activities on Federal lands. Despite the many studies, particularly those of the National Advisory Commission on Intergovernmental Relations and the Public Land Law Review Commission, no firm price tag on an in lieu tax payment scheme could be established. We simply did not have an appraisal of the Federal lands which would be required to implement an in lieu tax payments program. Nor would any such appraisal come cheaply and without controversy. Few legislators were willing to enact a measure no matter how appropriate when even the grossest estimates of cost were challenged.

It is my firm belief that the bill which Senator HART and I introduce today is the most workable approach to an alternative payment system yet devised. It is not an in lieu tax bill in the sense that it does not purport to substitute Federal funds dollar for dollar for tax revenues which would otherwise be raised through ad valorem taxation. It does not require the heavy expenditures which would be required to determine the appraised value of Federal lands were they on the tax rolls. It avoids the expensive, lengthy process of assessing the public lands and innumerable disputes and unnecessary bureaucracies which would result from such an assessment program. Instead, it establishes an alternative payment formula which provides a clear floor and a clear ceiling for payments to local governments based on the population and number of acres of Federal lands.

Mr. President, the credit for the development of this innovative, workable approach to the resolution of an old and difficult problem should go to a Congressman from my home State, Representative FRANK EVANS. He has pursued with an admirable and effective tenacity his goal of providing public land-locked local governments—governments which are wholly dependent on ad valorem taxation of the remaining private land to pay for public services which are often required by activities on the Federal lands—with a better means of meeting the impacts of those activities. Congressman EVANS' bill, H.R. 9719, has been reported by the Committee on Interior and Insular Affairs of the House of Representatives and may soon receive floor action. I assure Congressman EVANS and my colleagues in the Senate that if that bill receives a favorable vote in the House, I, in my capacity as chairman of the Subcommittee on the Environment and Land Resources of the Senate Interior Committee, will schedule prompt hearings on his proposal and the bill we introduce today.

Senator HART and I recognize there are still numerous issues concerning the alternative payment system which are not fully resolved and there is still opposition which must yet be won over. Quite frankly, I have questions and concerns about H.R. 9719 which I hope to have answered in the hearing process. Although the bill introduced today by Senator HART and me is patterned after H.R. 9719 as reported in the House, we have made certain changes to reflect our concerns. Remaining questions I am sure can be answered when the advocates of this legislation explain its provisions in the hearing process, and hopefully any lingering problems can be resolved through amendments in the committee markup.

Mr. President, I believe that at a time when the Federal Government is placing increasing demands on the public lands for production of oil shale, coal, and many other basic resources, it is incumbent on the Congress to consider any and all means to mitigate the impacts of these demands on local government. I believe the bill Senator HART and I introduce today provides an approach worthy of such consideration.

By Mr. PEARSON:

S. 3469. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools. Referred to the Committee on Labor and Public Welfare.

Mr. PEARSON. Mr. President, busing is once again in our newspapers and television news reports. This renewed flood of public attention points up my chief objection to involuntary busing. It diverts attention from the very problem it was designed to solve. Busing should not be the issue, rather we should concentrate on equal access to quality education for all children.

I have supported most proposals identified as probusing, in the belief that the transportation of students would rectify unjust policies of racial isolation without unnecessary additional injury to the public welfare. In some situations, it may be that busing has a solely palliative effect. But many of our cities have demonstrated the painful evidence that such is not always the case. Assessing this evidence at its worst, it indicates that busing stimulates the flight of white students to private schools or to public schools in suburbs outside the economic reach of most blacks. So, in fact, busing may militate against integration. The evidence shows no measurable improvement in the quality of the education available to blacks and some indicators suggest it has lowered the standards of education available to all children. Our busing experience shows little contribution to racial harmony, and, in fact, has produced strains and divisions within our communities.

Though I do not believe that decades of injustice can be remedied without significant and painful readjustment, this evidence alone might be sufficient cause for abandoning involuntary busing. But what is more troubling is that busing, as an issue, has obscured its objectives.

Busing has come to represent the end it was intended to serve. Racial isolation, opportunity for educational improvement, and even deliberate segregation have been overshadowed by the legislative battles over busing. The focus in Congress has been on the sentiments surrounding busing in and of itself. We have just not been addressing the continuing problems busing was initially designed to solve.

To me desegregation is not merely required by law, it is a moral and social imperative. The chosen means for obtaining that end blinds us. Debate over busing must give way so desegregation may be readdressed. In this Chamber, I have heard the search for an "alternative to busing" treated as if there were some magical tool long awaiting invention. This is merely another example of the folly that has led us to our present condition. There is no single alternative other than to confront the underlying reality to which the courts have been reacting in their resort to the busing remedy.

Mr. President, Alexander Bickel, an esteemed constitutional legal scholar recognized the congressional dilemma and offered sound advice:

> Congress and the President should address themselves not to the courts but to the problems of primary and secondary education. These problems—affecting many private as well as public schools—include poor educational results as well as racial isolation. Busing and racial balance won't solve them in most places. And there is no panacea that will solve them everywhere. Hence no categorical national policy is possible. What is possible is Federal help for coherent, well-planned local efforts to improve primary and secondary education.

Professor Bickel backed that advice up with a concrete legislative proposal. His proposal became the skeleton of a bill introduced by Mr. PREYER of North Carolina. Representative PREYER has worked with this legislation for some time, improving and updating its provisions. The bill I offer today is a companion to Mr. PREYER's proposal. I am convinced that the bill directly addresses the obstacles to equality and quality in education. I am confident a majority of the Members of both Houses will be similarly persuaded.

The principal advantage of this legislation is found in its recognition of local solutions to local problems. Each State would be required to submit a plan to the Secretary of Health, Education, and Welfare within 1 year. The plan would be developed in consultation with a State advisory council and with local educational agencies. These councils would be appointed by the Governor and be constructed so that the parents of public school children make up a majority of its members, with a proportionate representation by minority-group parents. Each State plan would have to assure that substantial progress is made each year and that the defined goals for equal educational opportunity are met within 5 years. Should the Secretary of HEW find that there is a failure to comply substantially with the requirements of State plans, the Secretary would be required to end Federal financial assistance under the act.

The bill specifies three components, at least two of which would have to be included in a State plan. A State which places primary and substantial emphasis on the second component listed would be eligible for supplemental funds.

First. A majority/minority transfer plan on both an intradistrict and interdistrict basis. This provision would offer a student the opportunity to enroll in a school outside the district in which he resides. The school district to which he is transferred would be compensated for added expenditures of local funds.

Second. A school district reorganization plan. This could include, on the one hand, redrawing zone boundaries within districts, pairing and clustering schools, and establishing magnet schools; and on the other, cooperative arrangements between school districts for common use of existing school facilities and for construction of new joint facilities.

Third. An approved, concentrated compensatory education program. Expenditures under this program would be made only in schools with at least 25 percent low-income enrollment. The State would have to insure that average per pupil expenditures in schools or school districts participating in such a program would increase with the proportion of low-income students in these schools or school districts.

Additionally, the act would define the desegregated unitary system, in conformity with court decisions, and repeat the requirement that all States maintain unitary systems.

Also, the act would grant any student the right to transfer voluntarily from a school in which his race is a majority to one in which it is the minority within his school district. Such a right is enforceable through a civil action, and a denial of that right would also constitute a violation of the Civil Rights Act.

The bill would further require equalization of resources among schools within a district in eight very specific ways, such as pupil-teacher ratio, class size,

school building and materials, teacher quality, and textbooks.

To assist States in developing and implementing State plans, the bill would authorize $200 million in fiscal year 1977, and $500 million in each of the following 4 fiscal years. In fiscal year 1977, 85 percent would go to States according to the proportion of the Nation's minority group children each State contains. In the succeeding years, 65 percent of any appropriations would be similarly apportioned to qualifying States as basic grants, 30 percent as supplemental funds, and 5 percent to public and private agencies to assist the States in implementing and evaluating the plans.

Mr. President, we have divided ourselves bitterly over the busing of children to achieve racial balance when we should address ourselves to the real question: How to provide each child equal access to a quality education. The bill I introduce addresses just that problem. It makes available resources to provide quality education to those who are in the best position to judge whether or not their children do, in fact, have access to quality educational resources. Those persons are parents, local and State school officials. And I state unequivocally that local control of public schools does not mean that the Constitution of the United States can be ignored. Local control of schools under this bill will no longer be a code word for local discrimination against any group of American citizens.

This is not an antibusing measure. Even under its provisions, some involuntary transportation may be required to meet the requirements of the act's provisions and the Constitution. This bill does not supplant busing, but it does, I believe, begin to correct the underlying problems so that a new and more compatible design for racial integration might emerge.

By Mr. INOUYE:

S. 3470. A bill to amend titles XVIII and XIX of the Social Security Act to provide for the coverage of certain social work services under the supplementary medical insurance benefits program and the medicaid program. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, today I am introducing legislation to amend the Social Security Act by authorizing payment for therapeutic services provided by clinical social workers.

We have traditionally viewed health as being primarily determined by physical factors. As a result, the health care system has evolved into one which focuses on the repair of the human machinery. Increasingly, however, it appears that the social environment cannot be separated from the physical state of health. Our system of health care will continue to be less than adequate until it recognizes this vital social component of illness. An arthritic woman who is unable to keep her job because of cosmetic deterioration is not just a medical patient. Similarly, the family disruption caused by the disability of its wage earner demands more than our present system of health care can offer. In cases such as these, health "care" which solely attends to the physical aspects of illness, is a tragic misnomer.

Not only do we need to treat the social consequences of disease, but we must also realize that physical ailments are often symptoms of underlying social problems. Mental illness now ranks fourth among reasons for bed disability in the United States. Theoretical and empirical evidence indicates that health status is determined more by socioenvironmental factors than by health care delivery services. It is doubtful then, that health indices for the poor and aged will improve much under medicare and medicaid as presently restricted. Though the physician may treat the physical symptoms of illness, the patient must eventually return to his home environment. For the urban poor or the lonely aged, this means a return to the original causes of poor physical condition. Because the physician lacks the knowledge to cope with these external factors, the person will in all likelihood be stricken again.

The social worker is expertly qualified to fill this missing component of health care. Social work has moved rapidly over the past 20 years to take its place among the learned health professions. According to figures from the National Institute of Mental Health, social workers comprise more than 40 percent of full-time staff positions in mental health facilities in the United States. Social workers have been recognized by various States as qualified to serve as directors of State mental health programs, administrators of hospitals, and as faculty members on most of the medical schools across the country. The Public Health Service has long recognized the key function of professional social workers and directly commissions them as senior assistant surgeons, the same grade as physicians are generally commissioned. Similarly, the U.S. Army has social workers commissioned on parity basis with doctors and dentists. The services of qualified clinical social workers have been covered in insurance policies under the Federal Employees Health Benefits Act.

Despite this record of widespread recognition of social work services, medicare and most medicaid patients who are treated by clinical social workers cannot receive reimbursement unless the treatment is rendered in one of a few limited institutional settings. The legislation I am proposing today would enable these patients to receive the full range of services offered by the estimated 20,000 to 25,000 clinical social workers across the Nation. My bill would place clinical social workers on a par with other nonphysician health service providers whose services are eligible for direct reimbursement without regard to the setting in which the services are rendered. At the same time, specifically limiting coverage to clinical social workers—those having a Masters or Doctorate of Social Work degree with 2 years of supervised post-degree clinical experience—will insure the delivery of competent social work services.

This legislation will increase the accessibility to clinical social workers by that group in the greatest need of their services. The impact of expensive care and scarce personnel falls especially hard on our elderly. Although this category comprises about 10 percent of the population, senior citizens are the recipients of but 2 percent of total outpatient services. They constitute a third of the residents of mental health facilities. The degree to which the noninstitutionalized elderly suffer mental disabilities is substantial and far exceeds that for the population as a whole. Estimates of significant mental impairment range up to 50 percent. Frequently, the difference between the ability of an aged person to continue to function independently is a matter of timely psychotherapeutic help. Often the key factor in preventing the need for institutionalization and in maintaining older persons in the community is the availability of counseling and related supportive services. The intervention of professionally skilled clinical social workers can be the crucial determinant in enabling mentally impaired elderly persons to function in the home and community.

As demand for health services continues to grow, we must realize that adequate health care depends on the availability of qualified personnel at a cost which the patient can afford. The restrictions on the delivery of social work services not only makes it difficult, and at times impossible, for people to get the kind of help they need, but also tend to drive health care costs even higher by narrowly limiting the supply of qualified providers. The full inclusion of clinical social workers on a parity basis with other nonphysicians will ease this shortage of mental health personnel while also promoting the availability of these valuable services. Accordingly, I strongly urge your careful consideration of this important legislation.

Mr. President, I request unanimous consent that the text of my bill be printed in the RECORD.

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

S. 3470

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a), section 1835, and subsections (j), (k), (m), and (o) of this section, a clinical social worker".

(b) Section 1861(r) of such Act is further amended by adding at the end thereof the following new sentence: "For the purposes of clause (6) of the first sentence, the term 'clinical social worker' means an individual who (i) possesses a master's or doctor's degree in social work, (ii) (after obtaining such degree) has performed at least two years of supervised clinical social work, (iii) is licensed as such in the State in which such worker performs such function (or if such State does not license clinical social workers as such, is legally authorized to perform the services of a clinical social worker in the jurisdiction in which he or she performs them, and (iv) agrees to meet (and actually complies with the agreement to meet) such requirements, with respect to

enrollment in appropriate programs of continuing professional education, as may be prescribed by the Secretary, after consultation with one or more appropriate nationally recognized clinical social workers' organizations."

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph:

"(17) services of clinical social workers (as defined in the last sentence of section 1861(r) (1)); and".

(b) 1902(a)(13)(C)(ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".

SEC. 3. The amendments made by this Act shall apply to services performed on and after the first day of the first calendar month which begins more than 60 days after the date of the enactment of this Act.

By Mr. BROOKE:

S. 3471. A bill to amend the Securities Exchange Act of 1934; and

S. 3472. A bill to amend the Securities Exchange Act of 1934. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BROOKE. Mr. President, I introduce for appropriate reference two bills which amend the Securities and Exchange Act of 1934. I ask unanimous consent that the text of the bills and the text of the statements of the Securities and Exchange Commission explaining the bills appear in the RECORD at this point.

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

S. 3471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 12(m) of the Securities Exchange Act of 1934, 15 U.S.C. 78*l*(m), is amended by striking all that follows the words "its final conclusions and recommendations" and inserting in lieu of the material so stricken the words "within eighteen months of such date."

S. 3472

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 11A(e) of the Securities Exchange Act of 1934, 15 U.S.C. 78K–1(e), is hereby amended by striking out "December 31, 1976," and inserting in lieu thereof "June 30, 1977,".

STATEMENT OF THE SECURITIES AND EXCHANGE COMMISSION

APRIL 9, 1976.

Section 11A(e) of the Securities Exchange Act of 1934 (the "Act")[1] authorizes and directs the Commission to study the extent to which persons excluded from the definitions of "broker" and "dealer" maintain accounts on behalf of public customers for buying and selling securities registered under Section 12 of the Act and whether such exclusions are consistent with the protection of investors and the other purposes of the Act. The Commission is to report the results of this study, together with such recommendations for legislation as it deems advisable, to Congress on or before December 31, 1976. The Commission has proposed an amendment to Section 11A(e) which would extend from December 31, 1976 until June 30, 1977 the date by which the Commission's report must be transmitted to Congress, and this statement is submitted in support thereof.

The Conference Report accompanying the Securities Act Amendments of 1975 indicates that the purpose of Section 11A(e) is to require the Commission to study the securities-related activities of banks. Although the Commission conducted its own inquiry[2] regarding certain bank securities services in 1974, that inquiry did not consider all bank securities activities or address all of the regulatory and economic issues presented by those services. While many helpful public comments were received in response to the Commission's inquiry, they did not provide sufficient information regarding the extent or operation of those services to serve as a basis for the report mandated by Section 11A(e). Thus, extensive research and analysis has been required in order to identify with greater precision the bank securities services which the Commission should consider and the information that is available regarding those services. Because of the substantial responsibilities vested in the Commission by other sections of the federal securities laws, the number of staff members available to work on the study mandated by Section 11A(e) has been limited. The staff has, however, made significant progress in formulating specific courses of action to collect and evaluate data as promptly as feasible.

Since public information regarding the nature and extent of many bank securities services is extremely limited, it will be necessary to collect primary data regarding those services through questionnaires and extensive interviews. Questionnaires are currently being drafted to collect as much information as is reasonable to request and process. When completed and approved by the Commission, these questionnaires will be reviewed by the Comptroller General prior to their dissemination. It is anticipated that initial questionnaires will be available for distribution during the summer of 1976. At the same time, extensive interviews will be conducted in order to obtain data which it is not practicable to collect in questionnaire form.

Because of the time required to allow questionnaire recipients to report the requested information and to conduct the necessary interviews, it is unlikely that all required information will be available until the end of 1976. Although information will be analyzed as received where practicable, it is doubtful that the study staff will be in a position to complete a comprehensive analysis of all such information before the end of the first quarter of 1977. It is anticipated that such analysis will be available to the Commission at that time in order to submit a full report to Congress by June 30, 1977.

FOOTNOTES

[1] 15 U.S.C. 78k–1(e).

[2] Securities Act Release No. 5491, 3 *SEC Docket* 224 (May 14, 1974).

STATEMENT OF THE SECURITIES AND EXCHANGE COMMISSION

APRIL 9, 1976.

Section 12(m) of the Securities Exchange Act of 1934 (the "Act") [1] authorizes and directs the Commission to make a study and investigation of the practice of recording the ownership of securities in other than the name of the beneficial owner. Section 12(m) requires the Commission to report to the Congress its preliminary findings within six months after the date of enactment of the Securities Acts Amendments of 1975 and its final conclusions and rcommendations within one year of such date. Accordingly, on December 4, 1975, the Commission submitted to Congress its preliminary report,[2] and the Commission's final report is due by June 4, 1976. The Commission has proposed an amendment to Section 12(m) which would extend from June 4, 1976, to December 4, 1976, the date by which the Commission's final report must be transmitted to Congress,[3] and this statement is submitted in support thereof.

The Congress acknowledged the advantages and possible disadvantages of this practice—commonly referred to as "nominee" and "street name" registration—in directing the Commission in Section 12(m) to determine (1) whether the practice is consistent with the purposes of the Act, with particular reference to Sections 12(g), 13, 14, 15(d), 16 and 17A of the Act, and (2) whether steps can be takn to facilitate communications between issuers and the beneficial owners of their securities while at the same time retaining the benefits of such practice. In its preliminary report, the Commission noted that the street name registration facilitates the transfer of securities and is essential to the operation of the current systems for the clearance and settlement of securities transactions. However, because it causes issuers' shareholder lists to reflect the names of intermediaries rather than beneficial owners, the practice may make issuer-shareholder communication more difficult.

One of the primary purposes of the Study is to determine whether, and in what ways, the current issuer-shareholder communication process may be deficient. Specifically, the Commission must determine whether, and in what ways, nominee and street name registration hampers issuers and others in their efforts to communicate with the beneficial owners of securities. The Commission believes that the only efficacious method of gathering sufficient data to enable the Commission to make reliable findings is a survey of the 1976 proxy season. The Commission has prepared questionnaires directed to the four primary participants in the issuer-shareowner communication process—issuers, brokers, banks, and shareowners. The issuer questionnaire will be distributed to a representative sample of issuers. Separate financial intermediary questionnaires will be distributed to a representative sample of brokers and banks. Distribution of shareholder questionnaires has been effetced by their inclusion in the proxy materials mailed by issuers selected to receive the issuer questionnaire. Shareowners have received the questionnaires either directly from the issuers or through brokers and banks, some of which will receive financial intermediary questionnaires.

These questionnaires constitute the foundation of the Commission's proposed treatment of the issue of the efficacy of the communication process. The questionnaires are designed to elicit specific data which would enable the Commission to construct an empirical model of the current system of transmiting issuer-shareholder communications and to evaluate the timeliness, efficiency, shortcomings, cost, and cost distribution of the system. In addition to questions regarding the various sequential steps in the proxy transmittal process, other questions inquire as to specific issuer, broker and bank policies and practices with regard to issuer-shareholder communications and the voting of securities.

The Commission has concluded that it is

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[1] 15 U.S.C. 781(m)

[2] Preliminary Report of the Securities and Exchange Commission on the Practice of Recording the Ownership of Securities in the Records of the Issuer in other than the Name of the Beneficial Owner of such Securities.

[3] Section 12(m) would be amended by striking all that follows the words "its final conclusions and recommendations" in the second sentence of Section 12(m), and inserting in lieu of the material so stricken the words: "within eighteen months of such date."

essential that the survey focus upon the participants' performance during the course of a proxy season—typically March, April, May and June. It is during this period that the communication process appears to be strained. The majority of shareholders' meetings of publicly-owned companies occur during proxy season. As a result, intermediaries process the major portion of any year's materials during this four month period. Both intermediaries and issuers have advised the Commission that measurements taken other than during proxy season would not adequately reflect performance by any of the parties. Substantially all complaints received by the Commission regarding the existing communications transmittal system have alleged inadequacies in that system's performance during proxy season. Accordingly, the Commission believes that a survey directed at any period other than proxy season may not reveal and deficiencies extant in the communication process.

The Commission has considered conducting a survey which would focus upon one or more past proxy seasons. Such a survey would elicit data regarding prior seasons from records of participants. Numerous interviews have led the Commission to conclude, however, that much of the information regarding timeliness would not be available on an historical basis. Other information such as cost data is available, but only in permanent files which would necessitate significant manual effort for the reconstruction of the data. Accordingly, the Commission has concluded that it is necesary to survey the 1976 proxy season if the Commission is to gather reliable and thorough data which could serve as a basis for Commission findings regarding the efficacy of the communications process.

This approach would necessitate an extension of the Congressionally mandated deadline for submission of the Commission's final report to Congress. The Commission anticipates that the issuer, broker and bank questionnaires would not be returned until more than a month after the end of the proxy season. The questionnaires would then have to be processed, the data analyzed, proposed conclusions and recommendations developed, and a report prepared embodying the Commission's final conclusions and recommendations. Accordingly, the Commission respectfully requests that Section 12(m) of the Act be amended to grant the Commission a six-month extension of the date by which the Commission's final report must be submitted to the Congress. Without such an extension, the Commission believes that it will not have sufficient data to make thorough and decisive determinations regarding the efficacy of the existing communications process and the manner in which the process may be modified or improved. The Commission believes that a survey of the 1976 proxy season would prove most fruitful and, accordingly, urges the passage of the requested extension.

By Mr. WILLIAMS:

S. 3474. A bill to amend title II of the Social Security Act to make more equitable the provisions relating to deductions from benefits on account of noncovered remunerative activity outside the United States. Referred to the Committee on Finance.

SOCIAL SECURITY FOREIGN WORK TEST

Mr. WILLIAMS. Mr. President, it has come to my attention that there is one important, but often overlooked, part of the social security retirement test that has not changed since 1954 resulting in a serious injustice to many retirees. That is the test which applies to an estimated 279,000 beneficiaries living outside the United States, who are not in the labor market for jobs covered by social security. For these retirees, any amount of money earned on any part of 7 or more calendar days in a month, results in total loss of benefits for that month. Clearly, there is a need for changes in application of the foreign work test.

I recognize the complexity of setting up the number of different variations that would be necessary to make the foreign work test comparable to the domestic earnings limitation, taking into account the widely varying economies in the countries where beneficiaries live. And I understand the problems with enforcement and currency exchange. However, an improvement must be made.

Since 1954 Congress has changed the social security retirement test numerous times to keep it up to date with changes in our economy. For example, a beneficiary under age 72 may now earn $2,760 a year without a reduction in benefits. For earnings above $2,760, $1 in benefits is withheld for every $2 in earnings. And in any month a beneficiary earns less than $230 regardless of total yearly earnings, he or she will receive full benefits for that month.

However, the dollar amounts I mentioned do not apply to beneficiaries outside the United States, nor does the reduction in benefits reform for excess earnings. They are subject to an unfair and outmoded test. Under present law, a beneficiary who is forced to accept only very casual, intermittent work—such as babysitting or tutoring—can lose a whole month's benefits for just a few hours of total work, if the work is spread out over 7 or more days. This rule works a hardship for those beneficiaries who must supplement their benefits through employment, but are only able to obtain part-time jobs.

If a beneficiary happened to babysit 1 hour a day for 7 days, he or she would lose all social security benefits for the entire month no matter how little money was earned. However, if the same retiree worked 12 hours a day for 6 days, he or she would still collect benefits regardless of how much was earned. It is not widely realized that the present foreign work test can cause the loss of a month's benefits for far less work than most of us would think as 6 days worth. Most people probably think the present test works on a full-days work basis already. Unfortunately, it does not.

Therefore, I am introducing today legislation to improve the social security foreign work test. Under my proposal, no social security benefits would be withheld for the first 48 hours of work in noncovered employment by a beneficiary outside the United States. Work in excess of 48 hours would result in a withholding of benefits for that month. It would apply to calendar years ending after 1976. This corresponds to the test in present law based on an 8-hour work day.

In 1972, I was proud to support legislation that now ties the dollar amounts in the social security retirement test to increases in average covered wages. This provision helps to keep the retirement test current with rising earnings. In addition, I am cosponsor of legislation which would increase the earnings limitation even higher. While we are making efforts to improve these aspects of the program, we should not overlook the need to remove other glaring inequities which we discover as well.

Mr. President, in light of the social security financing questions which Congress must face, it is encouraging to report that the Social Security Administration estimates that the first year cost of this change would be negligible. Furthermore, the administration indicates that the long-range cost would be negligible as well. Therefore, I am hopeful that my colleagues will join me in correcting this anomaly. I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 3474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 203(c) of the Social Security Act is amended by striking out "Deductions" and inserting in lieu thereof "Subject to subsection (d)(3), deductions".

(b) Section 203(d) of such Act is amended—

(1) in paragraphs (1) and (2) thereof, by striking out "Deductions" and inserting in lieu thereof "Subject to paragraph (3), deductions", and

(2) by adding at the end thereof the following new paragraph:

"(3) No deduction shall be made from any individual's benefit under subsection (c) because of the application of paragraph (1) thereof or paragraph (1) or (2) of this subsection on account of any person having engaged in noncovered remunerative activity outside the United States for any month, if such activity consists solely of the performance of personal services by such person for which he was compensated on an hourly (or equivalent) basis and if such individual did not perform such services for more than 48 hours during such month."

(c) The amendments made by this Act shall be applicable only with respect to taxable years ending after December 31, 1976.

ADDITIONAL COSPONSORS

S. 50

At the request of Mr. HUMPHREY, the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 50, the Full Employment and Balanced Growth Act of 1976.

S. 123

At the request of Mr. INOUYE, the Senator from Iowa (Mr. CLARK) and the Senator from Montana (Mr. METCALF) were added as cosponsors of S. 123, to amend the Social Security Act.

S. 153

At the request of Mr. HANSEN, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 153, to amend part B of title XI of the Social Security Act.

S. 2020

At the request of Mr. RIBICOFF, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 2020, to provide optometric coverage under Part B medicare payments.

S. 2332

At the request of Mr. STAFFORD, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2332, to amend the Rehabilitation Act of 1973.

S. 2795

At the request of Mr. BARTLETT, the Senator from Arkansas (Mr. MCCLELLAN) was added as a cosponsor of S. 2795, to amend the Hobbs Act.

S. 2910

At the request of Mr. SCHWEIKER, the Senator from Alaska (Mr. GRAVEL), the Senator from Tennessee (Mr. BAKER), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 2910, to establish the National Diabetes Advisory Board.

S. 2925

At the request of Mr. MUSKIE, the Senator from Alabama (Mr. ALLEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Wyoming (Mr. MCGEE), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 2925, the Government Economy and Spending Reform Act of 1976.

S. 3098

At the request of Mr. WEICKER, the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 3098, to amend the Community Services Act of 1974.

S. 3145

At the request of Mr. METCALF, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 3145, the Energy Conservation Research and Development Act of 1976.

S. 3216

At the request of Mr. BARTLETT, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 3216, relating to unemployment compensation.

S. 3354, S. 3355, AND S. 3356

As the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 3354, S. 3355, and S. 3356, to provide for certain construction projects.

SENATE RESOLUTION 319

At the request of Mr. CURTIS, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Resolution 319, relating to the occupation of certain Baltic nations by the Soviet Union.

SENATE RESOLUTION 434

At the request of Mr. CLARK, the Senator from Minnesota (Mr. MONDALE), the Senator from Delaware (Mr. BIDEN), and the Senator from New Mexico (Mr. MONTOYA) were added as cosponsors of Senate Resolution 434, relating to the treaty powers of the Senate.

SENATE RESOLUTION 439

At the request of Mr. HUDDLESTON, the Senator from Wisconsin (Mr. NELSON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of Senate Resolution 439, relating to the oversupply of whey.

SENATE JOINT RESOLTION 45

At the request of Mr. INOUYE), the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of Senate Joint Resolution 45, designating Municipal Clerks Week.

SENATE RESOLUTION 451—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES FOR THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the following original resolution:

SENATE RESOLUTION 451

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $45,000 in addition to the amount and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946 and in Senate Resolution 169, agreed to June 6, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

LOBBYING DISCLOSURE ACT OF 1976—S. 2477

AMENDMENT NO. 1659

(Ordered to be printed and to lie on the table.)

Mr. METCALF. Mr. President, as we all know, the lion's share of activities designed to influence who gets what benefits from the Federal Government occur in the executive branch.

Thus, throughout consideration of the Lobbying Disclosure Act of 1976 (S. 2477) in committee, I urged that a serious effort be made to provide for disclosure of lobbying in this direction. Unfortunately, however, instead of resolving the problems associated with full executive coverage, S. 2477 sets up a double standard which—

First, will only present a distorted picture of the paths taken by those who seek to influence decisions within the executive; and

Second, will have profound implications for the oversight responsibilities of Congress.

Let me explain, briefly, how this double standard will operate:

Under provisions of S. 2477 as reported, only lobbying directed toward executive officials and intended to influence them, in turn, to influence specified actions in Congress is covered.

This means that any organization can lobby any executive branch official directly on rulemaking and regulations, on hearings and investigations, on licenses, grants or contracts—all without registering or reporting anything. Thus, entertainment for executive branch employees—such as goose hunting trips—will not have to be disclosed and, if recent experience is any indication, will not become a matter of public record under any other statutes or regulations.

But if an organization goes to Members of the House and Senate and asks for their assistance in making its interests known to the appropriate executive officials, the organization does become subject to the measure's registration and reporting requirements.

Created by the definition of "issue before the Congress" in section 15(12), this double standard will produce extraordinary results.

For instance, suppose a private research firm or university believes it has something to contribute in the way of contract information support to the Federal Government, perhaps in the area of program evaluation. It would be free to offer such support to an unlimited number of top officials in the appropriate executive agencies. But by making the same offer in calls to half a dozen congressional committees in each House—which were authorized to contract for research in the 1970 Legislative Reorganization Act—it could become subject to registration and reporting.

How will this provision affect Congress oversight function?

I submit that its net result will be to isolate us from administrative abuse and failure. How will a business firm or other group—which has a continuing stake in benefits conferred by a wide variety of executive decisions—react when its directors know that any request for congressional help with their problems may, some weeks later, become an item in the President's morning reading? To such groups, who perhaps have access to information concerning an improper contract award, the better course of wisdom may well be to stop short of bringing their concerns to congressional attention—and to avoid future problems with administration officials.

Mr. President, Congress is far more open in its deliberations than the executive branch and is made up of Members who are directly and frequently accountable to the people. To cover every aspect of this institution's operations, while permitting the lobbies free access—without disclosure—to influence critically important executive decisions, is indefensible.

I recognize, of course, the difficulties involved in providing for coverage of executive branch officials over the full range of decisions they are empowered to make. Not only is the executive branch much larger than the legislative branch, its agencies—unlike those of the Congress—are situated throughout the regions of this country and, indeed, the world.

Nevertheless, I believe the problem of executive coverage could have been resolved—and should have been resolved—in a sensible manner within the framework of a single, coherent disclosure bill,

not in a separate bill handled in another committee. To accommodate such coverage in S. 2477 as reported, however, would require major changes in the basic structure of this legislation.

Therefore, the amendment that I am introducing today is intended solely to eliminate the double standard which is so clearly inconsistent with Congress responsibility for monitoring the actions of the Federal bureaucracy.

What I am proposing is to limit the definition of "issue before the Congress" to those matters, both substantive and procedural, relating to any pending or proposed bill, resolution, report, nomination, treaty, hearing, investigation, or other similar matter in Congress.

The effect of this change will be to preserve Congress oversight function and our role as intermediaries between the citizen and the Federal bureaucracy.

I ask unanimous consent that my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1659

On page 66, beginning with line 9, strike out all through line 13 and insert in lieu thereof: "matter in Congress;".

FEDERAL ENERGY ADMINISTRATION EXTENSION ACT—S. 2872

AMENDMENT NO. 1660

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I submit today an amendment in the nature of a substitute for S. 2872, a bill reported by the Committee on Government Operations which would extend to September 30, 1977, the life of the Federal Energy Administration. Under my proposed substitute, the agency would be terminated 1 year earlier—on September 30, 1976.

Mr. President, I ask that my amendment be ordered to lie on the table and to be printed.

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

Mr. PEARSON. Mr. President, I ask unanimous consent that the text of my substitute amendment be printed in the RECORD immediately following these remarks.

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

Mr. PEARSON. Mr. President, the Federal Energy Administration is an agency that the Committee on Government Operations has determined should be abolished on September 30, 1977, the committee bill recommends a 15-month extension for the agency which, under existing law, would be terminated on June 30 of this year. In my judgment, there is no rational reason for a 15-month extension of the FEA. The 1976 transitional quarter should be adequate time for an orderly transfer of functions and activities from FEA to those successor agencies designated in S. 2872 by the Committee on Government Operations.

Mr. President, today America is at peace. Today there is no general warfare in the Middle East. Today there is no embargo on shipments of petroleum products by any exporting nation to the United States. Today there is no shortage of crude oil or refined petroleum products either in the world or in the United States. In short, Mr. President, the transitional quarter from July 1, 1976 until September 30, 1976, is an ideal time to transfer the functions and activities of the Federal Energy Administration to the designated successor agencies and departments.

There is no way of predicting the state of the world economy, or the availability of energy supplies to U.S. consumers, in September 1977. Although everyone hopes that it will not happen, the United States could be in crisis a year from now. It would be more prudent to effect the orderly transfer of FEA functions at this time, when conditions are known, than at some future time when conditions can only be anticipated.

Mr. President, the Nation is impatient with Washington, D.C. The Nation is impatient with empire-building in Government at taxpayer expense. In approving my substitute amendment to S. 2872, the Senate can take one affirmative action to reverse the trend of ever-bigger Government. This amendment provides an opportunity to save some $31 million of the taxpayer's money in fiscal year 1977 by eliminating the authorization for the "Executive Direction and Administration of the Federal Energy Administration" for that year. This substitute amendment provides an opportunity for the Senate to initiate the phase out of one agency 1 year ahead of the schedule anticipated by the Committee on Government Operations.

Mr. President, let me review the status of appropriations for the FEA. There have been appropriated for the functions and activities of FEA for fiscal year 1976 some $142,992,000 and some $25,283,000 for the transitional quarter, contingent upon an authorization. In addition to these sums, the second supplemental which cleared Congress on May 19 contained an additional appropriation of $10,085,000 for FEA for fiscal year 1976 and an additional $7 million for FEA for the transitional quarter.

My substitute amendment contains all those authorizations necessary to continue the FEA in full force until the end of the transitional quarter on September 30, 1976. However, those authorizations in S. 2872 slated for FEA in fiscal year 1977 have been shifted to the successor agencies, as designated in S. 2872. Therefore, Mr. President, my substitute amendment provides not only full authorization for FEA for the transitional quarter, for which appropriations have already cleared the Congress, but it also contains those authorizations which will be needed in fiscal year 1977 by the successor agencies.

The Wall Street Journal on March 9, 1976, carried an article about the Office of Communications and Public Affairs of FEA. The article reported that FEA had 112 employees in that office, that its director cited it as the "best oiled press shop in town." More than 1,000 press releases were credited to the "press shop," representing an agency of some 3,400 employees. Mr. President, I recognize that FEA has cut its "press shop" staff in response to this article. And I recognize that the pending authorization contains a limitation on expenditures for public relations by FEA. But the Journal article reflected a certain wantonness in the expenditure of public funds that has caused the American people to become disenchanted, to say the least, with the bureaucracy. Perhaps the effect would be felt if Congress, in its wisdom, were to determine that its opportunities lie not only in expanding the functions and bureaus of Government, but in reducing those functions and bureaus as well.

Mr. President, my substitute amendment contains the language of title I of S. 2872, but not the language of title II. The Committee on Commerce, upon which I serve as ranking minority member, has under consideration at this time legislation comparable to title II of S. 2872. Therefore, it appears that title II of S. 2872 is unnecessary to the objectives of that bill.

Mr. President, I will ask my colleagues, at the appropriate time, to approve my substitute amendment in order to provide for an orderly, 4 month transition of functions and activities from the FEA to its successor agencies.

AMENDMENT No. 1660

Strike all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Federal Energy Administration Reversion Act'.

"SEC. 2. Section 7(c)(2) of the Federal Energy Administration Act of 1974 is amended—

"(1) by striking out 'five' and inserting in lieu thereof 'fifteen'; and

"(2) by adding at the end of the second paragraph the following new sentence: 'Notice of any such waiver of review shall be immediately published in the Federal Register on the same day as any such action is first authorized or undertaken, whichever is earlier in time, and shall include a full and complete explanation, together with supporting data and narrative explanation thereof, of the factual situation which, in the judgment of the Administrator, requires the invocation of such waiver and a detailed presentation of the decision of the Administrator to utilize such waiver provision.'

"SEC. 3. The second and third sentences of section 7(1)(1)(D) of the Federal Energy Administration Act of 1974 are amended to read as follows: 'If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the agency and may obtain judicial review in accordance with paragraph (2) of this subsection when such a denial becomes final. The agency shall, by rule, establish appropriate procedures, including a hearing, when requested, for review of a denial and, where deemed advisable by the agency, for considering other requests for action under this paragraph, except that no review of such a denial under this subparagraph shall be controlled by the same officer denying the adjustment pursuant to this subparagraph.'

"SEC. 4. (a) Section 13(b) of the Federal Energy Administration Act of 1974 is amended by inserting after, 'who are engaged in any phase of energy supply or major energy consumption' the following: 'including, but not limited (1) to United

States firms and their foreign affiliates and (2) foreign firms, but only with respect to any such supply or consumption activities in the United States.'

"(b) Section 13 of the Federal Energy Administration Act of 1974 is amended by redesignating subsection (f) as subsection (h) and inserting after subsection (e) the following:

"'(f) It shall be unlawful for any person to violate any provision of this section or to violate any rule, regulation, or order issued pursuant to any such provision.'

"'(g)(1) Whoever willfully violates subsection (f) shall be subject to a criminal fine of not more than $10,000 for each violation.'

"'(2) Whenever it appears to the Administrator that any individual or organization is engaged in or is about to engage in acts or practices constituting a violation of subsection (f), the Administrator may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by subsection (f).'

"SEC. 5. (a) Section 15 of the Federal Energy Administration Act of 1974 is amended—

"(1) by striking out subsection (a); and

"(2) by redesignating subsections (b), (c), (d), and (e), as subsections (a), (b), (c), and (d), respectively.

"(b) Section 15(a) of the Federal Energy Administration Act of 1974 is hereby repealed.

"SEC. 6. Section 18(d) of the Federal Energy Administration Act of 1974 is amended by striking out 'a report every six months' and inserting in lieu thereof 'an annual report'

"SEC. 7. Section 25(a) of the Federal Energy Administration Act of 1974 is amended—

"(1) by striking out 'and directed';

"(2) by striking out 'shall contain' and inserting in lieu thereof 'may contain';

"(3) by striking out 'shall include,' and inserting in lieu thereof 'may include,';

"(4) by striking out 'but shall not' and inserting in lieu thereof 'but need not'; and

"(5) by adding at the end thereof the following new sentence: 'The Administrator may also obtain representative samples of any such shipment.'

"SEC. 8. Section 28 of the Federal Energy Administration Act of 1974 is amended to read as follows:

"'REVERSION

"'SEC. 28. (a) Notwithstanding section 527 of the Energy Policy and Conservation Act, upon termination of this Act, any functions or personnel transferred by this Act shall revert to the department, agency, or office from which they were transferred.

"'(b) Upon termination of this Act the following functions or activities of the Administration which have been created by the authority of this Act or by any other provision of law and the personnel associated with such functions or activities shall be transferred as follows:

"'(1) mandatory allocation of crude oil, residual fuel oil, and refined petroleum products—to the Department of the Interior;

"'(2) price controls on crude oil, residual fuel oil, and refined petroleum products—to the Federal Power Commission;

"'(3) advice to the President and the Congress on energy policy development of programs and plans for energy conservation in time of shortage—to the Energy Resources Council;

"'(4) collection, analysis, and reporting of energy data and information—to the Department of Commerce;

"'(5) development and implementation of voluntary and mandatory conservation programs—to the Energy Research and Development Administration;

"'(6) coal conversion program—to the Environmental Protection Agency;

"'(7) loan guarantees for new coal mines—to the Department of the Interior;

"'(8) materials allocation—to the Department of the Interior;

"'(9) strategic reserves—to the Department of the Interior;

"'(10) international energy programs—to the Department of State;

"'(11) appliance efficiency, labeling programs, State energy conservation plans, Federal energy conservation programs, and public education programs—to the Department of Commerce;

"'(12) analysis of economic impact of energy actions—to the Energy Resources Council; and

"'(13) coordination of Federal energy programs with State governments—to the Department of Commerce.

The administrative and procedural provisions of this Act shall, to the extent practicable, continue to apply to the implementation of said functions and activities. An officer or employee of the Federal Government who is appointed, without break in service of one or more workdays, to any position for carrying out functions under this Act is entitled, upon separation from such position other than for cause, to reemployment in the position occupied at the time of appointment, or in a position of comparable grade and salary.'

"SEC. 9. The text of section 29 of the Federal Energy Administration Act of 1974 is amended to read as follows:

"'SEC. 29. (a) There are authorized to be appropriated to the Federal Energy Administration, and to those agencies designated to carry out the functions transferred pursuant to section 28 of this Act, as amended by the Federal Energy Administration Reversion Act, the following sums:

"'(1) Subject to the restrictions specified in subsection (b), to carry out the functions identified as assigned to Executive Direction and Administration of the Federal Energy Administration as of January 1, 1976, for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $8,596,000.

"'(2) To carry out the functions identified as assigned to the Office of Energy Policy and Analysis as of January 1, 1976—

"'(A) for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $8,000,000; and

"'(B) for the fiscal year ending September 30, 1977, not to exceed $34,472,000.

"'(3) To carry out the functions identified as assigned to the Office of Regulatory Programs as of January 1, 1976—

"'(A) for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $11,600,000; and

"'(B) for the fiscal year ending September 30, 1977, not to exceed $47,800,000.

"'(4) To carry out the functions identified as assigned to the Office of Conservation and the Environment as of January 1, 1976—

"'(A) for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $7,004,000; and

"'(B) for the fiscal year ending September 30, 1977, not to exceed $40,596,000.

"'(5) To carry out the functions identified as assigned to the Office of Energy Resource Development as of January 1, 1976—

"'(A) for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $2,800,000; and

"'(B) for the fiscal year ending September 30, 1977, not to exceed $14,914,000.

"'(6) To carry out the functions identified as assigned to the Office of International Energy Affairs as of January 1, 1976—

"'(A) for the period beginning July 1, 1976, and ending September 30, 1976, not to exceed $300,000; and

"'(B) for the fiscal year ending September 30, 1977, not to exceed $1,921,000.

"'(b) The following restrictions shall apply to the authorization of appropriations specified in paragraph (1) of subsection (a):

"'(1) amounts to carry out the functions identified as assigned to the Office of Communications and Public Affairs as of January 1, 1976, shall not exceed $607,000 for the period beginning July 1, 1976, and ending September 30, 1976; and

"'(2) no amounts authorized to be appropriated in such paragraph may be used to carry out the functions identified as assigned to the Office of Nuclear Affairs as of January 1, 1976.'

"SEC. 10. Section 30 of the Federal Energy Administration Act of 1974 is amended by striking out 'June 30, 1976.' and inserting in lieu thereof 'September 30, 1976.'

"SEC. 11. (a) Section 108(b) of the Energy Reorganization Act of 1974 is amended—

"(1) by striking out 'and' at the end of paragraph (2);

"(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

"(3) by adding at the end thereof the following new paragraphs:

"'(4) coordinate the preparation of the reports required by section 15(c) of the Federal Energy Administration Act of 1974 and section 307 of the Energy Reorganization Act of 1974 and, to the maximum extent feasible, combine the two reports into a single report to the President and Congress on national energy policy and programs;

"'(5) prepare a report on national energy conservation activities which shall be submitted to the President and the Congress annually, beginning on July 1, 1977, and which shall include—

"'(A) a review of all Federal energy conservation expenditures and activities, the purpose of each such activity, the relation of the activity to national conservation targets and plans, and the success of the activity and the plans for the activity in future years;

"'(B) an analysis of all conservation targets established for industry, residential, transportation, and public sectors of the economy, whether the targets can be achieved or whether they can be further improved, and the progress toward their achievement in the past year;

"'(C) a review of the progress made pursuant to the State energy conservation plans under sections 361 through 366 of the Energy Policy and Conservation Act and other similar efforts at the State and local level, and whether further conservation can be carried on by the States or by local governments, and whether further Federal assistance is required;

"'(D) a review of the principal conservation efforts in the private sector, the potential for more widespread implementation of such efforts and the Federal Government's efforts to promote more widespread use of private energy conservation initiatives; and

"'(E) an assessment of whether existing conservation targets and goals are sufficient to bridge the gap between domestic energy production capacity and domestic energy needs, whether additional incentives or programs are necessary or useful to close that gap further, and a discussion of what mandatory measures might be useful to further bring domestic demand into harmony with domestic supply.

The Chairman of the Energy Resources Council shall carry out the coordination re-

quired under paragraph (4) and shall coordinate the preparation of the report required under paragraph (5).'

"(b) Section 108 of the Energy Reorganization Act of 1974 is amended—

"(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

"(2) by adding after subsection (b) the following new subsection:

"'(c) The President, through the Energy Resources Council, shall—

"'(1) prepare a plan for the reorganization of the Federal Government's activities in energy and natural resources, including, but not limited to, a study of—

"'(A) the principal laws and directives that constitute the energy and natural resource policy of the United States;

"'(B) prospects of developing a consolidated national energy policy;

"'(C) the major problems and issues of existing energy and natural resource organizations;

"'(D) the options for Federal energy and natural resource organizations;

"'(E) an overview of available resources pertinent to energy and natural resource organization;

"'(F) recent proposals for a national energy and natural resource policy for the United States; and

"'(G) the relationship between energy policy goals and other national objectives;

"'(2) submit to Congress—

"'(A) no later than December 31, 1976, the plan prepared pursuant to subsection (c) (1) and a report containing his recommendations for the reorganization of the Federal Government's responsibility for energy and natural resource matters together with such proposed legislation as he deems necessary or appropriate for the implementation of such plans or recommendations; and

"'(B) not later than March 1, 1977, such revised information or policy recommendations shall be submitted according to paragraph (A); and

"'(3) provide interim and transitional policy planning for energy and natural resource matters in the Federal Government.'

"SEC. 12. (a) The Secretary of the Treasury shall study and report to the Congress no later than November 30, 1976, on the use of a tax on energy, including a tax applied to the use of each British thermal unit (hereinafter referred to in this section as 'Btu') of energy consumed, to insure the attainment of an acceptable low level of energy imports by 1985.

"(b) The study authorized by subsection (a) shall include an analysis and evaluation of—

"(1) energy taxes based on (A) an across-the-board tax of at least $1 per million Btu on the use of non-renewable forms of energy, to be levied at the mine-mouth, wellhead, or port of entry; and (B) taxes designed to correct existing departures of prices for energy from the full marginal social costs of energy production, transportation, conversion, distribution, and use arising from uninternalized social costs, including, for example, cost of reliance upon insecure foreign sources of supply, cost of adverse environmental impacts, and distortions arising from regulation of prices;

"(2) refund of taxes on the basis of uniform payments to each adult; and

"(3) the impacts of such taxes on—

"(A) the economy, including the general price level and energy prices, employment, Government revenue, and distribution of income and relative purchasing power;

"(B) the supply of and demand for energy;

"(C) the degree or reliance on insecure foreign sources of supply;

"(D) reduction of adverse social costs, including environmental, health and safety costs; and

"(E) the degree to which the need for energy regulatory programs would be diminished or eliminated.".

Amend the title so as to read: "A bill to amend the Federal Energy Administration Act of 1974 to extend the expiration date of such law until September 30, 1976, to provide for the orderly transfer of functions and activities of the Federal Energy Administration to other agencies, and for other purposes.".

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT No. 1661

(Ordered to be printed and to lie on the table.)

BARRIERS

Mr. DOLE. Mr. President, last month I introduced S. 3316, a bill to allow taxpayers to count as a deduction expenses incurred in the removal of architectural and transportation barriers from their facilities and vehicles. Today, I am submitting this proposal as an amendment to H.R. 10612.

The amendment covers those facilities owned or leased by the taxpayer for use in connection with his trade or business. It is aimed at private businesses not covered by the Architectural Barriers Act of 1968 or the Rehabilitation Act of 1973.

The purpose of my amendment is to confront the problem of eliminating architectural and transportation barriers through yet another avenue. Rather than additional Federal mandates which prove difficult to enforce, I propose, through the incentive of a deduction, to encourage businessmen to remove barriers by making renovation less prohibitive financially.

I am convinced that this is a viable approach to making handicapped and elderly citizens an integral part of our society. Already, this bill has 13 cosponsors, and I have received letters from 17 handicapped interest groups who support this concept. I believe this indicates not only their hope, but also their belief that this measure would result in progress for the much-discriminated-against disabled segment of our population.

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

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

AMENDMENT No. 1661

On page 5, after the last line, insert the following:

TITLE XX—MISCELLANEOUS PROVISIONS

SEC. 2001. TREATMENT OF EXPENSES TO REMOVE ARCHITECTURAL AND TRANSPORTATIONAL BARRIERS TO THE HANDICAPPED AND ELDERLY.

On page 661, after line 16, insert the following:

TITLE XX—MISCELLANEOUS PROVISIONS

SEC. 2001. TREATMENT OF EXPENSES TO REMOVE ARCHITECTURAL AND TRANSPORTATIONAL BARRIERS TO THE HANDICAPPED AND ELDERLY.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. EXPENDITURES TO REMOVE ARCHITECTURAL AND TRANSPORTATIONAL BARRIERS TO THE HANDICAPPED AND ELDERLY.

"(a) TREATMENT AS EXPENSE.—

"(1) IN GENERAL.—A taxpayer may elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred by him during the taxable year as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations.

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

"(1) ARCHITECTURAL AND TRANSPORTATIONAL BARRIER REMOVAL EXPENSE.—The term 'architectural and transportational barrier removal expense' means an expenditure for the purpose of making any facility or public transportation vehicle owned or leased by the taxpayer for use in connection with his trade or business more accessible to, and usable by, handicapped and elderly individuals.

"(2) QUALIFIED ARCHITECTURAL AND TRANSPORTATIONAL BARRIER REMOVAL EXPENSE.—The term 'qualified architectural and transportational barrier removal expense' with respect to any such facility or public transportation vehicle means an architectural or transportational barrier removal expense with respect to which the taxpayer establishes, to the satisfaction of the Secretary or his delegate, that the resulting removal of any such barrier meets the standards promulgated by the Secretary or his delegate with the concurrence of the Architectural and Transportation Barriers Compliance Board and set forth in regulations prescribed by the Secretary or his delegate.

"(3) HANDICAPPED INDIVIDUAL.—The term 'handicapped individual' means any individual who has a physical or mental disability which for such individual constitutes or results in a functional limitation to employment, or who has any physical or mental impairment which substantially limits one or more major life activities of such individual.

"(c) The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 189. Expenditures to remove architectural and transportational barriers to the handicapped and elderly.".

(2) Section 263(a)(1) (relating to capital expenditures) is amended—

(A) by striking out "or" at the end of subparagraph (D) thereof,

(B) by striking out the period at the end of subsection (E) thereof and inserting in lieu thereof a comma and the word "or", and

(C) by adding at the end thereof the following new subparagraph:

"(F) expenditures for removal of architectural and transportational barriers to the handicapped and elderly which the taxpayer elects to deduct under section 189.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and before January 1, 1980.

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT—H.R. 12438

AMENDMENT NO. 1662

(Ordered to be printed and to lie on the table.)

Mr. GARY HART submitted an amendment intended to be proposed by him to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

AMENDMENT NO. 1664

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill (H.R. 12438), supra.

AMENDMENT NO. 1665

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (H.R. 12438), supra.

FOREIGN MILITARY SALES—S. 3439

AMENDMENT NO. 1666

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill (S. 3439) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

BILLS AFFECTING JURY SIZE, UNANIMITY OF JURY VERDICTS OF FEDERAL COURTS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce the commencement of hearings on a series of bills dealing with the size of juries used in the trial of both civil and criminal cases in the Federal courts, as well as upon a proposal to amend the requirement that a jury verdict be unanimous in civil cases. The bills in question are S. 237, a bill to provide for the use of juries of six persons in civil cases only, S. 430, a bill to provide for the use of six person juries in both civil and criminal cases, except a criminal case involving an offense punishable by death, and S. 2779, a bill to provide for nonunanimous jury verdicts in civil cases.

The first day of hearings will be held on June 17, 1976, in room 2228 of the Dirksen Senate Office Building, commencing at 10 a.m.

Because a number of persons and organizations have requested an opportunity to appear as witnesses at hearings held on these three bills, this first day of hearings will be limited to a consideration of S. 2779, the bill to provide for nonunanimous jury verdicts in civil cases in the Federal courts. As time and circumstance permit, the subcommittee will hold additional hearings on these three bills on dates to be announced later.

Persons who wish to testify or submit a statement for inclusion in the RECORD on S. 2779, should communicate, as soon as possible, with the subcommittee office 6303 Dirksen Senate Office Building, telephone 224-3618.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, on behalf of the Labor Subcommittee, I would like to announce that the Joint Senate-House hearings on the Scotia Mine Disaster and mine safety are to be continued on Thursday, May 27, 1976, commencing at 9:30 a.m., in room 4232 of the Dirksen Senate Office Building.

Those wishing additional information concerning these hearings are invited to contact Michael L. Goldberg, of the Subcommittee staff, room G-237, Dirksen Senate Office Building; telephone 224-3674.

ADDITIONAL STATEMENTS

SRI LANKA INDEPENDENCE DAY

Mr. MANSFIELD. Mr. President, day after tomorrow the Republic of Sri Lanka observes the fourth anniversary of the adoption of its present Constitution. As in our own celebration in this Bicentennial Year, the next year for Sri Lanka will be a historical one, for Sri Lanka stands as one of the few countries where democratic institutions continue to flourish.

Sri Lanka has long been a leader in the group of nonalined nations, and this August it will host the Fifth Nonalined Summit Conference to be attended by the leaders of over 80 nations. It is the first time such a summit has been held on the continent of Asia.

Sri Lanka has achieved much since the inauguration of the Republic. Though that country has been buffeted by worldwide inflation and its economy jeopardized by increases in import prices, it has made heroic efforts and sucessfully asserted its economic independence. Sri Lanka is developing economically and at the same time achieving greater equality in the distribution of income. Helped by a dramatic decrease in the rate of population growth, the share of income of the poorest 40 percent of Sri Lanka's citizens has risen since 1963 from 14 to 19 percent in 1973. At the same time, the share of income of the top 10 percent of Sri Lanka's citizens has declined from 37 to 28 percent.

As Sri Lanka and the United States celebrate their respective birthdays, we have a common identity, for we are both democracies, reinforced by economic, commercial, and cultural exchanges. The United States continues to donate important development assistance to Sri Lanka, and trade between the two countries continues to expand.

Mr. President, I am sure that the friendship which has existed in the past between our two countries will continue and I congratulate this uniquely beautiful country on the fourth anniversary of the adoption of its Constitution.

WILDLIFE MAKES A COMEBACK ON WATER BANK FARMS

Mr. YOUNG. Mr. President, the April issue of Soil Conservation, the official magazine of the Soil Conservation Service, contained an article entitled "Wildlife Makes a Comeback on Water Bank Farms."

The water bank program is a relatively new program. It is one that has been very popular and has wide support.

The article refers to a North Dakota farmer, and one from my home county, Otto Rath, who is one of the participants in the water bank program. This article appropriately discusses Otto Rath's water bank program agreement and other conservation practices on his farm to encourage wildlife production.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From Soil Conservation, April 1976]

WILDLIFE MAKES A COMEBACK ON WATER BANK FARMS

(By Charles Phillips)

A North Dakota farmer today observes a growing number of ducks, pheasants, and deer on his farm in the Central Flyway.

That farmer—Otto Rath of LaMoure County—has one of the 900 Water Bank Program (WBP) agreements in North Dakota and one of more than 2,900 in the nation to preserve and improve wetlands in the migratory waterfowl nesting and breeding areas.

Rath had observed a gradual decline in all kinds of wildlife, both upland and waterfowl, on his farm during the 1960's. In 1972, he developed a Water Bank Program agreement on 76 acres of his farm. This covered 17 acres of wetland and 59 acres of former cropland that was revegetated to provide cover for wildlife and protection from erosion.

Since then, wildlife has been returning to Rath's farm. Migratory waterfowl nest in the tall dense cover provided in the former cropland, now seeded to alfalfa, sweet clover, and wheatgrass. Upland wildlife, such as pheasants, also find food and cover in these fields. Rath has observed 50 pheasants using the slough area and finds deer use the area more now than when it was in crops. Previously, this cropland was harvested each fall and a minimum of crop residue was left over the winter.

When one of the most severe blizzards experienced in LaMoure County hit on January 10, 1975, Rath found no visible loss of wildlife. The tall dense vegetation left in the former cropland had protected the area from snow drift, and strong winds had had little effect.

North Dakota had nearly 900 contracts under the Water Bank Program as of January 30, 1975. These agreements cover more than 91,000 acres. Nationally, the more than 2,900 Water Bank Program agreements cover nearly 250,000 acres being improved and protected for wildlife habitat.

The average agreement contains 29 acres of wetlands and 55 acres of adjacent lands. The average annual payment is about $9 per acre or more than $725 per program participant each year for a 10-year period.

The Water Bank Program is available in 72 counties in the states of Arkansas, California, Louisiana, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, North Dakota, Oregon, South Dakota, Vermont, Washington, and Wisconsin. Fifty-two of the 72 counties are in Minnesota, North Dakota,

and South Dakota, concentrated primarily in the Mississippi and Central Flyways. California, Oregon, and Washington are in the Pacific Flyway while Maine and Vermont are in the Atlantic Flyway.

The Water Bank Program was authorized by the Water Bank Act, Public Law 91-559, on December 19, 1970, to prevent serious loss of wetlands, preserve present wetlands, and restore and improve wetlands in the migratory waterfowl nesting and breeding areas. The Act directed the Secretary of Agriculture to effectuate the program by entering into long-term agreements with landowners and operators in important waterfowl areas.

The WPB agreement is based on a conservation plan for the entire operating unit developed with assistance from the Soil Conservation Service in cooperation with the local conservation district. The Agricultural Stabilization and Conservation Service (ASCS) administers the program by accepting requests, developing agreements, and making annual payments.

SCS provides technical assistance in developing a conservation plan covering the participant's entire operating unit. SCS provides related technical assistance involving:

Identifying Type 3, 4, and 5 wetlands and adjacent lands to be developed or preserved for wildlife on the plan map and identifying the area in the field by corner markers.

Applying needed conservation practices to protect and improve wetlands and designated adjacent lands.

Providing followthrough assistance to insure appropriate protection of wetlands and adjacent lands and needed maintenance of conservation practices applied.

The conservation plan developed by the Water Bank Program participant with SCS assistance in cooperation with the local conservation district provides for:

All land use and conservation treatment decisions, including the scheduling of practices, on the wetlands and designated adjacent areas covered by the WBP agreement.

Either decisions or recommended conservation alternatives on the remainder of the operating unit.

Installation and maintenance of planned conservation practices.

All conservation practices required to protect or improve the designated area in the WBP agreement must be installed and maintained to avoid termination of the agreement for noncompliance. Such terminations require the participant to refund all payments.

The conservation plan provides the basis for scheduling onsite technical assistance needed for the installation and maintenance of planned conservation practices in accordance with acceptable technical standards and specifications.

Limited grazing of the designated acreage as a management practice to improve the waterfowl habitat can be approved. The State Development Group must unanimously approve limited grazing before it can be used within the state. Limited grazing must be carefully controlled and practiced in accordance with the specifications stated in the conservation plan.

Wetlands are generally referred to as marshes, swamps, bogs, wet meadows, potholes, sloughs, and river-overflow lands. Shallow lakes and ponds with emergent vegetation are included.

Many wetlands can be drained or filled to create land suitable for agricultural, industrial, residential, and other uses. Inland wetlands can be changed to deep water lakes by constructing an earthen fill.

As man tampers with natural wetlands, the food and cover plants required by waterfowl and other wetland wildlife may not survive. Just as the early settler changed the land he found on this continent, man continues to destroy nature's wetlands, feeling that such "waste land" must be put to productive uses.

However, environmental awareness on the part of many segments of the general pubic within the past decade has helped to reverse this trend to exploit our resources, including wetlands.

Approximately 22 million acres of wetlands in the United States have moderate to high value for waterfowl, according to the U.S. Fish and Wildlife Service Circular 39. Of these 22 million acres, 9 million are Type 3, 4, or 5 wetlands.

Type 3 wetland is defined as inland shallow fresh marshes that are usually waterlogged during the growing season.

Type 3 and Type 4—inland deep fresh marshes—constitute the principal production areas for waterfowl.

Type 5—inland open freshwater—is made up of shallow ponds and reservoirs. Water is usually less than 10 feet deep and is fringed by a border of emergent vegetation. Type 5 wetland is often surrounded by or adjacent to Type 3 and Type 4 wetlands.

It is the policy of the Soil Conservation Service that technical assistance will not be furnished for draining Types 3 through 20 wetlands. Also, under the Agricultural Conservation Program, cost sharing is not available for draining Types 3 through 20 wetlands.

Many wildlife agencies and organizations have cooperated in the Water Bank Program. The U.S. Fish and Wildlife Service and the state wildlife agencies have contributed hundreds of man-hours, especially at the local level, in onsite reviews of proposed wetland areas.

FAA WINS MAY "GOLDEN FLEECE" AWARD

Mr. PROXMIRE. Mr. President, my "Golden Fleece" Award winner for May is the Federal Aviation Administration (FAA) which, according to its own Public Affairs Office newsletter, spent over $417,000 for 95 new meteorological instruments so that its employees can make rain predictions while remaining indoors despite the fact that existing instruments perform the same function but must be read outdoors.

No longer will FAA employees have to sing "Raindrops Keep Fallin' on My Head" as they make their forecasts. No longer need they fear precipitation during prognostication. But meanwhile the American taxpayer is being soaked to the tune of over $417,000 for this needless extravagance.

Mr. President, as you know, I make monthly "Golden Fleece" Awards for the biggest or most blatant example of wasting Federal tax funds. Monthly awards are followed by a Fleece of the Year Winner in late December.

In explaining why I tapped the FAA for this month's Golden Fleece Award, I cannot improve upon the words of that agency's own Public Affairs Office, which contributed the following statement to a recent FAA newsletter:

Raindrops Won't Be Falling On Your Heads. . . . A $361,150 (later increased to $417,150) contract for 79 (later increased to 95) Remote Readout Hygrothermometers will permit FAA personnel making weather observations to tell if it's likely to rain without running the risk of getting caught in it. The Hygrothermometers measure the likelihood of rain by comparing the temperature within a bulb of completely dry air with the temperature of the moisture-laden air around it. When the two temperatures get within three degrees, rain is likely. Existing hygrothermometers do this now, but the FAA employees have to go outside to read them. The new ones, which will be made by the Airflo Instrument Company of Glastonbury, Conn., will relay the temperature readings to inside monitors where they can be read in indoors comfort.

FAA, I should note, now contends that these new instruments are needed "in the interest of better observations and more efficient manpower utilization." But this attempted justification came only after my inquiry about the hygrothermometer contract. It has at least the appearance of a "quickie rationale" for what is, in fact, an inexcusable luxury.

This expenditure by the FAA leaves the American taxpayer out in the rain while the agency's employees, safe and dry, eyeball their new toy in the comfortable indoors. For this the FAA is surely worthy of my Golden Fleece Award for May.

THE ALTERNATIVES TO DÉTENTE

Mr. PEARSON. Mr. President, last month Senator MATHIAS delivered a thoughtful speech at Kansas State University exploring with great insight the complexities of United States-Soviet relations.

Senator MATHIAS' presentation, as a part of the Alfred M. Landon Lecture Series on Public Issues, provided Kansans and their distinguished guests with a unique and comprehensive examination of alternatives to détente. So that this body may have the benefit of Senator MATHIAS' insight. I ask unanimous consent that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follow:

THE SEARCH FOR AN ALTERNATIVE TO DETENTE

(BY SENATOR CHARLES MCC. MATHIAS, JR.)

There are few concerns more vital to the people of the United States than the necessity to reduce the tensions that might lead to nuclear conflict.

Until the 1976 presidential primaries, the process of seeking a reduction of such tensions was called "detente." We may find synonyms for the word, but there is no alternative to the process. We can call a potato a "spud," or beer "suds," but it will not change the way they taste and smell and feel. More importantly, it will not change how they affect us—and I think the same can be said of detente.

We must not now permit parochial political maneuvering to jeopardize an effort to arrive at a relationship with the Soviet Union, and with the other nuclear powers, based on a reasoned understanding of the common dangers of failing to come to an agreement to live in peace with one another. The only alternative to achieving some workable, peaceful relationship with the Soviet Union is to live with the omnipresent threat that a devastating nuclear war will put an end to civilization as we know it.

It is vital that all Americans see through the emotional, ideological smokescreen that has been spewed forth by men of small vision and that the American people understand that the alternative to detente is the continuation of the arms race. They should know that the stockpiling of more and more weapons of destruction in nuclear arsenals around the world simply raises the mathe-

matical possibility that these nuclear weapons will be used.

There has been, in my lifetime of public service, no issue that more clearly demands solution. Nor has there been any issue which better identifies those who possess the qualities of leadership and national purpose that are so urgently needed today. For what can be more vital to the national interest than finding a rational way to bring the nuclear arms race under control, to end the growing danger of nuclear weapons being used by a government, a group or even an individual?

The alternative to making this effort is to move inexorably closer to nuclear devastation. And I think this grim reality has to be faced. This reality must not be distorted by ideological speculation or political rhetoric. The dangers must not be minimized. We must seek and find leaders who will dedicate their effort to achieving a mutually acceptable understanding that will enable us and our descendants to live in peace.

Why do I come here today and use this occasion to speak so starkly? Simply because I think time is short and the opportunities to prevent predicted nuclear catastrophe from becoming reality are relatively few. Important forums such as this must be used to set the record straight. For, it is my view, that if the people of our nation know the facts, they will act with wisdom and common sense to take the steps necessary to prevent disaster.

The facts are precise—almost elegantly mathematical in their certainty.

In 1945, the bomb dropped on Hiroshima had the lethal power of 13 kilotons—that is, a destructive force equivalent to 13,000 tons of TNT. That single bomb killed 85,000 human beings in one apocalyptic instant. It brought incalculable suffering to tens of thousands of others.

A few weeks after the bomb blasts at Hiroshima and Nagasaki, I visited both cities. I saw what those small primitive atom bombs could do. A vivid memory of that blasted landscape of death and total destruction still haunts me. It animates my own conviction that the alternatives to detente, that is, either or remaining in a state of perpetual hostility or of taking that final step toward war, must both be rejected as a form of madness.

The Hiroshima and Nagasaki statistics of death are insignificant compared with the statistical possibilities of today's monster bombs. Scientists say that one one-megaton weapon can completely destroy a city the size of Boston. In addition, its lethal fallout would cast a pall over 1,000 square-miles. That is a one-megaton weapon. But, predictions are that a nuclear first-strike exchange would involve around 1,000 megatons. Such a blast would cause lethal fallout over 5 billion square-miles—which is roughly the size of the United States.

Now, you can even make instant calculations of the devastating effects of nuclear weapons by a very simple device called the Nuclear Bomb Effects Computer sold by the Government Printing Office for about $2.50. I think that's a commentary on our times, that the G.P.O. would sell such a device. For example: You can find out that the blast effects of a one-megaton weapon would be sufficient to knock down buildings in a 20- to 30-mile radius of the blast. You can learn that even in a relatively small blast glass fragments become lethal missiles. In fact, you can learn much more than you want to know. But the details it provides become mere curiosities when counterposed to the most telling statistics of all: we now have a nuclear capability of killing every man, woman and child on earth 15 times over.

The present United States nuclear arsenal contains well over 4,000 deliverable intercontinental warheads, each of which can destroy a city. We have thousands of smaller tactical warheads. Our standard warhead dwarfs the Hiroshima bomb. It is ten times more powerful and has a destructive force equivalent to a million pounds of TNT.

The Soviet Union possesses at least half as many deliverable warheads as we of an equivalent or even greater megatonage.

At last count, the United States, if it unleashed its arsenal, could destroy the Soviet Union 44 times over, and the Soviet Union could destroy the United States at least 22 times over. A former Polaris officer told me not long ago that we are actually running out of targets in the Soviet Union.

Despite the differences in the nature and quality of each nation's nuclear arsenal (we have concentrated on accuracy and the Soviet Union has concentrated on size), despite differences in the size of warheads and the sophistication of delivery systems, both we and the Soviet Union have reached a measurable technological plateau. We can destroy each other no matter which of us strikes first.

Another indisputable fact is that, given our present technology, defense against the use of these weapons is impossible. The United States can be destroyed within 18 to 30 minutes after a launch. So can the Soviet Union. Eighteen minutes does not leave much time for defense—or for reflection—or for prayer.

It is a powerful irony, and one whose point must not be missed, that the scientists who invented nuclear weapons both in the United States and in the Soviet Union, who are in a unique position to evaluate the full destructive potential of the weapons they have created, warn us that unless the arms race is stopped, the human race will be annihilated.

Soviet citizens do not hear these warnings from dissident physicist Andre Sakharov, alone. Both Professor Peter Kapitza, Director of the Institute of Physical Research in Moscow, and the late Professor Lev Artsimovich, former director of Kurchatov Institute for Thermonuclear Research, have been equally insistent in their warnings.

In the United States among the scientists associated with the Manhattan Project, I think of Columbia University's Nobel laureate in physics, I. I. Rabi, and of the late Leo Szilard of the University of Chicago. Warnings have come to us from France as well—from Professor Francois Perrin, the former head of the French atomic energy commission.

How many warnings must we hear before we listen?

It is important that we keep the fundamental purpose of detente firmly in mind. It is a very simple one: to live in peace and to assure the survival of the United States and, the survival of our civilization.

The American people must not be deflected from the pursuit of this primary objective by any secondary consideration. We must distinguish clearly the central thrust of our policy from the disputes raised over whether secret agreemnts have been concluded which might place our nation at some disadvantage.

My own feeling is that secret negotiations should be shunned. They foster uncertainty and fear that the United States, through some secret process, may somehow be placed at a disadvantage or that it may lose its position of strength.

I am convinced that, at this time, such a fear is unwarranted. We still maintain the military primacy we bought so dearly in World War II and which we have paid for many times over in the succeeding years. Clearly, we should guarantee the American people that no nation will surpass us in defensive capacity while the greatest issue between nations—the issue of how to insure world peace—remains unresolved.

We must also be prepared, as Mr. Brezhnev himself has candidly warned us, to cope with wars of national liberation supported by the Soviet Union. We must hold our own in global economic competition. We must not be deterred.

But almost all Americans would certainly agree that the United States must continue the effort to forestall nuclear war. How to achieve this goal and the costs required—these are the things that lie at the heart of the controversy over detente.

In so basic a matter as national—even human—survival, I think more straight forward and open discussion of the issue by our leaders would be the sensible course.

We have made efforts over the past decade to get rid of the cold war, to strengthen normal ties with the Soviet Union and with its peoples. (More recently we have begun an attempt to normalize relations with China.)

We have done this in a variety of ways. We have promoted the exchange of athletes, artists, scientists and businessmen. We have encouraged travel and study. We have increased the contacts between our governments at all levels. Encouraging mutually beneficial trade, cultural exchange and international relations can, in fact, and should be a means of strengthening peace.

We have done these things and we should continue to do these things. But, we must always insist on reciprocity in effort and mutuality in the benefits of exchanges.

The obstacles to this sensible, straightforward approach derive from basic philosophical differences which separate the governments of the United States and the Soviet Union. These differences must not be minimized—I think they should be faced. We should have no illusions about finding common ground between our very different beliefs on how society should be organized, or how nations should be governed. There are very great differences between the economies of the United States and the Soviet Union. These differences, very candidly, create enormous difficulty in our relations.

We have very different aspirations and beliefs about how the world as a whole should be governed. The Soviets see their system as a model for the entire globe. While we too believe our system to be the best the world has yet seen, we think the people of the world should have the right to choose their own system. We are prepared to live in peace with people of all nations no matter what their system.

I have to say I am encouraged by the developments of the past few years. Many of us remember how dark the future looked in the early 1950's, when the specter of the bomb hung over all of our heads and war between the United States and the Soviet Union seemed inevitable. We have survived and emerged from that dark time.

But we are now at an even more critical moment—perhaps it's not too much to say, the most critical moment in the history of the world. The decisions that we make now concerning our relationships with the other great nuclear powers will surely determine the ultimate fate of our people and all nations.

It is a time of great hope and it is a time of great danger. Even as we debate the life and death issues of the arms race, the destructive capabilities of the United States and the Soviet Union grow incrementally greater every minute.

I do not believe the controversy that threatens to halt the search for detente concerns the validity of the search itself. It lies, instead, in a fear that the urgency of the need for finding a rational way to live in peace may dictate concessions or agreements that would not be considered if the stakes were not so high.

What is at issue, then, is not detente itself, but the means for arriving at detente—the

means for lessening tension. It is clear that secrecy has fostered an erosion of confidence in the purposes of the detente policy. In recent years, we have all witnessed the damaging effects of secrecy in government. Now, the consequences of secrecy have become manifest in the rhetoric of an election campaign.

I urge—and I am confident Governor Landon would join me in urging—that the American people be given every possible detail of the negotiations that have taken place in the name of detente in order to reinforce the basic support that exists for this effort.

In a democracy the people must know the truth if they are to vote responsibly and intelligently. A badly informed or wrongly informed electorate is a dangerous thing in a democracy. Such an electorate is the natural prey of demagogues.

Most criticism of detente seems to come from those who advocate a get-tough policy—a policy of putting pressure on the Soviet Union to modify its behavior. Let me suggest what some of the results of such a policy might be:

We would lose the degree of control over the strategic arms race that we have achieved so far. Defense expenditures in the nuclear area would spiral upwards; the stability attained in the SALT process would be lost, thereby increasing the risk of war.

The people-to-people contacts that have flourished under detente would wither and we would lose any ability to ameliorate the conditions under which Russians and Western Europeans live.

We would lose what gains we have made in understanding more about how the Soviet system functions and how we can influence it. In place of communication there would be only guesswork and speculation as to Soviet capabilities and intentions.

Opportunities for mutually beneficial trade and cooperation in dealing with common and global problems would disappear.

A period of tensions in which our economic resources would be diverted to armaments and away from assistance would be damaging to the rest of the world.

Our own society would suffer from the diversion of resources that ultimately would keep us from addressing our pressing domestic problems.

I think the American people should know all this and, when they have all the facts, I believe they will support detente wholeheartedly.

For 200 years now the people of the United States, acting through their elected representatives, have decided how their lives were to be governed. I don't think the people will relinquish their rights now when the question of their very survival is at stake.

The American people must press for leadership in the Congress and in the Executive Branch which will keep them fully informed of the crucial actions being taken in their behalf.

And if the day comes when all hearts are open, all desires known and when no secrets are hid, then I think our choice will be obvious and our course clear. A world with the capacity for the ultimate fatal course. For the sober, the prudent, the wise, and courageous all know, there is no alternative to detente.

KATE WILSON FRENCH OF IOWA

Mr. CLARK. Mr. President, during this Bicentennial Year, we will honor many people, places and events that are a part of the history of this great Nation. For the youngsters among our citizenry—and I like to count myself in that group—this is a good opportunity to refresh and expand our knowledge about our history.

Much of our learning will come from senior citizens—the people who participated in the development of new frontiers and witnessed the tremendous changes technology has brought to this country and the world.

One such person is Kate Wilson French, who grew up in Buchanan County, Iowa. She was born in 1875 in Independence, Iowa, and last October 11, she celebrated her 100 birthday.

Her father emigrated to Iowa from Ohio to set up farming. As a youngster, Kate developed an interest in music, and she later studied at the conservatory of music in Oberlin, Ohio. She was also an artist, painting in oils and on china.

She and her husband, the late Remington Fred French, continued the family tradition of farming. Their Belgian horses were perennial prize winners at the Iowa State Fair.

They were the parents of two daughters, Marguerite French Springer and Ruth French Couch.

Kate Wilson French is a remarkable woman, and by looking at her ancestry, it is easy to see where she got her spirit. Her great grandfather, her great uncle and her grandfather all served in the Ohio Senate. Another great grandfather, Thomas Wilson, was a great uncle to President Woodrow Wilson. She is a descendant of James Wilson of Pennsylvania, one of the signers of the Declaration of Independence and a former Supreme Court Justice. Two of her uncles fought and died in the Civil War.

In this Bicentennial Year, we pay tribute to Kate Wilson French and others like her whose contributions to this country have been immeasurable and whose spirit and determination we hope to carry on for another 200 years.

INTELLIGENCE OVERSIGHT

Mr. DURKIN. Mr. President, 20 years ago, in the spring of 1956, a first-term U.S. Senator from Montana asked the Congress to consider the establishment of an intelligence oversight agency—a panel which would oversee the legislative, budgetary, and operational functions of the Nation's various information-gathering intelligence agencies. The Senator was MIKE MANSFIELD, and the idea of establishing such an oversight committee was indicative of his thoughtful, balanced, constructive approach in preserving our personal freedoms while defending our Nation's sovereignty.

It is an outstanding credit to Majority Leader MANSFIELD that the Senate has approved a Select Committee on Intelligence this week. Senator MANSFIELD'S foresight in proposing such a watchdog committee has been more than proven by the revelations we have since heard about the widespread and frequent abuse by segments of the intelligence community.

I hope the establishment of the select committee will improve the intended purpose of our intelligence agencies. The country certainly needs an effective information gathering force, but one which honors our Constitution by following its precepts. It is necessary to protect and defend the United States. But we also need careful oversight of the various intelligence agencies. Had MIKE MANSFIELD'S original suggestion in 1956 been adopted by the Senate, this country might have been spared the agony of the last few years.

The creation of this committee is a tribute to the foresight and perseverance of the majority leader.

SECTION 404 PROGRAM IN CALIFORNIA

Mr. CRANSTON. Mr. President, under section 404 of the Federal Water Pollution Control Act Amendments of 1972 the Army Corps of Engineers was delegated the responsibility and authority to regulate fill and dredge material disposal in the waters of the United States. Last year the court ruled that the waters of the United States included more than physically navigable waters and the corps revised its regulations accordingly.

Through its permit program, the Corps of Engineers has been a major factor in guaranteeing public review of development proposals in valuable wetland areas throughout the country. If the Corps' jurisdiction were limited to navigable waters subject to tidal action, about 80 percent of the ecologically important wetlands and marshes in the United States would not be subject to regulation by any Government agency. Thus, these areas could immediately be used as dredge disposal sites or landfill areas.

In California, and particularly in the San Francisco Bay Area, the Corps has provided important protection for critical wetland areas. Over 60,000 acres of salt ponds and managed wetlands in San Francisco Bay not only provide wildlife habitats of national and international significance, but they also add to the water surface of the bay which is essential to maintaining the moderate climate of the area.

The State of California has expressed its great concern about changes in the section 404 permit program which are now being proposed in Congress. I would like to share with my colleagues a lettter from the Resources Agency of California which describes the impact on my State.

Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD.

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

THE RESOURCES AGENCY OF CALIFORNIA,
Sacramento, Calif., April 23, 1976.

Hon. ALAN CRANSTON,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: The House Public Works Committee recently reported out H.R. 9560, amending the Federal Water Pollution Control Act. As reported, the bill included an amendment proposed by Congressman Breaux of Louisiana. We strongly oppose this amendment which would severely undercut the authority of the U.S. Army Corps of Engineers to protect the nation's wetlands under Section 404 of the Federal Water Pollution Control Act.

Section 404 requires a Corps permit for the disposal of dredged or fill material in the waters of the United States. This section has

been construed to apply broadly to the nation's wetlands, not just to the waterways where the Corps is concerned strictly with navigation. Salt marshes, estuarine areas, and freshwater wetlands provide significant habitat for wildlife, and they play critical roles in the food chain of aquatic life which is essential to our sport and commercial fisheries. California's wetlands have dwindled from about 3½ million acres to less than 445,000 acres today.

The Resources Agency has consistently taken the position that Section 404 provides valuable environmental protection. During the past year, as the Corps of Engineers was developing its regulations under Section 404, we supported a program of broad jurisdiction with the Corps giving due regard to decisions of state environmental regulatory agencies. We also supported inclusion of safeguards to assure that minor activities are not unnecessarily brought within the scope of the full permit procedures. The regulations adopted by the Corps on July 25, 1975, reflect many of the State's comments and suggestions. These regulations give recognition to and complement state programs which protect the environment. They provide an effective, coordinated program which will assure significant consideration of environmental values in authorization of any dredge and fill activities in the state's wetland areas.

Passages of H.R. 9560 with the amendment by Congressman Breaux would add significantly to the risk of additional wetland areas being irretrievably lost in California and throughout the nation. I respectfully request your assistance in removing from H.R. 9560 the amendment which would drastically weaken Section 404.

Sincerely,

GARY D. WEATHERFORD,
Deputy Secretary for Resources.

SENATOR HRUSKA SPEAKS AT DEDICATION OF NEW FEDERAL CORRECTIONAL FACILITY AT BUTNER, N.C.

Mr. HELMS. Mr. President, on Thursday of last week, the new Federal Correctional Institution at Butner, N.C., was dedicated to James V. Bennett who served as Director of the Federal Bureau of Prisons from 1937 to 1976, or for more than half of the Bureau's 46-year history.

The principal speakers at the dedication of this important new facility were our colleague, Senator HRUSKA, and the Deputy Attorney General of the United States, the Honorable Harold R. Tyler, Jr.

Judge Tyler said of Jim Bennett:

More than any other single man, he tore down the barriers that separated the prison inmates from the normal ebb and flow of life in the outside community.

Senator HRUSKA said:

Under his leadership, our Federal prisons have entered a new age with stress on enlightened programs, human incarceration and respect for the individual.

We in North Carolina welcome the new institution and the opportunity to work with its staff under the able leadership of Warden Donald A. Deppe. Already cooperative programs have been arranged through the staff and facilities of the University of North Carolina, Duke University, North Carolina State University, Central Carolina University, East Carolina University and the University of Chicago.

Mr. President, I ask unanimous consent that the remarks of both Senator HRUSKA and Judge Tyler be printed in the RECORD.

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

SPEECH BY SENATOR ROMAN L. HRUSKA

Mr. Bennet, Mr. Alexander, Mr. Carlson, Mr. Tyler, Warden Deppe, Ladies and Gentlemen:

To borrow a phrase from my longtime friend, Norman Carlson, we are here today to dedicate the Federal Correctional Institution at Butner—at long last.

The original dedication date was May 14. The schedule had to be moved up one day because of a clerical error.

This dedication therefore represents the first event connected with Butner that has ever occurred ahead of schedule.

We have been planning, appropriating money for, and working on Butner for most of the 21 years that I have served in the U.S. Senate.

The original idea for this institution came from James V. Bennett, Director of the Federal Bureau of Prisons, in the 1950's. He made a convincing case before our Appropriations Committee.

The Congress first made funds available in September, 1961. The money was for planning purposes. Every year after that for the next four years, we appropriated more funds until the Bureau of Prisons thought it had enough to build this institution.

Unhappily, they were wrong. The low bid received in October, 1965, was more than $4.5 million beyond the funds available. As a result, the money scheduled to go for Butner was reprogrammed to cover other needed improvements in existing federal institutions.

Neither the Bureau nor I was discouraged—at least not permanently. In 1970 and 1971 at the Bureau's request, new money came from the Congress, and construction finally began in June, 1972. The projected completion date was February, 1974. Needless to say, the deadline was not met.

PERSONAL INTEREST IN BUTNER

During my years in the Congress, I have personally visited nearly every federal prison—I am sorry to have missed the new Federal Correctional Institution for youths in Miami, which recently opened. So you see, I have more than a passing interest in Butner and am particularly gratified that my Senate career was long enough to permit me to come down and see it dedicated to my friend, Jim Bennett.

My opportunity to see Butner germinate, take root and grow was unique. As a member of both the Judiciary and Appropriations Committees in the Senate, I have had more than a passing interest in this matter.

I was very surprised then, at the charges of a few years ago that this institution was preparing to violate the constitutional rights of prison inmates by the use of all kinds of exotic mind-altering techniques.

The Congress authorized, and the Bureau of Prisons built, Butner for two reasons only. The first was for the diagnosis and treatment of offenders with acute mental disorders and the second was to test and evaluate programs to improve correctional effectiveness.

Butner was conceived, built and organized under Jim Bennett, Myrl E. Alexander and Norman A. Carlson. It has been my privilege to work with these men for more than two decades. As I had occasion to say in the Senate on April 5, 1976, "these three outstanding penologists have provided able, dedicated and compassionate leadership to the nation's federal correctional system." I reaffirm that judgment here today.

The entire Federal Prison System reflects the belief of these three men that deprivation of freedom is punishment enough, that people are sent to prison as punishment and not for punishment.

Because of these three men, prison inmates and correctional officers work in an atmosphere that is safe and humane. The corrosive elements of incarceration have been eliminated or greatly reduced. There is a marked trend away from unnecessary institutionalized routines and toward more normal living conditions. Inmates have education, counselling and training services available to help prepare them for their return to the outside community.

I have seen these three men year after year come to Capitol Hill and make thoughtful, informative presentations to the Congress. One of their main concerns has been to improve the living conditions and the programs available to prison inmates as well as to better the working conditions and safety of both staff and inmates.

They have helped obtain appropriations from the Congress to build 20 new penal institutions. These new facilities were designed for more modern correctional programs and more humane incarceration for offenders sentenced to prison by the Courts.

I cannot imagine three more unlikely candidates to be accused of violating the constitutional rights of anyone. Jim Bennett, Myrl Alexander and Norman Carlson have continually expressed their concern for the rights of inmates.

During their years at the head of the Federal Prison System, these three administrators have provided a model of leadership for state and local corrections systems. They have shown awareness that Corrections is only part of the criminal justice system of this nation, along with the Police and the Courts.

STRONG LINKS NEEDED

All three of these components must be equally strong if we are to have an effective criminal justice system. When one link is weak, the entire system is in danger. The Federal Prison System has consistently worked toward improving coordination between the three links.

The Federal Prison System, however, has no control over the clients it receives. The Police and the Courts decide who shall be prosecuted and incarcerated. The best risks are returned to the community through probation and other programs. The more serious offenders and the repeat offenders are sent to prison.

A high proportion of these people are school dropouts. They are poor and unskilled and untrained. Their family ties are weak. Many have drug addiction and alcoholism problems. They represent a distillation of society's failures.

The Prison System is expected to find a cure for these failures. There is much pressure on this link of the criminal justice system. Prisons are called upon to accomplish what the family, the school, the job market and the church have not been able to carry out successfully.

This is a difficult assignment under the best of circumstances. The causes of crime are largely unknown and no sure cures have been developed.

The task is doubly difficult today because of the population explosion now taking place in prisons. Prison population went up by 11 percent last year and the number of people in Federal prisons has increased by about 8 percent since the beginning of this year.

These offenders are coming into jails and prisons that are already, to a large degree, out of date and overcrowded.

New institutions are needed to accommodate the increase in offender population. Additional correctional personnel must be hired

and trained. Correctional programs must be expanded. New ways must be found to reduce crime and to help offenders reintegrate themselves successfully into the community.

BUTNER IS RIGHT STEP

This new institution, the fruit of Jim Bennett's imagination, is a big step toward reaching these objectives. Butner will help relieve overcrowding in the Federal Prison System. Better care and treatment will be offered to inmates with mental health problems. New correctional programs, stressing voluntary participation by inmates, will be tried.

The new National Institute of Corrections, which was established by congressional approval of a bill I sponsored in 1974, will also make its contribution. The Institute now is a part of the federal prison system and will help improve the nation's corrections systems through research, education, training, information exchange and development of correctional standards and goals. The Institute will serve as a funding mechanism by which Congress can provide resources to improve corrections at the local, state and federal levels and to do research into the causes of criminal behavior.

Corrections also must reaffirm its role in the maintenance of a swift and effective criminal justice system by providing useful deterrents to crime. It must continue to work in harmony with the other elements of the system operating as an integrated and coordinated response to crime.

Jim Bennett said it well in 1944, some 32 years ago:

"Instead of regarding the prison as the beginning and the end of the process of dealing with criminals, it is clear that (prison) is only one link in a long correctional chain. . . . Failure to recognize this means that a prison institution assumes a burden which it cannot carry. . . . The degree to which the philosophy behind a prison recognizes these limitations and emphasizes those functions which the prison can perform adequately, leaving it to other social agencies to supplement the work within prison walls, is an important measure of the soundness of the philosophy behind the prison program.

If the challenges ahead seem formidable, we can take inspiration from the progress we have made in the past.

MUCH PROGRESS MADE

When Jim Bennett was first introduced to the Prison System more than 46 years ago, Federal prisons had virtually no meaningful correctional programs. They were filled with idle inmates unprepared for community life. The institutions were staffed by untrained guards without Civil Service status.

Today, Federal Prisons are equipped with schools, work shops, hospitals and indoor and outdoor recreational facilities. Furloughs, halfway houses and other community programs have been introduced. The staffs are trained and educated. Psychologists, therapists and counselors have been added to the system.

Under his leadership, our Federal Prisons have entered a new age with new stress on enlightened programs, human incarceration, and respect for the individual.

His achievements will inspire us to meet and master the problems that lie ahead. Butner will be of great assistance in overcoming this challenge.

As Norm Carlson has so well stated:

"Butner is yet another milestone on the long pathway we are traveling in this nation to create a more effective and more humane system of criminal justice."

Thank you very much.

SPEECH BY HAROLD R. TYLER, JR.

We are gathered here to celebrate the opening of a new Federal correctional institution and to dedicate it to James V. Bennett whose vision and imagination made it possible. Butner represents what is most modern and imaginative about corrections and the man to whom it is dedicated has always stood as the symbol of all that is progressive and humane in the Nation's system of corrections.

Butner was Jim Bennett's idea. He conceived it as a place where Federal prison inmates with severe emotional problems could be sent for diagnosis, study and intensive care and treatment.

He wanted it located near major universities whose resources could be used to carry out correctional programs. The fact that it is now open, despite 15 years of setbacks and disappointments, is a testimony to the strength of his vision and the urgency of the need.

Much credit is also due to his successors, Myrl E. Alexander, who made so many contributions to the cause of corrections during his six years as head of the Federal prison system, and to Norman A. Carlson, the present director, under whom the building of Butner was carried out.

Butner will serve two important purposes in the Federal prison system. It will, first of all, fulfill Mr. Bennett's dream of a modern mental health center for Federal offenders.

Another—and a separate part—of Butner will address itself to another great concern of Mr. Bennett's—to develop programs to help groups of inmates who traditionally have had a poor record of success outside of prison.

Jim Bennett was director of the Federal Bureau of Prisons from 1937 to 1964 or 27 of the Bureau's 46 years. He is truly the architect of the Federal prison system and a pivotal figure in the history of corrections, both in this country and throughout the Western World.

As a staff member of the old U.S. Bureau of Efficiency, he studied Federal prisons and wrote the first draft of the 1930 legislation that established the Federal Bureau of Prisons.

More than any other single man, he tore down the barriers that separated the prison inmates from the normal ebb and flow of life in the outside community.

The Nation today has more than 500 halfway houses operated by private, State, and Federal agencies, because Jim Bennett established the first Federal community treatment centers in 1961. He entrusted this program, incidentally, to a youthful executive fresh from the field by the name of Norm Carlson.

Even before he became director of the Bureau, Mr. Bennett helped establish open federal institutions, in the form of prison camps, and in 1946, he supervised the construction of the first prison without bars in Seagoville, Texas.

He was one of the driving forces behind the establishment of furlough and work release and study release programs. He spearheaded the successful effort to authorize the use of prison industries profits for training inmates in various trades.

As a matter of fact, he proposed the formation of a government corporation to manage federal prison industries and won the cooperation of President Roosevelt and the labor unions. After the necessary legislation was passed and signed into law by the President, Jim Bennett became the first commissioner of prison industries and held that job until he succeeded the original director of the Bureau of Prisons, Sanford Bates.

During his career, he supported such critically important programs as removing civil service barriers to the employment of ex-inmates by the Federal Government and establishing sentencing institutes for members of the Federal Judiciary to reduce sentence disparities. When a Federal Judge, I participated in these institutes, and I can report from firsthand knowledge the respect members of the Federal Judiciary feel for Mr. Bennett and the universal respect in which he is held.

Among his most notable contributions to a more effective American criminal justice system was the improvement of the system of sentencing. Mr. Bennett is a distinguished lawyer as well as a fine administrator. Thus, it is no surprise that he helped write the Federal Juvenile Delinquency Act of 1938, the Federal Youth Corrections Act of 1950, and the 1948 laws covering the treatment of mentally ill people charged with crime. Eight years later, he helped develop the legislation authorizing judicial seminars on sentencing problems.

At the same time, he never lost the human touch. The old files of past inmates in Federal prisons are filled with personal letters written to them by Jim Bennett. As he said in his celebrated book, "I chose prison":

"I believe there is a treasure in the heart of every man if we can help him find it."

Senator Hruska, who is with us today, had this to say in a Senate speech in January 1962:

"I have come to regard and respect Mr. Bennett as one of our foremost public servants. . . . I should like to pay tribute to his humane philosophy and to the enlightened efforts by which he has succeeded in making the Federal prison system a standard for the world."

It is a strange irony that this new institution at Butner, which was the brainchild of one of our most respected public servants, has been so widely misunderstood and has been the target of so much abuse over the past years. Jim Bennett wanted to build a facility to help the mentally ill, for whom he had a special compassion. This simple, humanitarian goal has been distorted by some groups and individuals into a sinister plot to destroy the minds and bodies of Federal prison inmates. As a partial result, this institution has sustained many delays, vituperation and other forms of resistance. In a sense, this may be understood in terms of society's frustrations in dealing with offenders, especially disturbed and irrational offenders, in an effective but civilized manner. Further, I dare say, not even Mr. Bennett and other experts are certain of what results this imaginative new facility may bring us. But, surely we can all agree that it is a noble experiment, the cost of which, no matter how large in terms of today's dollars, may with luck and skilled research turn out to be negligible in terms of new methods and knowledge.

The outstanding universities in this triangle will permit us to draw on their departments of psychiatry to establish and conduct sound programs for the treatment of acutely psychotic Federal prison inmates. Teams of psychiatrists, psychologist, psychiatric nurses, correctional counselors and officers, with the help of occupational and recreational therapists, will pool their skills to help inmates whose problems are too acute to be resolved anywhere else. We also plan to supplement their efforts by using students in training programs in the universities in this region. Moreover, as a practical matter of importance to our courts, the mental health unit will take some of the population pressure off the medical center at Springfield, by accommodating inmates from the eastern sector of the country.

The other section, correctional programs, will comport with, inter alia, the ideas of one of our distinguished visitors, Norval Morris, dean of the University of Chicago Law School.

Norval Morris believes, as many of us do, that the behavioral change of prison inmates, if it comes, must come willingly and

voluntarily from the inmates themselves. He believes that rehabilitation, if it is to be achieved at all within an institutional setting, cannot be decreed or coerced. Butner may help us achieve breakthroughs in this direction.

Within limits, then, inmates will participate in programs here on a voluntary basis. We hope to scotch the notions that the Bureau of Prisons is attempting to alter the minds of men or even to compel selected rehabilitative models. But recognizing the hardiness of old tales, it may be wise to repeat the statement made by Director Carlson at the February 27, 1975, oversight hearing before a subcommittee of the House Judiciary Committee:

". . . The Federal Bureau of Prisons is not contemplating and has never contemplated the use of psychosurgery, sensory deprivation or aversive treatment of any kind at the Butner Institution. The Institution will include a small hospital without surgical facilities because of the availability of excellent medical care in nearby university hospitals."

As I have already implied, today most of us understand that the rehabilitative effect of prison programs is limited. An offender can be regarded as rehabilitated when he or she is back in the community, engaged in productive work and living a law-abiding life. We know that two of the most crucial elements in rehabilitation are that a person leaving prison have a family to return to and be placed in a good job that suits his or her abilities.

We can and do endeavor to help motivate an inmate to change himself. We can provide job training, work experience, and education. We can try, through community program officers, to help inmates find jobs. But still in 1976 we cannot guarantee meaningful jobs, and of course we cannot assure that the inmate will return to an accepting family.

We cannot even predict what use a person will make of the skills he learns in prison. Many of you have heard the story of the moonshiner who learned metal work in Federal prison, and when he got out, was caught and convicted again of illegal distilling. He sent Jim Bennett a letter that said:

"I write to tell you how much your training has meant to me. When my new case just came up in Tennessee court, they all showed off my new still. The judge and jury all looked it over most carefully and admitted to a man that it was the finest piece of coppersmithing they had seen in these parts, barring none. I just wanted you to know I owe it to your sheet metal course in vocational training."

Rehabilitation takes place in the community and it is precisely in the community where we have almost no power to influence the outcome of an ex-offender's behavior.

We believe today, however, that meaningful correctional programs cannot and should not be carried out in the large, old fortress-like institutions of the past. New facilities like Butner offer us hope for the future in better carrying out our job of protecting society. We must build new institutions and replace the old ones. As Jim Bennett told the first United Nations Congress on the Prevention of Crime and Treatment of Offenders in Geneva in 1955:

"After all, the prison, like other institutions, is the creation of human intelligence and ideals, and it reflects man's accumulation of knowledge about himself and his environment. There comes a time when our knowledge outstrips these physical monuments to an older generaton and must be replaced with something more relevant to our times if advances are to be achieved. Happily, even if tardily, that time seems to be here."

SECOND SUPPLEMENTAL APPROPRIATIONS BILL—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I would like to make two brief but important points about the conference report on H.R. 13172, the second supplemental appropriations bill, passed yesterday by the Senate.

Additional funds are being provided for this fiscal year and the transition quarter in order to assist State educational agencies in carrying out broader responsibilities resulting from amendments to the School Lunch and Child Nutrition Acts approved last fall. Because of the time lag involved in recruiting and hiring needed additional personnel, it is intended that these funds remain available for State agencies' administrative costs until expended. State administrative funds must be carried over, if unspent, specifically for administrative purposes. If they are put into general nutrition funds, the States will be unable to carry out their new administrative responsibilities. Congress clearly intended these funds to remain specifically available to support the administration nutrition programs to the State and local levels.

In addition, the committee has decided not to provide any funding out of regular appropriations for the WIC program during the transition quarter.

However, substantial amounts of funds have been left unspent from the $250 million—plus carry-over funds—made available for fiscal year 1976. Moreover, Public Law 94–105 mandates the expenditure of a separate $62.5 million in section 32 funds for WIC program operations during the transition quarter. I am sure the committee, therefore, felt that it was unnecessary to provide additional funding out of regular appropriations for the WIC program during the 3-month transition period. The money is already available, in section 32, and both law and legislative history make it clear that a pro rata amount of $62.5 million must be spent on WIC during the transition quarter.

NATIONAL MUSIC AWARDS

Mr. PERCY. Mr. President, in the fifth month of our Bicentennial, I note that many of the great contributions that Americans have made to society and culture have been in the field of music. In this connection, I am pleased that the American Music Conference has established the National Music Awards to be given for the first time this year.

The National Music Awards will honor American composers, lyricists and performers who have made a significant contribution to the development of our Nation's music. The honorees will be drawn from the areas of classical and concert music, jazz and blues as well as all types of popular music. They will include both native-born Americans and immigrants who spent a major part of their lives in the United States, who reached their musical maturity in this country and made their musical contributions prior to 1956. Contemporary composers, lyricists and performers will be eligible for consideration in future years.

I commend the work of the American Music Conference, which is headquartered in Chicago, for establishing this awards program to honor the men and women who have enhanced our musical heritage.

FEDERAL DISASTER LOAN AUTHORITIES

Mr. BURDICK. Mr. President, I am pleased to note that the conferees on S. 2498 have retained a provision authorizing a comprehensive Presidential study of all Federal disaster loan authorities. This provision, which was offered by Senator DOMENICI, Senator EAGLETON, and myself, was accepted by the Senate on December 12, 1975. At that time it was hoped that the study could be completed early this year. However, because several circumstances delayed conference consideration of the bill, the conferees have chosen to put a December 1, 1976, deadline on the President's report and recommendations to Congress. This will give the President and Federal agencies 6 months to make the necessary studies of Federal disaster loan programs. I believe that the time is sufficient, and I look forward to having the opportunity to review the results of the Presidential inquiry later this year.

As chairman of the Subcommittee on Disaster Relief of the Senate Public Works Committee, I have concern that loan programs designed to aid disaster victims may not be structured in the most efficient manner. Senator DOMENICI, the ranking Republican member of the subcommittee, I believe shares my concern. The study provision contained in S. 2498 will go a long way toward uncovering obstacles to the most effective delivery of disaster benefits and should provide a solid basis of information upon which Congress can act to improve the loan programs.

BREAKING UP LARGEST U.S. OIL COMPANIES

Mr. HANSEN. Mr. President, Members of this body could soon be faced with another major energy issue, the question of breaking up the largest U.S. oil companies.

In view of what this Congress has already done in the way of oil tax legislation, price rollbacks and continued price controls and regulations over both oil and gas, I hope each Senator will carefully consider the consequences of oil company divestiture and the effects on the already critical U.S. energy situation.

Editorial comment around the country has been almost solidly against breaking up the oil companies and I cannot help but believe these editors know more about our energy problems than many Senators who have indicated a willingness to pass such a bill.

I hope that some of these Senators will heed the advice and warnings of this very

impressive array of newspapers around the country.

One of them, the Louisville Courier-Journal said:

The idea, of breaking the big oil companies into smaller and theoretically more competitive, units has great appeal, political and otherwise, to many Americans. But, its merits need more examination than the advocates of this proposal so far have been willing to give it.

The Hartford Times called the effort "so laughable that the initial inclination is to ignore the rantings as petty demagoguery. Unfortunately," the Times continued, "history has proven that petty demogoguery when ignored, all too often can succeed in achieving incredibly destructive ends."

Mr. President, if anything needs breaking up because of bigness and monopoly it is the Federal Government and not the 18 largest oil companies. The very fact that there are 18 of them and twice that many smaller integrated oil companies is proof enough that competition does exist in the oil industry.

Mr. President, I believe Senators who may be confronted with this issue could benefit from the editorial comment of newspapers both large and small in all sections of the country and, I ask unanimous consent that some of these editorials be printed in the RECORD.

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

[From the Salt Lake City (Utah) Desert News, Oct. 23, 1975]

BIG OIL FIRMS NOT ALWAYS BAD OIL FIRMS

So the large oil companies should be broken up into small pieces in the name of increased efficiency, should they?

Fortunately, that advice seems to be falling on deaf ears so far in the U.S. Senate, where two attemtps to break up big oil firms and narrow their holdings to one major form of energy were thwarted Wednesday.

But don't count on this issue getting swept under the rug quite just yet. Opposition to big business for no other reason than its size is a hardy perennial. Besides, there's no telling what the sentaors found more persuasive—what economists call the economies of scale, or the argument that they should consider forced divestiture in the oil industry later instead of making it part of the debate on natural gas legislation that can't wait.

The divestiture movement centers on two bills, one sponsored by Sen. Edward Kennedy of Massachusetts and the other by Sen. Philip Hart of Michigan. Though both measures were defeated Wednesday in the Senate, the principles they reflect could easily reappear—and soon.

Under the Hart bill, the top 15 oil companies would have been forced to get rid of all their distribution, pipeline, refining, and marketing holdings.

Under the Kennedy bill, the 20 biggest oil firms would have been forced to rid themselves of holdings in other forms of energy such as geothermal fields, coal mines, or uranium reserves.

Through both measures ran the common notion that smaller oil companies would be more efficient and do a better job of developing energy resources because making them less centralized would make them more competitive.

That advice about getting more effective by getting smaller and less centralized would have seemed strange coming from part of the biggest and most centralized organization of them all—the federal government.

Such advice would be even stranger coming from a bunch of liberals whose discovery of the merits of private enterprise and the free market is certainly late in coming—if, indeed, they really have managed to stumble upon that discovery.

If the oil industry really needed to be broken up, that could be accomplished by anti-trust legislation already on the books. Yet only this week a Federal Trade Commission judge recommended that the agency forget about pursuing that course.

Keep in mind that until the Arab embargo that began in late 1973, there had not been any peacetime shortage of petroleum products in this country. Indeed, massive industries such as petrochemicals were founded on the basis of adequate supplies of low-cost petroleum hydrocarbons.

Keep in mind, too, that the oil and natural gas industries remain the only ones in this country still under price controls. This despite the fact that such controls in other industries actually stimulated higher prices by helping to create shortages of the very commodities under control.

Finding new oil supplies is an expensive undertaking. Oil companies can't do that job unless they remain strong financially.

So instead of trying to break up oil companies, the government should get on with the job of formulating a rational and comprehensive national energy policy. That task involves setting goals and providing incentives to attract the vast sums of capital needed to meet them.

[From the Miami Herald, Oct. 24, 1975]

NATION'S IN ANTI-TRUST MOOD AND BIG OIL'S IN THE SPOTLIGHT

To Teddy Roosevelt, said Mr. Dooley, the trusts were "heejous monsters." On the one hand, he would stamp them "under fuht." On the other, "not so fast."

And so it is in the Senate. In votes this week the upper house refused to break up "big oil" either in its vertical or its horizontal patterns of organization. The votes, however, were closer than might have been expected. That, we think, is their significance.

Members of the so-called oil trust are said to be vertically integrated when they control all phases of oil production, transportation, refining and marketing. A proposal to break up this system was defeated, 50 to 40.

The same companies, or many of them, are said to be horizontally integrated when they control other forms of energy production such as coal (25 percent) and uranium (50 per cent.) A proposal to bust this one, too, was defeated 54 to 45.

We have never believed that bigness in and of itself is socially sinful where there is competition and if no laws are violated. A seeming handful of oil companies, however, seemed to administer prices and appeared to be helpless in the hands of the oil exporting countries.

But what is bigness in this case?

In 1973, according to the authors of Highway Robbery, a hardly friendly critique of the oil industry, the Federal Trade Commission reported that no marketer had as much as 10 per cent of the market. At the refining level, there were 150 refining companies. There were 7,000 producers of crude. And in the major oil-producing Gulf States the so-called big eight produced only 52 per cent of domestic crude.

Even so, the Senate votes indicate a healthy public suspicion of the industry, which in fact in nowhere near as concentrated as was Standard Oil of New Jersey when it was cut up into 33 little companies, all of which have grown, by Congress in 1911. That indeed was a "heejous monster."

Public frustration with the whole situation, whether or not it is based on public knowledge of the facts, is nevertheless a fact. The industry did not help the matter by failing to build enough refineries before 1973 and then spending more time on excuses from public relations retreads than on seeking new oil. It is vulnerable, too, at the pipeline, where competition is less evident.

To stamp the big eight or the big twenty-five under fuht, however, would not solve the energy problem and it might well increase costs to the consumer from new layers of corporate structure. The proper tribunal in this case is the selfsame Federal Trade Commission, which yesterday refused, 3–1, to drop an action against the big eight based on alleged refinery monopoly.

What is evident, then, in the Senate votes is the public's sense of rip-off and its desire to punish someone or other. Any time proposals such as these pick up 40 and 45 votes in the Senate the energy industry had better take a fresh look at itself.

[From the Washington Star, Oct. 24, 1975]

TRUSTBUSTING AND OIL

When it came to the crunch Wednesday, the U.S. Senate prudently sheathed the butcher's knife it has been brandishing at the nation's major oil companies. It rejected two amendments which, in the unlikely event they'd become law, would have carved the majors into little pieces. Down went Sen. Philip Hart's amendment (to an important natural gas deregulation bill) that would have removed 15 of the largest domestic producers of crude oil from refining and marketing. And down by a slightly larger vote went Sen. Edward Kennedy's bid to get 20 large oil companies out of alternative energy sources.

It would no doubt tax the ingenuity of Mr. Pinkerton to say what interplay of forces accounts for this gratifying result. It was a victory for economic rationality.

To call it such a victory is not to say that the U.S. oil industry is now ideally structured. It is to say that the pastoral vision of competition and lower prices that the Senate's scourges of Big Oil advertise seems entirely too wonderful to be brought about by antitrust legislation of the sort proposed.

How many of those who push trustbusting solutions of this primitive sort to the baffling issue of oil industry competition really believe in them? How many are just swept along on the tide of public hostility to the oil companies and all their works?

It is an old American economic superstition that monopoly (or more precisely, what the economists call "monopolistic competition") is at best a tolerable evil. So deeply implanted is the text book version that competition is natural in all cases that the practical questions tend to be forgotten. Are there significant economies of scale in the structure of the oil industry? And do the larger companies alone generate the accumulations of new capital essential to the development of new technologies? Such questions are waved aside when they clash with the theory of perfect competition.

The pastoral attitude has been best summed up, perhaps, in the recent effusion of Sen. James Abourezk—that "divestiture (in the oil industry) is a clear issue" and an opportunity to "do something" about energy without the risk of shortages.

At one level Senator Abourezk's statement is disarmingly candid. For anti-monopoly dogmatists, willing to set aside all the bothersome practical questions, the issue is indeed "clear"—as clear as public impatience with oil company profits and rising fuel prices.

And of course, the urge to atomize big oil is intimately bound up with the decontrol issue. The "independents," the relative small fry of oil and gas, fear that if oil pricing is decontrolled the big oil companies will charge so much for crude oil as to drive them

from the market. That is a plausible possibility, and Congress should guard against it. But the independents can be protected without breaking up the majors.

The entire issue of the structure of the American oil industry—an issue since the days of the Standard Oil monopoly—remains very much open to diligent inquiry. Forced divestiture might be wise in some cases, and stupidly uneconomic in others. But diligent inquiry is what the issue is not getting.

It is at least one small sign of the difficulty of the matter that, as the Senate was voting Wednesday, Judge Alvin L. Berman called on the Federal Trade Commission to suspend antitrust proceedings against the major oil companies (proceedings which in a milder form parallel those of the Hart Amendment) until the issue can be thoroughly investigated.

Judge Berman, who has no infuriated constituents to placate, called the issue of oil-industry structure "one of the most crucial . . . this nation has ever faced."

We doubt that the judge is less well informed than some of the U.S. Senators now bristling with simplistic trustbusting answers to the puzzle of energy pricing. Yet he is plainly baffled, and so are many of the rest of us who are not blinded by the oil company iniquities that are widely alleged but so far only sketchily documented.

[From the Denver (Colo.) Post, Oct. 28, 1975]

"BREAK UP THE OIL COMPANIES" SIMPLY BAD LEGISLATION

The "break up the oil companies" campaign sponsored by liberals in Congress, among them Colorado Sens. Gary Hart and Floyd Haskell, D-Colo., received another setback last week. Coloradans can applaud the fact that the move keeps losing by larger margins.

This is bad legislation. It was put together hastily when liberals sensed that tying it to the vitally-needed natural gas bill might give them national exposure.

But does the country need it? That's the question to which the liberal bloc gave no convincing answer. They could not guarantee that—even allowing for inflation—the measure would reduce prices at the gasoline pump.

And let us not be put off by Colorado Senator Hart's claim that he's participating in this campaign in the name of "free enterprise." He finds that 16 of the large oil firms have 70 per cent of production, refining capacity and retail gasoline sales. Therefore, they should be divested of whatever vertical integration they have achieved.

How they achieved such integration may be worth study. Almost certainly the firms expanded vertically in order to compete. Maybe in the public's present mood a broader, more diverse industry might be having better public relations.

But have we the sort of circumstance where the large firms "control the entire industry" as charged?

Hear the words of a respected Denver independent oilman: "In 30 years I've never known a time when I couldn't do business with somebody. If one major oil company turned me down I could always sell to the next one."

And what is the evidence of evil? The U.S. oil industry has fueled the most productive industrial society in the history of the world. Is that a prior evidence of guilt?

No, this plan was too hastily-drawn to constitute a serious economic alternative to a system that functions effectively and still delivers gasoline and heating fuel more cheaply than the state-run oil companies of Europe.

And advantages of scale are among the main reasons. As the customer at the supermarket can figure out for himself the company that can buy and deliver in bulk is going to have advantages over the corner grocer.

Maybe, too, it would make more Americans happier if oil firms did not step outside the energy field. Maybe an oil company should not buy, Marcor, the holding company for Montgomery Ward, as one large firm did some months ago. But the reality may, just possibly, be that the purchase strengthened both enterprises.

So these are not matters to throw out for quick action, followed by months of confusion and adjustment later—particularly when the effort is so covered with the fingerprints of political exploiters as was this liberal bloc campaign.

Fortunately, more than 50 senators had the statesmanship last week to realize that this was not something to tack onto a major bill—the natural gas deregulation bill which the country needs as soon as possible. The measure passed by the Senate authorizes the deregulation, by stages, of natural gas prices. The 20-year-old federal gas regulation effort has only reduced the resources going into drilling for more gas. The price fix must come off if we are to have enough gas and most senators know it.

And that sort of deregulation of prices comes closer to being what is needed on the front lines of the nation's struggle to increase oil production rather than attempts to "break up" the oil companies.

There is a challenge in all this for the oil industry. It needs to free itself of its past stereotypes or it will be saddled with restrictive legislation. But where it is guilty of being efficient it should say so, loudly and emphatically. That is a sin the American public will forgive quickly. Unfortunately, it is this efficiency which the congressional liberals have confused with an objectionable bigness as such. Being big doesn't automatically make a company bad. But bigness gives a firm problems, not the least of which is liberal congressmen ready to pull New Deal ideas about business off the shelf without updating them.

[From the Houston Chronicle, Jan. 26, 1976]

NO FACTS, JUST EMOTION

If reason and common sense can still prevail, the present U.S. Senate committee hearings on breaking up the major integrated oil companies should dispose of that question.

The hearings are making abundantly clear what Richard B. Mancke, a law professor at Tufts University, told the antitrust subcommittee, that "there is neither economic nor legal justification for forcing the oil companies to divest one or more of their major operations."

The entire basis of this attack on the oil industry is political and emotional. There are no facts.

No one has been able to demonstrate any exercise of monopoly by the numerous major companies with their efficient organization from exploration and production through refining, transportation and marketing. No one has been able to demonstrate how there will be any savings to the public, more efficient operation or better solutions to the nation's energy problems. The arguments are vague, general and demagogic.

Indeed, the telling facts being brought out are to the contrary, that there is less concentration within the oil industry than in other major industries.

No one has been able to refute with any facts what the senators are being patiently told: Breaking up the major companies would certainly lessen the technical efficiency of the industry; a lessening of efficiency would lead to higher prices and less oil; the inevitable confusion, delays and uncertainties of divestiture would only postpone for years the major job of finding and producing energy.

The sum of this is that it would be the public and the public interest which would suffer.

If a demonstrably factual case cannot be made of benefits from breaking up the oil companies, then why is such an effort being mounted if not to satisfy the political adventurism of its proponents?

The hearings are exposing the factual shallowness of the cries to break up the oil industry.

[From the Daily Oklahoman, Oklahoma City, Okla., Feb. 6, 1976]

RUNNING AGAINST BIG OIL

The chances of Fred Harris winning the Democratic presidential nomination are between slim and none, but that doesn't mean that the former Oklahoma senator's more extreme populist utterances should go unanswered.

There are many young voters and otherwise gullible folk in the land, even in Oklahoma where they should know better, who might buy some of the Harris snake oil if they hear it peddled often enough without any refutation. And in flailing away at one of his favorite targets, Harris is rivaling Adolph Hitler in the use of the Big Lie technique.

To hear Harris tell it, the 20 or so major integrated oil companies are the biggest villains in a robber-baron conspiracy to plunder the pocketbooks of consumers and they should be broken up into small, one-dimensional companies. Then everybody could have plenty of cheap gasoline again, he implies.

The fact that the U.S. Senate came within six votes of passing such a divestiture bill last year is an alarming indication of how many Americans have already succumbed to the alien brand of economic and political nonsense that Harris and his radical ilk have been spreading throughout the country.

One Oklahoman who knows more about the petroleum industry than Harris will ever learn is Duke Ligon, former number two man at the Federal Energy Administration. In a recent speech Ligon pointed out there are only two basic reasons for higher oil prices—the political pricing policies of the Organization of Oil Exporting Countries and rapidly depleting domestic reserves.

Breaking up the big American oil companies and barring any of them from engaging in more than one phase of the business—production, transportation, refining or marketing—would have no effect on OPEC, except to increase our dependency on the cartel.

As a matter of fact, the majors' share of refining and marketing has actually dropped since 1954. And it is the majors who are in the process of losing most, if not all, of their proprietary interests in foreign oil properties.

From a practical standpoint, implementing the Harris breakup plan would make it virtually impossible to exploit our offshore oil potential. Small companies restricted to one phase of the business could not possibly acquire or borrow the $350 million which one major company spent recently for a single ocean drilling and production platform.

Those "little people" for whom Harris professes such affection, the working men and women who have to drive to work and back every day, are the ones who would be victimized by this apostate Oklahoman whose ambition apparently knows no bounds.

[From the Arizona Republic, Feb. 9, 1976]

BREAK UP BIG OIL?

Americans have a traditional aversion to bigness in anything—Big Business, Big Labor, Big Government.

It, therefore, was inevitable that, sooner or

later, Democratic liberals would seize on Big Oil as a target.

Last October, they came within a hair's breadth of slipping through a proposal in the Senate that would have limited every oil company to just one phase of the business—production, transportation, refining and marketing.

Sen. Philip Hart, D-Mich., says they will make it a top priority this year. Going beyond that, they will attempt to prevent oil companies from owning a non-oil business—chemicals, uranium and coal.

With the exception of George Wallace, all the Democratic candidates for the presidency are in favor of breaking up Big Oil. The staff of the Federal Trade Commission has recommended it, and, according to Forbes magazine, the Ford administration is not firmly against it.

Forbes quotes John Hill, deputy administrator of the Federal Energy Administration, as saying: "Forces have been unleashed . . . that cannot be stopped."

Breaking up the oil companies would be a national disaster.

It would halt the search for new domestic sources of energy for years and years, while oil company executives were engrossed in figuring out how to divest themselves of properties.

It would put the U.S. oil industry at a fatal disadvantage in competing with foreign producers like British Petroleum and Royal Dutch/Shell, which are beyond the reach of Congress.

It would make the United States even more dependent on foreign oil, for all oil investments naturally would go overseas, where there are no restrictions on integration.

Those who argue in favor of breaking up the oil companies say that it would lead to greater competition and lower prices, because the oil companies are a trust.

This is demonstrably false.

There are 50 fully integrated oil companies in the United States, with 20 generally classified as "majors." In addition, there are 130 refiners, 15,000 wholesale oil distributors, 18,000 fuel-oil suppliers, 10,000 crude-oil producers and 200,000 gasoline retailers.

The majors are big, true, but even the biggest of them, Exxon, with assets of $25.9 billion, does not account for as much as 10 per cent of U.S. production, refining capacity or gasoline sales.

The four largest account for only 26 per cent.

In contrast, the four largest aluminum manufacturers account for 96 per cent of production, the four largest automobile companies for 91 per cent, the four largest copper companies for 75 per cent.

The profits of the majors are not inordinately high. They have averaged only 10.2 percent of stockholders' equity since 1954, slightly below the average for the rest of U.S. industry. Smaller firms engaged only in production had a bigger return.

The attack on Big Oil overlooks a simple fact: The industry demands bigness.

The Alaska pipeline, for example, is going to cost at least $7 billion. Even Exxon couldn't build it alone. Seven companies had to join to scrape up the required capital.

If the integrated companies were forced to break up, could it ever be possible for the U.S. oil industry to undertake a project like the pipeline again? Obviously not.

The American aversion to bigness goes all the way back to Thomas Jefferson, but, in the case of the oil industry, bigness is absolutely essential. And the record shows that it has not led to less competition, higher prices and bigger profits but to exactly the reverse.

[From the Chattanooga News-Free Press, Feb. 17, 1976]

OIL DEMAGOGUERY

The American people have been greatly inconvenienced, to put it mildly, as a foreign oil embargo, shortages and prices have terribly upset our normal expectations of plenty at reasonable cost.

One of the most peculiar reactions to a problem created in large part by Arab cutoff and inflation, however, has been an attack on American oil companies.

If we are going to escape stranglehold dependence upon foreign oil, we are going to have to encourage domestic energy production. Instead, many have chosen to discourage domestic producers, with the result that we are more dependent upon the Arabs now than we were when they cut off shipments to us.

Now Sen. Gary Hart, a McGovern-type Democrat from Colorado, wants to break up the oil companies by treating them as though they were monopolistic enemies of the American people. He supports a bill he described this way in a copyrighted interview in U.S. News & World Report:

"It would require that, within one year, the top 15 oil companies in this country propose to the Federal Trade Commission a plan of reorganization and divestiture, to be carried out within the following four years.

"These companies would divide themselves along functional lines. First, exploration and production. Second, transportation. Third, refining and marketing. Presumably, the course selected would be a fairly classic spin-off arrangement, with assets and shareholder interests divided in proportion to the value of the subsidiaries."

What's wrong with this? In the first place, it is unjust to the companies. But even more important, it would be destructive to the interests of the American people, the consumers.

In a parallel interview, H. J. Haynes, chairman of Standard Oil Company of California, provided this pertinent information:

"There are more than 40,000 oil companies in the United States. Ten thousand are engaged in exploration and production, but the largest accounts for less than 8 per cent of the crude-oil output in this country. There are a total of 131 companies that operate 270 refineries, but the largest refiner has less than 9 per cent of total U.S. refining capacity.

"There are approximately 200,000 service stations in the United States, but the largest share of the gasoline market held by a single company is only 8.2 per cent.

"The top eight firms in our industry control about 57 per cent of the business. Compare that with the concentration in other industries. To give a few examples: The top eight firms in steel have 65 per cent; copper, 98 per cent; motor vehicles, 98 per cent; aircraft, 87 per cent."

Clearly, what Sen. Hart is attacking is not "monopoly" but free enterprise that serves well and should be encouraged to produce more—not less.

Even Sen. Hart doesn't claim his plan would bring prices down. The oil industry in the first nine months of 1975 earned only 11 per cent return on its net worth.

Free enterprise domestic energy development encouraged by our incentive system is the best answer.

Don't you think the high-pricing, boycotting Arabs are laughing as American producers, our only alternative to them, are placed under attack by Sen. Hart & Co., and our reliance on foreign oil increases?

[From the Wall Street Journal, Mar. 15, 1976]

DIVESTITURE IS DEAD

A few months back a major oil company president was circulating the idea that because this is an election year it would be nice if the debate on whether or not to break up the oil companies could be suspended for a year, when passions are cooler and demagoguery less likely to take a toll on reasoned discussion.

We thought the idea unwise, counter to the interests of the petroleum industry, whose position on this particular issue we have vigorously championed since the debate began. A presidential election year is the very best time to resolve important public issues. If the oil industry is as right as we think it is that the public interest would be harmed by breaking it up into little pieces, the voters will agree and punish those candidates who think differently. What else are elections about?

The politicians and oilmen have been reading the same public opinion polls, many of which show up to half of the respondents in favor of a break-up. These results have now been subject to further testing at the ballot box, and on the basis of early returns our computer at election central can now certify a winner.

Divestiture is dead. Those candidates who still believe otherwise are advised to push ahead at their own peril. The liberal Democrats who have used divestiture as a cutting edge in their campaigns have not merely been punished by the voters. They've been tortured. Senator Bayh of Indiana, who attacked American oil in terms reminiscent of Churchill's attacks on Adolf Hitler, has bit the dust. Messrs. Shriver and Harris can count their support on their fingers and toes. Mr. Udall, a soft-spoken foe of Big-Oil, got 2% of the Florida vote.

Senator Jackson has demonstrated that he can get 23% of the vote, as he did in Massachusetts and in Florida, even though he still insists on blasting the oil industry. One of his TV spots commercials in Florida asked: "Why do the big oil companies have it in for Scoop Jackson? Because I led the fight to put a limit on their obscene profits and they haven't forgiven me." The Senator refuses to believe he loses votes with every such spot.

Governor Wallace who is absolutely opposed to breaking up the oil companies, isn't doing quite as well as he'd thought, but he's still picking up bunches of votes and delegates and will be a factor.

Where does Jimmy Carter stand on divestiture? Remember the Iowa caucuses, where Mr. Carter cleaned up, the very first sign that he was a genuine contender? Prior to the caucuses, the Energy Action Committee financed by movie actors Paul Newman and Robert Redford asked all the candidates what to do about Big Oil. "Break it up," the liberals answered. But Mr. Carter, who refused to answer the query, took out an ad to explain he didn't like the way the questionnaire was worded. He said he supported some restraints on the industry, but said he didn't want to do anything to limit production or increase consumer prices.

The congressional Democrats, who do not seem to have gotten the message, are still busily putting together a divestiture bill with the sole intent and purpose of embarrassing the President just prior to Election Day. He'll have to veto the bill, see, and the angry electorate will stomp to the polls and cast furious ballots against him.

So goes the theory. But based on our computer at election central, the only politicians who are going to carry the burden of this issue on Election Day are those who vote for such a bill. Half of all Americans may tell pollsters they think the big oil companies should be broken up, but they are the half who don't really care whether they're broken up or not. To the others, the willingness to smash Exxon, Mobil, Texaco et al presents the frightening prospect of smashing American industry and with it any chance of reviving the American Dream.

Besides, Paul Newman and Robert Redford monopolize a larger percentage of female movie fans than any oil company shares in total petroleum sales. We don't want to break them up either.

[From the Hartford (Conn.) Times, Mar. 20, 1976]

THE OIL DIVESTITURE ISSUE JUST REEKS OF MCCARTHYISM

The effort by some liberal congressmen to force divestiture by the nation's major petroleum companies is so laughable that the initial inclination is to ignore the rantings as petty demagoguery. Unfortunately, history has proven that petty demagoguery, when ignored, all too often can succeed in achieving incredibly destructive ends.

There are two central charges made by those congressmen, including some from Connecticut, who claim the nation's largest petroleum companies should be broken up to heighten competition within the industry: The first charge is that the petroleum companies are monopolistic, and the second is that they have artifically increased prices in order to gain excessive profits.

Those charges reek of McCarthyism.

There is no factual foundation for either contention, and, in fact, the facts clearly dispute both contentions.

This nation's consumers today pay less for gasoline at the pump than the consumers of any other major nation, and this has been true for many years. Between 1958 and 1974, according to the Economic Report of the President, 1975, food prices increased 82.7 percent, medical care costs increased by 105.6 percent and the price of gasoline increased only 75 percent—with virtually all of the increase in the price of gasoline directly attributable to the higher cost of imported oil resulting from the Arab oil boycott and subsequent price hikes beginning in late 1973.

A study published in The Public Interest, furthermore, shows that gasoline prices would have to reach 80 cents a gallon before they consume the same proportion of family income on a median basis as they did in 1955—more than two decades ago.

So much for the contention that gasoline and other petroleum prices have been artificially inflated by a monopolistic industry intent on earning excessive profits, an industry whose profits, during the past decade, have averaged 13.1 percent of new worth, compared to an average for all American industry of 13.0 percent.

The charge that the petroleum industry is monopolistic is even more ridiculous—and twice as easily refuted, providing one is willing to consider the facts.

Webster's Dictionary defines monopoly as "the exclusive control of the supply of any commodity or service in a given market . . . (to) . . . enable the one having control to raise the price . . . above the price fixed by free competition." The Arab oil cartel, upon which the United States is dependent for foreign oil since government policy in regulating petroleum and natural gas companies has hampered development of identifiable domestic petroleum and natural gas supplies, does in fact meet the definition of monopoly. The nation's petroleum companies, however, clearly do not.

No single American petroleum company is large enough to dominate or monopolize either the production, refining or retail distribution of petroleum and petroleum products.

There are more than 40,000 oil and gas companies in the United States; 10,000 are engaged in exploration for and production of crude oil or natural gas. But the largest producer accounts for less than eight percent of domestic crude oil output.

A total of 131 companies operate 270 refineries in the United States. The largest refiner has less than nine per cent of the total United States refining capacity.

There are approximately 200,000 service stations in the United States and 95 per cent of those stations are operated by independent businessmen. The largest share of the gasoline market held by a single company is 8.2 per cent.

Official Government statistics show that the largest eight firms in petroleum refining have a concentration of only 57 per cent of the industry total. The largest eight primary aluminum firms control 100 per cent of their industry; the largest eight automobile companies control 98 per cent of their industry; the largest eight primary copper companies control 98 per cent of their market; the largest eight tire and inner tube producers control 83 per cent; the largest eight aircraft manufacturers control 89 per cent; the largest eight primary zinc producers control 90 per cent of the market. The list goes on.

In fact, if the federal government acts on the contention that 57 per cent control is monopolistic, in addition to the firms already mentioned, it will have to launch legislative attacks on producers of flat glass, industrial chemical bases, alkalines and chlorine, synthetic rubber, industrial trucks and tractors, semi-conductors, weaving mills (synthetic), ship building and repairing, fertilizers, explosives, greeting cards, beet sugar, transformers, thread mills, X-ray apparatus and tubes, storage batteries, glass containers, knitting mills, distilled liquor, radio and television sets, printing ink, pulpmills and a score of other American businesses and industries.

The effort would totally destroy the American economy.

Size is essential in the petroleum industry. Consider only two examples of the importance, the absolute need, for the size of petroleum companies: It can cost as much as $100 million for a single offshore drilling platform and it will cost in excess of $5 billion to complete construction of the trans-Alaska pipeline. Could a small company, or even a dozen small companies working together, generate that kind of capital?

The American petrolum industry is one of the most efficient industries in the world. It has held prices far below the increases that have marked every other sphere of American life. Freed from unrealistic and irresponsible government controls, it would insure exploration for and development of all the petroleum and natural gas the United States needs to meet current and future demands.

The arguments in favor of divestiture are critically dangerous to the future of the nation's economy. They must be exposed for what they are. The nation cannot afford a new version of McCarthyism capable of doing far greater damage to the nation's future than the original version.

[From the Fort Worth (Tex.) Star-Telegram, Mar. 22, 1976]

DIVESTITURE UNCALLED FOR

It is difficult to think of anything more idiotic than a proposal for dismemberment of the nation's largest oil companies as a means of solving consumer energy woes.

Divestiture, unfortunately is a very real threat considering the mood of many congressmen to whip somebody, even the innocent, for the hurt.

Wayne A. Blankenship Jr. president of the American Association of Petroleum Landmen, based in Fort Worth, has called on union workers to consider the chaos that would result in breakup of the large integrated oil companies.

"Union people are very interested in preserving our private enterprise system," Blankenship said. "They realize that any action which inhibits capital generation has to lead to the loss of jobs."

Let us hope that a majority of Americans realize the potential for disaster.

One oil company has estimated, assuming a 50 per cent cutback in industry expenditures resulting from dismembering oil companies, that some 470,000 jobs would be lost in the first year among companies which either buy from or sell to the oil industry.

Over 1 million jobs would be lost in the second year of dismemberment.

The U.S. Treasury Department, in analyzing the effect of dismemberment on financing new energy ventures, said:

"It will be expensive in terms of less efficient energy production . . . and ultimately higher costs to the consumers."

A far cry, that is, from the charges of "rip-off" that brought it all on in the first place. On the flip side is another picture:

An American industry which is the envy of the rest of the world. One which finds and produces oil in the deserts of the Mideast, in the jungles of South America, in the icy Arctic. And, after finding and producing it, transports it through the most hostile environments in the world.

And all at lower cost to consumers than in any other major nation.

If that is illness, it's certainly not a type that calls for amputation.

[From the El Dorado Times, Apr. 3, 1976]

PUSH BIG OIL BREAK-UP

A brazen-faced assault to kill free enterprise in America is contained in a bill just passed by a Senate sub-committee to force the break-up within five years of the nation's 18 biggest oil companies.

The measure would require the major oil companies to confine their operations to one of four principal segments of the industry—production, marketing, refining or transportation.

Sen. Birch Bayh, the Indiana Democrat who got out of the presidential race because he couldn't raise enough money, apparently had much to do with the framing of this bill. He orates to the effect that the enforced splintering of the industry giants would increase competition and "result in enormous benefit to the consuming public."

We wouldn't take Bayh's judgment on a dog fight. More likely the opinion of William Tavoulareas, president of the Mobil Oil Corp., is more to the point when he says that the subcommittee's approval of the bill was "a first step toward higher energy prices and a serious weakening of the nation's ability to become self-sufficient in energy."

The following 18 companies would be affected:

Exxon, Texaco, Shell, Standard Oil (Indiana), Gulf, Mobil, Standard Oil of California, Atlantic-Richfield, Getty, Union, Sun, Phillips, Continental, Cities Service, Marathon, BOSohio, Amerada Hess and Ashland.

Many of the accusations against the oil industry stem from misinformation, despite the fact that the industry supplies government with all sorts of facts. If the knowledge thus gained were utilized in dealing with the oil industry, a much more satisfactory relationship with it would be gained.

The purpose of Brother Bayh, who introduced the measure, is self-glorification. Any man familiar with oil matters knows that such a breakup of these companies would reduce efficiency, increase costs and hamper production, all of which would mean higher prices for consumers.

The fellows who are pushing legislation of this sort are in the fight of their lives. The oil men of the country are in no mood to be pushed around any longer by members of Congress who like to be known as Friends of the Peepul!

[From the Rapid City (S. Dak.) Journal Apr. 5, 1976]

RHETORIC SHOULD NOT TAKE PLACE OF REASON

An ill wind that blows nobody good is an apt description of the revived congressional

proposal to dismember the 18 largest oil companies.

The first step was taken last week when the anti-trust subcommittee of the Senate Judiciary Committee approved a measure to require the companies to confine their operations to one of four principal segments of the industry. The approval came on a 4 to 3 vote with Sen. James Abourezk voting in favor.

Proponents of divestiture see their effort as benefitting consumers since breaking up the big companies would increase competition and lower prices.

That contention is based on the premise that the industry is not competitive now. But figures indicate otherwise. In addition to the 20 major firms, the industry has 130 refiners, 15,000 wholesale distributors, 18,000 fuel oil suppliers, 10,000 crude oil producers and about 200,000 gasoline retailers.

The pattern of vertical integration in the petroleum industry was developed because it proved to be the most efficient and economical way to produce, process and market oil. Vertical integration is common in most industries and in some is more widely practiced than in oil.

Dismemberment would not increase competition but would reduce it by creating small, weak companies and the cost of resultant inefficiency and wasted effort would be reflected in higher prices.

Smaller companies would have a limited ability to attract capital necessary to expand domestic production which would increase our dependence on foreign energy. They also would be unable to continue development of alternate energy sources so critical to this nation and the world.

Before government steps in to restructure an entire industry, we must be sure that the basis for the legislation is founded on more than a "big is bad" syndrome.

Dismemberment of the oil, or other key industries, will undermine the American business system and can lead to a planned economy with government doing the planning. We would note that industries already heavy with government involvement are those which often require bailouts or special assistance from taxpayers.

We are not convinced that dismemberment of the major oil companies will mean more energy at less cost.

"Break up Big Oil" may be a good slogan in a political year but we must look further down the road than November. Demagoguery must not be allowed to take its toll on reasoned discussion.

[From the Birmingham News, Apr. 5, 1976]

OIL BREAKUP BILL

Once again Democrats in Congress are attempting to write economic legislation, without an impact study, which probably will have the opposite effect sought and will result in scarcity of oil and gasoline at considerably higher prices.

Though attempts have been made recently to break up the major oil companies, for the first time a Senate subcommittee has approved a bill.

Sponsored by Sens. Birch Bayh, D-Ind., and Philip A. Hart, D-Mich., chairman of the subcommittee on antitrust and monopoly, the bill would apply to any company which produces 36.5 million barrels of oil a year, refines 110 million barrels a year or markets 110 million barrels a year. Affected would be 18 of the top 20 oil companies operating in the United States.

The bill would prohibit companies from both producing crude oil and refining or marketing it. Refiners would also be prohibited from directly operating any service stations they didn't already operate as of Jan. 1, 1976.

In other words, the present vertical integration would be forbidden. The top 18 oil companies will be required to separate their crude oil producing operations into one firm and their refining, and marketing operations into another firm, each independent of the other.

The bill flies in the face of all the facts regarding a continuing and worsening energy crunch.

Americans should understand that no amount of angry and punitive legislation can discover or produce more oil, bring down the cost of gasoline and fuel oil for the consumer or lessen the nation's reliance upon insecure and capricious oil policies of the Organization of Petroleum Exporting Countries.

Both the long range and short range effect of the bill will be to reduce the capability of the oil industry to explore for and develop new sources in the United States. As oil consumption in the nation inevitably rises, we will become increasingly dependent on OPEC oil. The increased costs of operating separated oil producing and oil refining systems will inevitably result in increased costs for the consumer. Lastly, there will be even less competition between the oil firms since 130 or so refining companies now operating in the United States would not be increased one whit. Without the stability that vertical integration provides, some of the refining companies undoubtedly will fold.

Congressional hostility toward the oil companies—especially from the Democrats—is difficult to understand. If the Congress were truly concerned about monopoly, there are far more glaring examples than the oil industry. The national television networks, ABC, CBS and NBC, are the most obvious examples in terms of both competition and abusive use of power.

Perhaps equally as obvious is the labor conglomerate AFL-CIO. Its monopolistic effects contribute to inflation, affect bidding for suppliers in almost every field and dampen productivity.

If the oil divestiture bill becomes law, it is sure to become a model for the breakup of other vertically integrated industries. Facing breakups would be the automobile industry, aluminum, aerospace, computers, processed foods and, perhaps most important of all, steel.

Americans should realize that vertical integration of basic industries has been one of the large factors in raising the standard of living to historic levels. It has permitted mass production and mass distribution for American transportation, housing and food in an unprecedented measure. It has also helped to benefit the consumer in terms of both quality and variety at low costs.

On average, oil profits have been lower than for industry as a whole in the nation. Over the past 25 years, prices for gasoline have increased only an average of 3 per cent per year, far below other price increases. While pump prices for gasoline have gone up in the past five years, they would have to jump to 80 cents per gallon for gasoline to consume the same share of family income it consumed in 1955.

It is certainly hoped that Congress will become aware of these facts before it radically alters one of the nation's basic industries. Once scrambled, it can never be unscrambled any more than an egg can be unscrambled.

[From the Kansas City (Mo.) Star, Apr. 5, 1976]

SOCKING IT TO BIG, BAD OIL THROUGH ANTITRUST

The Senate antitrust subcommittee has approved a bill to force the breakup within five years of the nation's 18 biggest oil companies. This is dangerous business that should go no further because the motivation is all wrong. The true intent is to punish the oil companies for the sin of bigness and for supposedly being responsible, in some vague way, for the looming energy shortage.

When the Arab oil embargo of late 1973 suddenly—and finally—brought this country up against the hard fact of potential energy crisis; when the O.P.E.C. cartel flexed its muscles and tripled the world price of oil—a typical human reaction ensued: Somebody had to be blamed for all this, there had to be a fall guy.

And when the O.P.E.C. price boosts brought huge, 1-time inventory profits to the global oil companies which process most of those countries' oil, a scapegoat had been found. After all the companies, with their vertical integration ranging from production to refining to marketing to transportation, aptly fitted the concept of big business which cartoonists used to depict by drawing an octopus. Few bothered to note that in the next year, 1975, the profits of 25 of the leading companies took a 23.6 per cent nose dive.

So abruptly divestiture—the companies use the more horrendous term "dismemberment"—became an issue in Congress and an amendment to this effect by Sen. James Abourezk (D-S.D.) failed last year by the surprisingly narrow margin of only 45 to 54.

If the oil companies by their size were able to collectively control and restrain the market it would be another matter. Indeed they are under constant surveillance—as they should be—to insure that they do not do so. But competition is an effective fact in the petroleum industry. If it were not so we would not be seeing the current phenomenon of gasoline prices falling back after their long rise because of a temporary world oil glut brought on by recession and price resistance.

If the present integrated structure of these companies were to be arbitrarily fragmented, the result could only be less efficient competition, production and delivery of this vital resource. The people pushing divestiture are not doing anything to ease the energy shortage or bring down prices; they are just playing to the political galleries by trying to sock it to Big, Bad Oil.

[From the Little Rock (Ark) Arkansas Democrat, Apr. 7, 1976]

BAD OIL NEWS

Forty four out of every 100 barrels of oil used in the U.S. daily is foreign, sold to us at unpredictable prices by the international oil cartel. That's twice the amount of foreign oil that we used in 1970. Energy independence? Some weeks we import more than we pump. Meanwhile, our reserves are shrinking.

What's wrong? Nothing private enterprise couldn't cure. But Congress has the domestic industry so worried with price controls and threats of takeovers that oilmen are seriously worried about their own independence and they're not hunting too hard for unprofitable new oil sources.

There's no fear as yet of bureaucrats taking over American oil production. Those who talk nationalization are mercifully still a minority. But Congress has made a devil figure out of "big oil" and is rolling the word "divestiture" around in its mouth this political year. The Senate Judiciary Committee now has before it the decade-old but never-voted-on proposal to break up or "divest" American oil companies on the score of bigness. That's bad news.

"Divestiture" would result in even less oil and even higher prices for the consumer. It stands to reason that a company can retail oil products more cheaply and competitively if its operations stretch in a straight line from the wellhead to the garage pump. Chopping up the overall operation into its

separate parts of production, pipelining, refining and marketing would leave the industry a pile of disjointed pipes.

Producers couldn't go into the pipeline business and vice versa. Neither of them could go into refining or marketing. The refiners might be allowed to hang onto marketing, but those two links would be all that was left of a chain of efficiency built up over many decades to bring Americans the cheapest oil products in the world.

Certainly these companies are big, but it isn't as though they were one giant combine. More than 50 of them compete at the pumps and also compete right on back down the delivery line to the oil hunts themselves. They can do so because (in spite of federal controls) they can attract investors looking for the dividends that come from efficient overall operations.

Chop up these operations, and oil would have to flow to the consumer through a costly maze of middlemen, the price rising at every juncture. Investors would drop off. It might all be very "unmonopolistic", but the consumer would pay dearly for it—not just in dollars but in the coin of dependence on unpredicable foreigners as imports increased.

That isn't to say that divestiture is coming; only that after 11 years the drive for it is at a stage where, even if it is beaten, it can come back again and again. The oil industry is slipping steadily into federal bondage and toward the point where the U.S. oil supply may well be caught between rapacious foreigners and bumbling bureaucrats.

[From the Louisville Courier-Journal, Apr. 7, 1976]

THE UNPROVEN CASE AGAINST "BIG OIL"

The idea of breaking the big oil companies into smaller, and theoretically more competitive, units has great appeal, political and otherwise, to many Americans. But its merits need more examination than the advocates of this proposal so far have been willing to give it.

There's hardly a nastier pejorative in politics than "Big Oil." The phrase conjures up bloated billionaires screened from taxation and unrestrained by competition, working out new deals with Mideast potentates and plotting how to wring ever-increasing tribute from the motorist at the gas pump.

The image got its firmest initial boost from John D. Rockefeller, whose strong-arm tactics in the late 19th and early 20th centuries eventually led a conservative Supreme Court to break his Standard Oil empire into separate companies. It was maintained over the years by Texas-based campaign contributors who worked their will with Congress while the separate parts of Rockefeller's empire, and other companies, grew to dimensions of which the oil pioneer scarcely could have dreamed.

This shield of corporate power took an occasional hammering on Capitol Hill, most notably on the depletion allowance. But it wasn't seriously dented until the Arab oil embargo of 1973 and the resultant surge in gasoline prices—something that didn't have much to do with monopoly or corporate giantism, but did inflame millions of voters.

PRESSURE FOR DIVESTITURE

The first strong signal that the industry was in serious political trouble came last October, when the Senate voted down, by a margin of only 54 to 45, an amendment to a natural-gas deregulation bill that would have required 16 big oil companies to split themselves up. The shock waves still were reverberating when, two weeks later, 39 senators voted to ban the "horizontal" spread of oil companies into coal and other energy fields.

There was a belief that the pro-divestiture vote was deceptively large—that many senators couldn't resist taking a poke at the nasty old oil companies by voting for an amendment they didn't expect to pass. But the oil companies noted that floor amendments don't usually get the support given bills that have been through the normal route of committee approval.

INDUSTRY NOT CONCENTRATED

The divestiture effort is now headed for that stage. A Senate subcommittee last week voted 4 to 3 to force the 16 biggest companies to split, separating the functions of crude oil production, pipeline refining and marketing. A single company could operate in only one of the three areas.

The trouble with all of this is that no one really knows what the practical result would be. The oil companies, predictably but with some logic on their side, say the main result would be lessened efficiency and higher gasoline prices. The sponsors say, without providing much evidence, that the eventual result of eliminating the power of the giants would be genuine competition and, thus, lower prices in the long run.

On the face of it, the divestiture forces have a weak case. The oil industry is not one of the nation's more concentrated ones. The largest company accounts for less than 8 per cent of the crude oil output in this country. There are 131 U.S. companies operating a total of 270 refineries, and the largest refiner has less than 9 per cent of the total refining capacity. The largest oil-products marketer has about 11 per cent of the business.

Compared with the motor vehicle industry, for example, this isn't great concentration. According to a U.S. Department of Commerce survey, the four top U.S. motor vehicle manufacturers make 91 per cent of the cars, trucks and buses, while the top eight make 97 per cent. More than 25 other U.S. industries have higher concentration ratios than petroleum.

Nor is there convincing evidence that the oil giants have shut off competition. One of several striking facts supporting this contention is that the number of refining companies with a capacity of over 50,000 barrels a day more than doubled—from 20 to 42—between 1951 and late 1975.

Profits in the oil industry have been assailed as "obscene"—a charge that was given credence by a profit surge in 1974. But that rate has slackened substantially. Over the past 10 years, oil company profits have not been significantly above the average for American business.

The real case for divestiture, if there is one, lies not in the size and structure of the oil industry, but in charges like that of Senator James Abourezk of South Dakota, one of the leading advocates of dismembering the larger companies. He notes that the major companies "operate through a complex web of crisscrossing business deals that tie them together at dozens of points."

This is a valid charge, but it has not been supported by a convincing case that the results are anti-competitive. Several studies, in fact, have given contrary indications.

"Joint ventures" in oil are in common. They come about because of high demands for capital that fostered the development of the giant companies in the first place. Such ventures as the $7 billion Alaskan pipeline and large-scale develoment of off-shore oil demand massive and risky investments that even such giants as Exxon are reluctant or unable to tackle alone. Smaller companies would be even less able to undertake such activities, and the potential evil would be the same if they combined in such ventures. The alternative, of course, would be governmental action.

The costs of divestiture would be great and would be paid in the long run by the oil companies' customers. Breaking up the companies would be a complex job, accompanied by many years of expensive litigation. Capital costs for the smaller companies could be expected to increase. It seems clear that the operating costs of the new companies would be higher if some of the present economies of scale were sacrificed. And there would be vast hesitation and uncertainly at the very moment when we are urging the industry to help find sufficient new sources to make America more nearly self-sufficient in energy.

BETTER ANTITRUST LAWS

There are genuine grounds for concern about the size and power of the oil companies. But the burden of proof that divestiture is the best solution is on the proponents. That proof has not yet been provided, nor have the consequences been measured adequately.

The popularity of divestiture stems in large part from the failure of the nation's antitrust laws to deal promptly and effectively with charges of monopolistic practices.

The Federal Trade Commission, nearly three years ago, charged eight major oil companies with maintaining a non-competitive market structure. The case has not even reached the hearing stage, and if it pursues its present course will drag into the 1980s. Even then, there is no promise of a definitive result.

Congress, in wielding a sword on the corporate dragons, would be taking the easy way out. Far more difficult, but more beneficial in the long run, would be to devise antitrust laws that promptly and effectively check monopolistic and anti-competitive practices throughout American industry.

[From the Indianapolis Star, Apr. 8, 1976]

BEWARE BILL TO DRY UP OIL

A Socialist-inspired bill to split up the nation's major oil companies is making its relentless way through Congress. Approved recently by the Senate antitrust subcommittee, the bill now goes to the Senate Judiciary Committee.

Primarily affected by the measure would be 18 "big" oil companies. That's a sizable number. How many other heavy industries can count so many comparatively large companies strenuously competing with one another—plus numbers of smaller concerns also competing in the same industry?

Few, if any. And it's a fact that not a few of the top 18 companies under competitive pressure have quit various regional markets and been forced to restrict their operations to areas where competition is less severe.

So the contention of proponents of the split-up bill that the measure would increase competition and lower prices should be taken with a huge pinch of salt. Rather, based on current conditions in the oil industry, it would seem more realistic to conclude that the real motive has nothing to do with promoting competition but is concerned with splintering and deliberately emasculating the industry to the point where a complete takeover by government—on the model of the British coal industry—could as a "last resort" be foisted on the nation.

The last thing the United States needs is a nationalized oil industry analogous to Britain's nationalized coal industry which has swallowed up billions in taxpayers' money, yet delivers Britons less and less coal at higher and higher prices.

Americans are fortunate enough to be served by an oil industry still sufficiently free from government meddling to deliver them

petroleum products of all kinds at prices far lower than are found in any other industrial country.

Those who want to hold onto that advantage would be wise to inform their representatives and senators promptly that they want no part of the oil-company split-up bill.

[From the Chicago Tribune, Apr. 11, 1976]

BREAKING UP BIG OIL

A Senate subcommittee has taken a first step toward breaking up the big oil companies. On the basis of what we've heard so far, the best thing the Congress can do is nothing.

By a 4–3 vote the antitrust subcommittee sent to the Judiciary Committee a plan to cause each of 18 major oil companies to get rid of one or more of its parts. The divestiture proposal, sponsored by Sen. Birch Bayh (D., Ind.), is not likely to become law this year, but stranger things have happened in Washington. An amendment to a nautral gas bill which would have forced a breakup of the oil industry was defeated by only a 54–45 margin in the Senate last fall.

Before Congress tampers with the structure of the oil industry as it now stands, it should very carefully weigh the likely results of such action. It should not act unless it becomes absolutely convinced that the country would be better off if the oil companies were confined to one phase of the business—production, transportation, refining, or marketing—or at least restricted from operating in all of those areas.

So far the evidence is pretty sketchy. Divestiture proponents argue it would mean lower prices to consumers, but that claim seems to be based only on the possibly mistaken notion that there would be more competition in the industry.

Here are some specific questions Congress should ask itself:

If the companies were broken up, would the industry be able to generate enough capital to carry on the expensive offshore exploration necessary to minimize reliance on imports? Or would our dependence on foreign oil only increase?

Would a breakup create higher prices to the consumer by creating a duplication of capital needs and management functions of the separate companies, each of which would have to price its products to produce a return to investors?

Would it weaken the United States in its dealings with the OPEC cartel?

Antagonism toward the oil industry among liberal groups in Congress seems to be partly historical, dating to the breakup of the Rockefeller oil interests early in this century, and partly emotional, based on frustration resulting from the sharp price increases since the Arab oil boycott in 1973.

Some critics are willing to believe that the major oil companies are in league with OPEC to force a shortage to keep prices—and profits—high. Somehow they believe energy problems will be alleviated if the oil industry can be slapped hard enough.

We saw this last year in the bill which reduces the price of domestic crude oil. We grant that it is politically popular to snipe at the oil industry. The attitude seems to be "how can we break up the oil companies" rather than "should we break up oil companies." Our energy needs are too important to be toyed with in that way. Congressmen are supposed to think, not just follow the mob.

Like the price issues, divestiture would be a different matter if the United States lived in an economic vacuum, producing all its resource requirements right at home. But we don't. Last year imports accounted for 30 per cent of our petroleum requirements, and two weeks ago, for the first time, the U.S. imported more oil than it produced.

It is because of the international nature of petroleum that Congress should go extremely slowly in forcing vertical oil companies to divest operations merely for the sake of experimentation.

There may be good reasons for doing so, but so far we have heard none. If the proponents of divestiture have hard evidence that we'd be better off in the world they would create, let them present it. But until they do, we've prepared to stick with the world we've got.

[From the Cincinnati Enquirer, Apr. 11, 1976]

ARE OIL COMPANIES TOO BIG?

The Congress should be asking itself whether breaking up the major petroleum companies in the United States would increase competition in the industry and thereby bring the American people lower-priced petroleum products.

Most attention focuses on the bill of Sen. Birch Bayh (D-Ind.). It would, among other things, require the major petroleum companies to divest themselves of their Mideast producing and transportatiaon divisions and joint ventures such as Aramco in Saudi Arabia.

The principal argument of the proponents of the bill in the Senate Antitrust and Monopoly Subcommittee is that the Bayh bill would by breaking up the intimate ties between companies and the oil-exporting nations lead to the rupture of the cartel of the member-nations of the Organization of Petroleum Exporting Countries (OPEC). The breakup would, in truth, through a new competition in the oil industry for crude oil, lower the price of crude oil and, therefore, of the refined products, such as gasoline and home-heating oil, used by Americans.

It is hard to see how increased competition among purchasers would necessarily lead to increased supplies and lower prices from sellers. In effect, the proposed horizontal divestiture seems more likely to produce an increased demand for OPEC oil, as the new producing and transporting companies scramble to buy crude in order to stay in business. An increased demand seems likely to raise the price of crude, since the cartel nations have control of almost all the exportable crude in the world.

So far, however, the subcommittee has not released to the public whatever economic studies it has done. There may be an argument for horizontal divestiture which makes economic sense, It is a fact, for example, that Exxon, Mobil, Texaco and Standard Oil of California did in the past control production in the principal Mideast oil-exporting nations so that supply was equal to their conservative estimates of demand. In short, the major petroleum companies restrained competition by limiting supply and were able to keep prices higher than they might have been in a freely competitive market.

But now the oil-exporting nations have not only formed a potent cartel to control supply themselves, but have taken over ownership of most of the producing companies, making them subordinate arms of their own governments. The major petroleum companies are beginning to compete, consequently, for supply.

There are political arguments for breaking up the major petroleum companies. These have as much to do with their influence on the government of the United States as they do with the companies' too cozy relations with the OPEC governments.

These are not, however, economic arguments. Which means that divestiture might have no bearing at all upon the price of petroleum. Which, in turn, is the only compelling argument any elected representative of character should have to make.

[From the San Francisco Chronicle, Apr. 18, 1976]

BREAK UP THE MAJORS?

In Washington, as April opened and the cherry trees began blooming, a brutal blow was delivered to the domestic American oil industry when the Senate Judiciary subcommittee on antitrust and monopoly moved along a bill requiring the breakup of the 18 largest domestic American oil companies.

This action came on a 4 to 3 vote, and it rang bells in boardrooms from New York to Houston to San Francisco. According to the impartial Congressional Quarterly, the approval of "divestiture", as it is called, was a personal victory for subcommittee chairman Philip A. Hart (Dem-Mich.), a much-respected, soon-to-retire liberal Senator who had been nursing the bill along for 11 years of hearings, hitherto always avoiding the finality of bringing it to vote for lack of support to carry it.

Hart's April 1 success was earned with the votes of Senators Birch Bayh, James Abourezk and Edward M. Kennedy, all Democrats. While divestiture may fail to be voted out by the full Judiciary committee, it has chances of getting onto the Senate floor by a side door, and this prospect has shocked the industry into mounting a massive campaign to inform the public why the dismemberment of 18 big oil companies would be bad for the companies, bad for the consumer and bad for the country. We believe that the industry is right in this warning and that, far from increasing competition and lowering fuel costs, the breakup of major oil companies like Standard of California, Exxon, Texaco, etc. into separate, independent functional components would in fact lead to increased prices by penalizing the efficiency of integrated operation.

The big American oil companies, it is true, have fallen in public favor and esteem since the OPEC nations took command of the international oil market away from them at the time of the October 1973 war in Israel. The Arab embargo on oil shipments to the United States brought about an almost immediate scarcity of gasoline at the pump and consequent public suspicion and dissatisfaction. We have never felt that the oil men of this country were to blame for highbinding price decisions made by the Shah of Iran, the sheikhs and kings of the Middle East and the oil-nationalizers of Venezuela, but in the minds of many American consumers that is where the blame falls.

The politicians have not been slow to play up to this widespread public dissatisfaction over the sudden changes that have arisen in the cost and availability of energy supplies that heretofore had always been taken for granted. Politics made a target of the oil internationals, notably last October when, by only nine votes, 45–54, the Senate rejected a divestiture measure tacked on as an amendment to a gas deregulation bill.

But what could be gained by this contemplated breakup of the majors? Divestiture means separating them into (a) exploration and producing companies, (b) transportation companies (tankers and pipelines), (c) refining companies and (d) marketing companies. Such efficiencies as are inherent in large-sized, integrated operations would be lost and destroyed. Added costs of management and administration would be piled onto consumers—where else? Government would take an appetizingly enlarged part in the oil business.

And there is this to think about with some concern: Once big oil is broken up, who's next? It is logical to expect that the line will form on the left, of course, to bust up the automobile industry, steel, aluminum, the computer industry, and anything else big and inviting. A vast change in the organization of the American economy is menacingly implicit in Hart's divestiture bill.

TEXAS NURSING HOME WEEK OBSERVED

Mr. TOWER. Mr. President, the long-term care profession in my State of Texas observed last week as Nursing Home Week. In order to help celebrate this occasion, the public was invited to make personal visits to nursing homes in their respective communities.

The Governor of Texas, the Honorable Dolph Briscoe, last week issued a memorandum commemorating Nursing Home Week and urging public attention and participation in this event. I ask unanimous consent that the Governor's memorandum be printed at this point in the RECORD.

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

MEMORANDUM

The importance of nursing homes in the health care delivery system grows steadily.

Today our 984 licensed nursing homes offer special care including rehabilitation, recreation, and physical, speech and occupational therapies, as well as social and spiritual services for a fuller life to accommodate over 93,000 residents.

Among that number are many of our stalwart pioneer citizens, some of whom have reached ages that span more than half our history as a nation.

How fitting it is that, in this Bicentennial year, we have the privilege and opportunity to visit with them as neighbors in our respective communities.

The Texas Nursing Home Association, through its member facilities, has arranged for observance of Nursing Home Week beginning Sunday, Mother's Day, May 9th.

Honorary Hostess for that occasion this year is Texas' own Heloise, the ever-popular columnist whose latest "Hint" for happiness is to "Visit a nursing home."

Therefore, I, as Governor of Texas, hereby designate the week of May 9-15, 1976, as "Texas Nursing Home Week," and join in urging our citizens to visit a nursing home and acquaint themselves with all the residents, the staff, the activities, and the special care, services, and attention being administered in these modern licensed facilities.

Mr. TOWER. Mr. President, I join Governor Briscoe and Hostess Heloise in commending the nursing homes of Texas and offering my congratulations for the fine efforts of those facilities in my State. I would like to extend my warmest wishes to all the residents of Texas nursing homes.

DR. ROBERT BUTLER: NEW NIA DIRECTOR

Mr. WILLIAMS. Mr. President, the National Institute on Aging was authorized under the Research on Aging Act, which was signed into law on May 31, 1974. It was formally established on October 7, 1974.

This new institute—the newest of all the institutes at the National Institutes of Health—is responsible for conducting and supporting biomedical, social, and behavioral research and training relating to the aging process.

Unfortunately, the administration delayed in naming a Director for NIA. But NIA Director Donald Frederickson's long-awaited choice, I am pleased to say, is an excellent one—Dr. Robert Butler, a renowned gerontologist, a well respected psychiatrist in the District of Columbia, and now a Pulitzer prize winning author for his book, "Why Survive? Being Old in America."

On May 1, Dr. Butler officially began his duties as the first NIA Director. He started on a favorable note with a stirring speech at the NIA open house, drawing upon his wealth of knowledge about many aspects of aging.

He discussed NIA's legislative charter, as well as possible future directions for the new agency.

Quite clearly, NIA is in good hands with someone of Dr. Butler's caliber at the helm.

I wish him well in his new post. As chairman of the Senate Labor and Public Welfare Committee and as former chairman and now ranking member of the Senate Committee on Aging, I pledge the committee's cooperation in working with NIA in performing its important functions.

Mr. President, I commend Dr. Butler's presentation at the NIA open house to my colleagues, and ask unanimous consent that it be printed in the RECORD.

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

NIA OPEN HOUSE SPEAKERS FORUM

(By Dr. Robert N. Butler, Director, National Institute on Aging, National Institutes of Health)

PROCEEDINGS

Introduction: Dr. Robert N. Butler is the first Director of our newest institute, the National Institute on Aging. In fact, this is Dr. Butler's first day as Director.

Before becoming Director of the Institute, Dr. Butler was in private practice here in Washington as a psychiatrist and psychoanalyst. He is an internationally known gerontologist—that means that he is a specialist on aging. Many of you are probably already familiar with him as he has been active in community affairs in Washington for quite some time. He has worked with and for the elderly for more than 20 years. He is the author and co-author of several books on aging, including a new and currently very popular book titled, "Why Survive? Being old in America," * a very piquant title I think. It has several connotations.

Just recently Dr. Butler was named as one of the Washingtonians of the year by the Washingtonian magazine. I would like to introduce Dr. Butler.

Dr. BUTLER: Thank you very much. There is an old greek saying that when the Gods are angry at you they give you what you want. I very much want to see a marvelous new institute come to fruition, and now I am faced with the fact of having to try to work constructively toward that end. This is my first day at work, and they put me to work right away.

You all know there has been a wishfulness on the part of hunmankind for centuries to find the fountain of youth and to find ways to live longer. And, again as the Greeks have said, "When the Gods are angry with you, they give you what you want." They gave us what we thought we wanted. Because now we do have an increased life expectancy or more precisely a greater survivorship into old age. With this we also have a great many problems, and I want to begin now by talking about some of those problems from the point of view of the older person in the United States. The biggest, single, major issue we have to face is that of looking realistically at aging and not trying to pretend that it does not occur. Clearly, unless we understand it, research it, do everything we can to control it, we open ourselves up to problems ourselves when we grow older.

Remember that each and every one of us grows older. There are 22 million Americans now who are over 65 years of age. That age, 65, has quite arbitrarily since the era of Chancellor Bismark been designated as "old age." At present, 10 percent of us, but ultimately, potentially it is each and every one of us. The fastest growing age group in the United States is the age group over 85 years of age. If you belong to this group you have some very special problems, and they are made all the more bleak if you happen to be a member of a minority group—black, Spanish heritage, or Asian American. Many people don't recognize that Asian Americans have very special problems. It is often thought that the family structure, particularly in the Chinese family is such that it would be very unlikely for old Chinese to have problems. Not true. We must remember that unfortunately our immigration policies in this country allowed only Chinese men, not Chinese women to come to this country. So, there are many lonely, very lonely, Chinese men in many of our cities. In fact, this is the only ethnic or racial group in which there are more men than women. It may surprise some few of you to know that in the United States the average woman lives an average of eight years longer than the average man. And, since this woman tends to marry someone about three years older than herself, she is destined, on the average, to 10 to 11 years of being alone. And of those women who are alone, 60 percent are impoverished with serious economic destitution.

So, you see we have very genuine problems with respect to the variety of ethnic and racial minority groups and with respect to older women. Many people feel that the poverty among older people has been eradicated as a consequence of Social Security. Would that were the case. Unfortunately, approximately one-third of older Americans are either below or hover at the poverty line. In monetary terms, that means that the average single, older person has approximately $75 a week on which to live in the United States. Clearly, this is not very much money. It is important to know that the poverty among older people is a poverty that came as a consequence of growing old. Poor older people are older people that grew poor, as well as poor people who have grown older.

With the inflation which has mounted so steadily and so astronomically since 1965 those in a fixed income group have had their purchasing power eroded and have been put in an even more difficult situation than was true before. On top of that, we have mandatory retirement. As a result of a very fine poll conducted by the Lou Harris Organization for the National Council on the Aging, we know that the majority, some 70 percent of Americans, oppose or are not in favor of mandatory retirement.

One-third of all the income that older people bring in they bring in through their own work, despite the prejudice and the bias that exists against them for work and for employment opportunities. They often work under very humiliating circumstances, doing work which they often are forced not to report on their income tax in order to survive. A very, I am afraid, most unhappy and humiliating experience rather than a dignified experience for older Americans. Seventy percent of older people live in their own housing. We must, however, carefully and scientifically evaluate just what that means,

* Three days after the open house Dr. Butler received a Pulitzer Prize for Why Survive.

in view of the fact that it is housing that may have been purchased 40 or 50 years ago, may be in various states of disrepair, and may need to have maintenance and services which now the older person cannot afford to keep up.

The availability of service is another vital issue which is at the base, root of many of the problems of older people. Transportation is extremely difficult for them. They may no longer drive a car and we don't have the kind of effective rapid, public transportation systems which we need for them to get to a doctor, to obtain recreation, or to get social services.

Malnutrition is also quite common among older people, not only as a result of penury, but also because of loneliness. I have mentioned the fact that women outlive men. That means that we have approximately 12 to 13 million older women to about eight or so million older men who are living alone. These people may become less interested in preparing food, either out of their grief or out of their discomfort. They may then wind up with toast, tea, or maybe a little milk. Thus, we often find ourselves admitting such a person to a hospital with what gets referred to very easily as "senility," but is simply a function of inadequate food supply to the brain. It is quite obvious, of course, that if you do not have adequate—oxygen, blood flow, sugar,—nutrition to the brain it will not function as accurately, as clearly as it would if it is well nourished.

Presumably, medicare has gone a long way in aiding our older population. As a concept it is indeed extremely important and is a very vital contribution to the 22 million older Americans, but it has its limits. It was set up as though older people are younger people. It does not have any provisions for what old people need such as for checkups, for foot care, for teeth, for hearing aids, for glasses, for eye checks, or for long-term care. That it is set up as though older people were young people is part of that mysterious denial of the realities of old age that so many of us in this country, and I think elsewhere, too, have had. We need some basic conceptual reforms in what Medicare provides, and that, in turn, also means we need drastic changes in medical education.

We spent in this country, last year, some $117 billion in health care. A substantial amount of that, perhaps as much as one-half was in the area of chronic disease. Two-thirds of every dollar that the Federal Government spent in health was spent in the population over 65 years of age, and yet we do not have a medical school in the United States where medical students are required on a routine, regular basis to have training in a nursing home. This is true even though at the moment we now have more patients in nursing homes than we do in American hospitals. In our 23,000 nursing homes we have 1.2 million people. Furthermore there is virtually no research going on in these homes; there is no training; and there are even some genuine questions as to the quality of services which are delivered within these homes. One-half, at least, of those 23,000 nursing homes cannot even pass basic fire safety inspection. One-half cannot pass basic sanitation inspection. Facts that are all well documented in the reports which have come from the U.S. Senate Special Committee on Aging beginning last December.

In the field of mental health we have many grave problems as well. It is often striking for people to learn for the first time that for a variety of reasons 25 percent of all of the suicides which are committed in the United States are committed by people over 65 years of age. And, among those reasons is the absence of an adequate effective network of mental health services with people to sit and listen, to be attentive, and to help other people resolve their many difficulties, fear, and concerns which they may have. We also fail, all too frequently, to recognize a reversible brain syndrone which is in ordinary language so frequently called senility, confusion, forgetfulness, or problems with attention and concentration. We now know that there are approximately 100, if not more, causes of so-called "senility." They range from malnutrition, to excessive medication, to unrecognized congestive heart failure, to walking pneumonia, to anemia which affects as many as one-fourth of older people who have been studied in terms of their red blood cell count.

So many older people who are locked in are locked in not only by financial difficulties but also by an inadequate transportation system and by fear of crime in both rural areas and cities.

Old people are a very vulnerable group. It is easy to take a physically frail person and knock them down and steal their pocketbook as they return from the store with some change or as they are on their way to the bank with a Social Security check. Not only do we have older people victimized by brutal types of crimes but there are also very subtle ones. There is the hearing aid salesman, smiling and friendly, who knocks at the door and convinces the older person who has some hearing loss that the best place to have their hearing tested is right in their own home. After all, he says, isn't that where you talk and communicate and listen to other people? Well, the answer is, in fact, that that is not the place to have your hearing tested. It should be tested in a soundproof room, under very special conditions, by a highly skilled clinical audiologist and not by a salesman knocking at the door.

So, old people are subjected to a great deal of consumer fraud and manipulation by people taking advantage of their loneliness, of their grief, or their concern about the lingering malignancy of a spouse, of their worries about their heart, of their angina, and of their natural and understandable searching for relief from anguish and discomfort.

Well, perhaps I have painted a grim picture, but there are also many positive aspects of aging as well. I should immediately tell you that while 5 percent of older people are in the nursing homes, about 1.2 million people ,or 95 percent of older people live at home. Only about 7 percent of older people need or require any kind of financial public assistance. Eighty-one percent of older people are physically ambulatory. And, one-third continue to work in some important way. Of course, the younger the older age group the more that is the case.

More and more we are recognizing two kinds of older populations. One is a group that is increasingly healthier, with an extended middle age, as it were. Perhaps they should be thought of as the young old. They are between 65 and 75 or 80 years of age. Then there is the eighty-plus or old-old age group who do, of course, have more disabilities and more likely more illnesses.

Twenty or so years ago when I had my first tour of duty here at NIH, I was in the Public Health Service and looked into nursing homes in Montgomery County. This was 1958. I was struck by the fact that a nursing home was very frequently a facility that had no nurses and could hardly qualify under that fine term "home." I think things have improved somewhat, but what was also striking at that time was that the average age of admission was about 70 years of age. It is now nationally about 80 years of age. So, people are able to remain in their homes, out of institutions longer than was true just 20 years ago.

What else can we do? Let us look at some of the positive things and get to some areas of potentially exciting and interesting research. One thing we can try to do is to learn something more about how we change our culture's attitudes to become more sensitive, more conscious, and more aware of the fact that like it or not we all grow old; we all proceed through a kind of life cycle; and that there are many valuable, positive, and interesting aspects of the change we go through. Another thing we can do is to become more thoughtful and that goes all through society to say, bus drivers. Now I am not just trying to pick on bus drivers, but they may by not thinking, proceed very speedily after picking up an older person. By not waiting for them to get a seat, or hollering, "Hurry up, lady," and proceeding jerkily down the city street they hurt or humiliate the older person.

Another major area where we can turn our national habits is in the area of prevention. We know that we have got to be more effective in prevention and that that will do a great deal to enhance the quality of life. Our current habits are not altogether rewarding and pleasurable to have to discuss. For example: some 10 million Americans have serious problems with alcoholism; a significant number of Americans are overweight; despite well-documented evidence all too many Americans still continue to smoke; and, finally physical fitness is not a major interest of most Americans. Some 55 percent of the 45 and over population in the United States remain indolent, that is without any kind of regularized fitness program. This is in the face of evidence that with 25–30 minutes of reasonable exercise three days a week we could go a long way, if not in preventing heart attacks and other disabilities, in enhancing the likelihood of recovery therefrom and in maintaining a much more general sense of well-being.

In our dietary habits we continue to move towards convenience foods, which are often high in calories and low in basic nutriment. It is very hard to go into any restaurant, even a family restaurant, and ask for skimmed milk. We continue to eat heavy animal fat and high cholesterol diets.

Today, we spend only four cents out of every health dollar on prevention. We wait until the horse gets out of the barn rather than doing those kinds of things which could go such a long way in enhancing the quality of our life by preventing disability.

Research is perhaps the number one cost containment step that we could take insofar as the later years are concerned. When you think back on the discovery of penicillin by Alexander Fleming in the 1920's, you can recognize the billions of dollars that were saved as a result of this important step in the conquest of infectious disases. We know that we have yet to have a Fleming of chronic diseases, but maybe there can be. Certainly we need basic and significant research in the area of chronic illness and in the area of vulnerabilities to various illnesses that come about as a result of age. More precisely, we need to look at certain time-dependent processes that occur in humankind. Immunocompetence is a very good example. We know that the protective defense capacity of the organism in the face of infections is compromised with age. The degree to which our immune system effectively responds is reduced, as are the various other body signalling, defending and protecting reactions such as our white cell response or our feeling of pain. For instance, one sees an older man who has had a massive heart attack and yet reports no chest pain, one may see a person with pneumonia who does not have an elevated white cell count; a symptom ordinarily associated with an infection, or one may see a person with appendicities who does not have the usual telltale signs upon examination.

We have excellent scientists, immunologists, and immunochemists who are working to try to understand some of the basic principles of the immune mechanism.

It is not only important insofar as the

overcoming of infections is concerned, but also there are even some promising research ideas regarding that devastating condition called *senile dementia*, a condition which staggers human beings through the destruction of memory and of personality. There is some evidence that we can become allergic to parts of our own body, that is to our own body proteins. These are referred to as autoimmune responses or diseases. Now, I don't mean to say that we are on the threshold of a discovery. It would be misleading to imply that we have some answer to senility right around the corner. There are, however, some promising avenues of work in the area of immunology, insofar as autoimmune diseases are concerned and insofar as broad efforts to enhance the immune capacity of the organism are concerned. These areas are already being examined by scientists within the National Institute on Aging and by scientists who are supported through the National Institute on Aging.

Another area at which we need to look is drug-drug interactions and drug-age interactions. It is amazing how many drugs people take. Over the years I often had had older people bring their medicine chest in to me and dump it right on my floor, if need be. I ask them where they got the drugs from. You know it may have been from their next door neighbor. Some people started taking a particular medicine as much as five years ago, and it seemed to do them some good at that time, but now it may not have any real application a fact of which they may be quite unaware. What is more important is the fact that their own physician may be quite unaware of the possible drug-drug adverse interactions age-drug interactions that can and do occur.

For example: an older woman, for some reason not an older man, receiving the anticoagulant, Heparin, has a greater likelihood of untoward bleeding reactions. We are not sure why.

Some of the tranquilizers which in a younger person may have a calming effect may create a dangerous drowsiness in an older person.

The barbiturates which we think of as being sedatives or hypnotics to help people sleep at night may create paradoxical excitatory reactions in older people, particularly if there is brain damage.

Certain tranquilizers given to old people can even create a terrifying condition called tardive dyskinesia. The horror of this can be best demonstrated by your imagining yourself as having no control over your own mouth area and of your tongue reaching out as though it were trying to catch a fly. This condition is extremely hard to treat and is much more common with old age and in women, who have been on phenothiazines for a longer period of time. Phenothiazines are a major class of tranquilizing medications.

I am not here to try to frighten you. Obviously drugs have a very important place but we do tend to over use them, to misuse them, and to not be properly knowledgeable about their relationship to age. Our major textbooks in pharmacology and in psychopharmacology very frequently do not ever have age in their index. So, it will be very important for our new Institute to work to develop a better understanding of the absorption and distribution of the many chemicals which we place in our bodies. We also need to better understand the way in which the liver handles these drugs and also the way they are excreted by the kidney.

We also have to examine the mystery of the differential life expectancy between the sexes to which I referred earlier. Why do women live longer than men? Some people have suggested it is genetic. Others have thought that it might be related to the endoctrine system—to the hormones or to the differences between the estrogens and the androgens. Still others have thought that it might relate to stress. Perhaps it is all of those and perhaps it is none of those. Regardless, we have to investigate and try to ascertain more clearly the many events, physiological, personal, or psychological that occur in men and women as they go through life to better understand differential life expectancy.

We can learn a great deal from each other in this country by studying different ethnic and racial groups. Family life styles vary among different population groups. People relate each to the other differently. For example, in this country we are very harsh about in-laws. There are many in-laws, jokes and there is much ridicule. Yet there is also a failure to see that just as we can grow older, we also might even become an in-law. Our sense of family is very much distorted and very unclear.

Now you ask why is the family so important? Because in fact, it is the main health and social care delivery system for older people. It is number one. Seventy-five percent of older people have a family, thus making it the first line of care and defense. We can use this better if we learn, for example, how Italian families relate to each other, how black families, Spanish-speaking families and Japanese families relate.

I have to quickly note that 25 percent of older people do not have a family. Of course, these people have very great needs for very special social and medical attention. Of the 75 percent who do have families some also need assistance and their families need assistance. More and more these days the wife as well as the husband is at work. Who is to take care of grandmother back home? How is she to get a hot meal? Who is to provide passive and active exercises for the stroke victim? How is disabling, crippling arthritis to be attended to? Clearly we need home delivered family assistant type services, and clearly we do not have them.

Sweden, with 8 million people, has about 30,000 samaritans. A samaritan in Sweden is what we in this country call a home health aide or a homemaker. In Sweden there are eight million people and 30,000 samaritans. In the United States, we have 217 million people and about 45,000 home health aides or homemakers, a big difference. Yet, so often, there has been blame heaped upon American families for not taking more adequate care of their older family members.

It is quite unjustified. Sociological studies have shown that families often go to great lengths to try to provide for an older family member and to prevent their having to be admitted to a nursing home or a home for the aging. Unfortunately families don't have the kind of assistance, chore services, escort services, home health services that could make it possible for them to do what they would most like to do.

Now let me tell you ever so briefly a few things then about the new Institute. It was established by Congress in 1974 because the study on the aging process, the one biological condition common to all, had not received research support commensurate with its effects on the lives of every individual; (2) this in Congress' words, "That in addition to the physical infirmities resulting from advanced age, the economic, social and psychological factors associated with aging operate to exclude millions of older Americans from the full life and the place in our society to which their years of service and experience entitle them; (3) that research efforts point the way toward alleviation of the problems of old age by extending the healthy middle years of life; (4) that there was no American institution that had undertaken comprehensive, systematic, and intensive studies of the biomedical and behavioral aspects of aging and the related training of necessary personnel; and (5) that the establishment of a National Institute on Aging within the National Institutes of Health would meet the need for such an institution.

We at the National Institute on Aging inherited a number of pre-existing programs, all excellent, fortunately. One, which up to now has been called the Gerontology Research Center, is located in Baltimore. It is under the direction of Dr. Nathan Shock and Dr. Rebin Andres, and includes among other things, a major longitudinal study. This is a study over time. Every 18 months a group which originally began with 1,000 and is now approximately 650 people, are evaluated. It is an opportunity to see what happens to people's behavior and body's over time. The Gerontology Research Center also has basic research laboratories studying things like molecular biology and the life cycle of red cells. When scientists study how white cells of the blood know when red blood cells are old and should be the end of their cycle they are looking for answers that may lead to broader generalizations about the length of other tissues, organs, or even the body.

I have just tried, this afternoon, to briefly sketch for you some of the major problems that older Americans, 10 percent of us, face in the United Staes. I also want to emphasize for you the very great step forward, I think, the creation of the National Institute on Aging within the National Institutes of Health represents. By being here we have a tradition of excellence commended to us. NIH provides an important shelter for a continuing enterprise such as a research program in the field of aging. As an NIH Institute, we will not only be conducting studies within the intramural program of the National Institute on Aging, but also supporting grantees throughout the United Staes in a variety of research centers and universities as they conduct a range of biological, physiological, medical, social, and psychological studies.

I hope that all of you have some new interest in aging. If you have any questions about our new Institute and its mission, I would be very happy to discuss them with you.

Thank you very much for your attention.

(Applause.)

Question. Are the parts of the body that don't replenish? Do they wear away? and are these major factors in aging? I am thinking of brain cells——

Dr. BUTLER. Yes.

Question. And how much reserve does the body have?

Dr. BUTLER. For example, the cells of the central nervous system and the brain, do not divide. Our skin does continue to accumulate and to rub off. Our red cells, as I mentioned, go through 120-day cycle, but many of our tissues and tissue cells do not, and thus once damaged we have a serious problem.

Sometimes that damage may be recoverable. We may be able to find some techniques for recoverability, but if the necrosis or death of brain cells is complete, the likelihood, at least in the foreseeable future of finding some solution to that is not at hand.

Question. I am not speaking of massive things but just the eroding away with time. Do we have a continual loss of brain cells?

Dr. BUTLER. Yes, we do. Fortunately though we have so many to begin with that insofar as the natural dying away of brain cells is concerned it is very questionable as to just how much impact that has in the absence of disease.

Question. I briefly saw a picture indicating diabetes can be incorrectly diagnosed in older people because they are judged by the same standards as diabetes in younger people.

Dr. BUTLER. Yes. That is quite a debatable issue. There have been a number of scientists who have reported, including our own Dr. Rebin Andres that the so-called "glucose

tolerance test" is not always an adequate definition of diabetes and what the decrease in glucose tolerance with age is related to are yet to be fully clarified. For instance, many places in the United States use an age adjusted value in measuring and interpreting the glucose tolerance test and there are even physicians who do not regard the test any longer valid for the older age group.

I should tell you what the glucose tolerance test is. You come in the doctors office in the morning after having fasted and you are given a challenge dose of sugar. It is very much like drinking a Coca-Cola, but a rather sweet and sickening Coca-Cola. The doctor has had blood withdrawn from you before the test and then one-half hour after, an hour after, and then two hours after. A graphic representation can be traced, indicating the disappearance of sugar from the blood. The sugar reaches a peak level one-half hour after the challenge dose of sugar given by mouth, and then it should decrease in a particular fashion and with age. In the case of a patient with diabetes it does not disappear with the same speed with which it presumably should and that is where the issue has come up.

Question: What programs do they have now to bring about longer life? That is a difficult question in the sense that I think we have two schools of thought in gerontology. One, there are those people who wish to extend life. Then, I think there are those that are really much more concerned with the quality of life rather than the quantity of life. Much of their research may relate not so much to extending life beyond what may be the natural life span but seeing that more people achieve that natural life span. For example, there is some evidence that the eye has about a 120-year life. Clearly, on the average, humankind has not caught up with what would appear to be the age life span of the eye.

There are those, every several years, who come up with what promises to be breakthrough in the extension of life. In Russia, Dr. Ana Aslan has promoted a particular compound of procaine, buffered in a particular way. The evidence has not really been very compelling. Vitamin E is still another "cure for aging." That, too, I am afraid, has more of the promise in it than the reality. I guess there are a great many people who feel deeply about extending the life span with this.

For instance, there have been efforts to show that by lowering temperature through hypothermia, you can extend life. There is also the so-called McKay effect which really goes back to the 1930's when a Cornell professor found that by dietary restrictions of certain animals you could increase life in sheep . . . by years.

NARRATOR. You know, I am afraid our day is almost over. The buses are almost ready to stop running. Perhaps if some of you would like to come down and talk to Dr. Butler for a minutes longer, I am sure he would welcome that. I am sorry to say that at this time I must interrupt and thank you so much for coming, and thank you, Dr. Butler.

(Thereupon, the meeting was concluded.)

SENATOR BROOKE ON NEW YORK CITY

Mr. PROXMIRE. Mr. President, throughout the Banking Committee's deliberations on the New York City Seasonal Financing Act of 1975, the distinguished Senator from Massachusetts (Mr. BROOKE) played an active role, and his thinking had a major influence in shaping the final form which that legislation took.

Last week, Senator BROOKE addressed the Fourth Annual Fiorello H. LaGuardia Awards Dinner of the New School for Social Research in New York City. His remarks are, I think, particularly apt and timely, and I urge my colleagues to read them. I ask unanimous consent that Senator BROOKE's remarks be printed in the RECORD.

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

NEW YORK: A RECONSIDERATION OF CITY, STATE, AND FEDERAL RESPONSIBILITIES

It is an honor and a privilege to be with you at the 4th annual Fiorello H. LaGuardia Awards Dinner. The recipients of this year's awards—William Ellinghaus, Felix Rohatyn, and Richard Ravitch—have rendered important services to the City and State of New York over the last year, and it fitting that their contributions be recognized this evening.

But even as we pause to honor these men, we know that the public spirit which inspired them to offer their services is still needed. For many of the questions which New York's fiscal crisis raises for the City, the State, and the Federal government remain unanswered.

It was just seven months ago today that Felix Rohatyn appeared with Governor Hugh Carey before the Senate Banking Committee, on which I serve. On that Friday morning, last October, the Banking Committee was just beginning to consider what, if anything, should be done by the Federal government to help avert a default by New York City. And, in the weeks that followed, we on the Committee wrestled with a number of proposals for dealing with the City's fiscal crisis.

For my part, I opposed the long-term, debt guarantee bill reported by the Committee because I believed it would have hopelessly entwined the Federal Government in the City's finances for years to come—to the detriment of both. As an alternative, I offered a proposal to provide short-term, seasonal loans to the City to meet its intra-year borrowing requirements. Although my proposal was defeated in the Banking Committee by a vote of 7 to 6, a similar approach was later proposed by the City and State as a part of their plan to break the deadlock which had developed in Congress over the issue of financial assistance for New York. And I worked for and helped floor manage the New York City Seasonal Financing Act of 1975 which was passed and signed into law by the President on December 9 of last year.

Now the immediate fiscal crisis has passed, but, as you well know, the question of whether New York City will be financially healthy on a long-term basis remains to be answered. Last month our Banking Committee held oversight hearings on the implementation of the Seasonal Financing Act. And there are some encouraging signs that the City, under Mayor Beame's able leadership, is coming to grips with its problems:

The City has hired a new top financial management team—two new deputy mayors and a new budget director.

The City has committed itself to have a new accounting and controls system in place by July 1, 1977, and an interim system will be in operation by July of this year.

The City payroll has been cut by 15% over the last year. I know this represents 45,000 layoffs and great hardships, but it was necessary and it was done. And under difficult circumstances the City's municipal unions acted responsibly to avoid chaos.

The City's caiptal budget is being put on a sound basis by the gradual removal of operating expense items.

And, perhaps most importantly, the City has submitted a detailed financial plan to reduce its budget deficit substantially in fiscal year 1977 and to eliminate it in fiscal year 1978.

When the Secretary of the Treasury appeared at our recent oversight hearings, I asked him for an assessment of New York's performance under its credit agreement with the Treasury. On a scale of 1 to 10, he gave the City a 9, because most of what New York has agreed to do is in process or has been done already.

This is a good beginning. But, of course, it is only a beginning. Some of the hardest tests are still ahead for both New York City and New York State. And there are some politically tough issues which both the City and the State must face if fiscal integrity is to be restored and the City is to return to the credit markets in 1978.

Under the City's Financial Plan for Fiscal Year 1977, $54 million in budget cuts, or 14% of the projected cuts, depend on the State or Federal government assuming responsibility for functions now performed at the City's expense. And for Fiscal Year 1978, this percentage jumps to 61% of the budget cuts planned for that year. Most of these proposed cuts would result from a transfer of responsibility for courts, probation, corrections, and the City University System to the State, at a phased-in cost of $24 million in Fiscal Year 1977 and $216 million more in Fiscal Year 1978. However, the State has not yet made a commitment to assume responsibility for the programs which the City proposes to transfer.

The plan also calls for the transfer of a major portion of the public housing located in New York City to the U.S. Department of Housing and Urban Development's Section 8 Leasing Program, with projected savings of $15 million in Fiscal Year 1977 and $40 million in Fiscal Year 1978. However, last week's rejection of this proposal by HUD emphasizes the fact that important parts of the City's Financial Plan are hypothetical at this point. We all hope that the most favorable assumptions will become realities, but prudence would dictate that plans be made to deal with the contingency that some assumptions may not materialize and Mayor Beame has outlined some alternative budget cuts.

But even if the assumptions contained in the current Financial Plan prove correct, the long-term financial health of New York City demands some fundamental changes in its operations. No one who has studied the City's budget can fail to be astonished at the high level of employee fringe benefits.

In the current fiscal year, the bill for fringe-benefits—pensions, health, insurance, vacations, and so forth—will exceed $2 billion, or half of the total payroll of the City. The cost of these benefits averages out to more than $8,600 per year per employee, a figure which alone exceeds the total wages of a good many workers in this county. And compared to other workers in both the public and private sectors, New York City's employees enjoy incredible fringe benefits. A married City employee who retires at age 65 after 25 years of work, receives a pension equal to 125% of his disposable income in his last year of work. Comparable figures for other large cities are much lower.

While the New York State Constitution has been interpreted as prohibiting reductions in the level of pensions already vested, the City can take steps to reduce its future pension burden. These include restoring the requirement of employee contributions, a step already taken in part, and changing the method of computing pension entitlement, by eliminating overtime for instance.

The point is not that these and other benefits are wrong, but that the City simply can no longer afford to pay for them, and I can assure you that the Congress is not going to place this burden on the already overburdened Federal taxpayer. There is a new realism taking hold in this country, and its force is being felt in Washington. It de-

mands that the Federal government, and our cities and states as well, like individual families, take steps to balance their budgets and live within their means.

I know it is easy to tell you reforms are needed. In *Poor Richard's Almanac*, Ben Franklin observed that "to bear other people's afflictions, everyone has courage and enough to spare." But let me assure you that I do not comment on New York's fiscal crisis without sympathy. As you well know, my own State of Massachusetts has similar problems—high unemployment, high taxes, and a budget which is hard to balance. I do not preach a different sermon here than I would in my own parish. We all must recognize, as your Governor has said, that "the days of wine and roses are over."

There has been some speculation that after the November elections, there will be a new attitude in Washington toward New York City's fiscal plight, and that the City will be able to get the Federal loan program extended and thus "stretch out" its budget cuts. But I don't think that is going to happen. As a member of the Appropriations Committee, as well as the Banking Committee, I can tell you that my colleagues expect the City to meet the requirement for a three year Financial Plan to balance the City's budget. I personally think it would be unwise for anyone to expect further extensions of Federal loans to New York City beyond Fiscal Year 1978.

If the City has not taken the steps necessary to balance its budget and re-enter the credit markets by Fiscal Year 1979, it will have to look to New York State for further assistance. So when your State Legislature considers bills which will make the goal of a balanced budget more difficult to achieve, it would do well also to consider companion legislation to amend the New York State Constitution so that the State may extend credit to the City after Fiscal Year 1978.

While budget balancing and improved municipal management are important, they are only part of a larger picture. The long-range economic viability of your great City, as you well know, will depend to a large extent upon the City's ability to attract and retain as residents business firms and individuals who have the choice of locating here or moving elsewhere.

With all of your problems, you still have a lot going for you—a magnificient harbor, a good transportation system, cultural opportunities which are unparalleled—except in Boston, of course—and a creative and energetic population.

Over the years, New York has offered private industry a large pool of both skilled and unskilled labor, and this labor market has absorbed millions of immigrants from around the world. But today, a large fraction of the City's labor pool remains untapped. The reasons for this are partly related to the national economy, but are also local in origin. As the price of labor has risen in New York, business firms have moved away to seek less expensive labor elsewhere. The City's tax structure has not been designed to encourage such firms to stay in the City. And, of course, new construction costs in New York are among the highest in the country.

The City's business leaders, its labor leaders, and its political leaders must all face these facts. If the City is to revive economically, it must attract and retain the kinds of industry which can provide jobs for the City's work force. Barriers to entry into the work force must be removed. And we all must recognize that wages depend upon relative productivity; we just cannot legislate the good life.

In the months ahead, the fate of this City will be decided. It can be decided rationally or irrationally. The City can plan its future of just drift along. The City's politicians, labor leaders and businessmen can lead the City, or they can preside over its decline.

To assist in seeking rational alternatives for the City, the New School's Center for New York City Affairs is instituting an Urban Strategies Program which will conduct year-round research on municipal finance, economic development, and other issues affecting the economic life of New York. This program can serve as a great resource for the City in its effort to plan for a better future, and the New School is to be congratulated for undertaking this effort.

I would venture to suggest that there is a wide range of questions which the Urban Strategies Program could profitably consider. For example,

How are demographic trends likely to affect this City? Should the City be planning for a declining population? What is the likely growth rate in the City's elderly population? What level of family formations can be expected? What are the implications of these demographic trends for housing construction, for school construction, for the City's tax base?

Are there any actions which can be taken to reduce measurably the level of crime in the City in the near future? What steps can be taken to assure swift and certain justice without infringing Constitutional rights? Is mandatory sentencing an effective deterrent? What should be the relative responsibility of the City and the State in administering the criminal justice system?

Can the quality of the City's schools be improved? Can the business community give the school system more guidance regarding the type of vocational training which is needed by the jobs market?

What can be done to reduce construction costs? Should building codes be revised? Should the City or State write down land costs to promote new residential or commercial construction? What level of rehabilitation is needed to preserve the City's housing stock? Should the City seek to aggregate large tracts of land for development?

While the nature of the Urban Strategies Program requires that it consider long-term trends, the urgency of the City's plight puts a premium on the development of programs which can have an immediate effect on the quality of life in the City. More than anything, this City needs perceptible results, not grand designs for the future.

Any consideration of strategies for resolving New York's financial problems requires a definition of what role, if any, should be played by the Federal government. Indeed, the New York fiscal crisis has brought into sharp focus the question of the proper division of responsibilities among the cities, states, and national government under our Federal system.

I am convinced that the proper role for the Federal government is not to serve as New York City's banker or the guarantor of the City's debt. That would not only deprive New York of the discipline of the market place, but over time it would inexorably require the Federal government to dictate what could and could not be done by New York City. The local autonomy which has characterized our Federal system would be lost, and with it a part of our freedom. I think it bad enough that New York State has had to take over the management of New York City's financial affairs on a temporary basis through the Emergency Financial Control Board.

For most of the last 30 years, Federal assistance to the cities and states has been in the form of categorical grants for specific purposes—slum clearance, code enforcement, education, and so forth. More recently, we have turned to general revenue sharing and block grants to funnel money from the Federal government to the local level. But I sometimes wonder whether these programs are really the best way for the Federal government to deal with the problems of our nation's cities and states.

The rationale for both categorical grants and revenue sharing has been that these funds help financially strapped local government address problems which they cannot address with their own resources. But categorical grant programs have often been snarled in red tape, and revenue sharing legislation, while it avoids red tape, lacks specificity in defining the needs which Federal funds should be used to meet. It is this lack of specificity of purpose which sometimes gives both liberals and conservatives the uneasy feeling that revenue sharing could turn into an exercise in the redistribution of funds for redistribution's sake. It is hard to say what overriding national interest is served when Federal funds are used to build tennis courts in suburbia,

I do not by any means suggest that pending revenue sharing legislation should not be passed by the Congress. I strongly support it, and I have and will continue to work for its passage. These funds are urgently needed by local governments. But given a finite limit to Federal resources, I wonder whether there is not a better way to distribute Federal funds to meet the real needs at the local level. If we are going to share revenue, should we share it with local governments or with the needy themselves? Our basic Federal revenue raising tool is the income tax, and perhaps the most efficient and effective redistribution mechanism would be a negative income tax structured to provide work incentives as well as a minimum standard of living. I suggested this in 1964 in a book which I wrote, and nobody read, entitled *The Challenge of Change: Crisis in our Two Party System*. You can still get it at your book store for $5.95. As a result, I was practically read out of my party. But times have changed, and now even some distinguished economists and some conservatives are embracing this concept.

Over the last two decades, we have witnessed a major migration of poor persons from the South and other parts of our country to our urban centers, a movement of the middle class to the suburbs, and an aging of the existing population ni our cities. The population of our central cities has decreased, while the number of poor central city residents on welfare has increased. And, the unavailability of jobs for these people has increased the welfare burden on our cities.

Ironically, those cities and states which have tried to provide a decent standard of living for their welfare population have been forced to bear a disproportionate share of the national welfare burden.

So many of the problems of our cities—high crime rates, deteriorating housing, a shrinking tax base—are directly related to the problem of poverty. Only when we treat the problem of poverty directly will these other problems begin to be solved. Thus, I conclude that our primary objective must be to resolve the problem of poverty. And, given limited Federal resources, I must ask whether we should promote categorical grant programs and revenue sharing in an attempt to make an ancillary attack on the problems of our cities. Wouldn't these funds be better used in a direct assault on the problem of poverty itself, as part of a comprehensive welfare reform package, including opportunities for those who are able to work?

The Johnson Administration's war on poverty got bogged down somewhere in Southeast Asia, and the ravages of poverty can still be seen in our cities. The challenge remains unmet. And until America deals effectively with the problem of poverty we will not be at peace with ourselves.

The trauma of New York's fiscal crisis has been painful—painful for New Yorkers and painful for those of us who love this City. But this trauma need not have been in vain. If the time provided by the Seasonal Financing Act is used by New York to get

its finances under control, and if what has happened here causes the Federal government to reconsider its responsibility for the poor who live in our cities, then New York and every city in this country will become a better place to live. With you, I hope and pray that your City and our country will be equal to the challenge.

TREATMENT OF ALCOHOLISM MAKES GOOD ECONOMIC SENSE

Mr. WILLIAMS. Mr. President, the administration has proposed to consolidate alcoholism programs with 15 other health programs, including medicaid, into one $10 billion bloc grant to the States. This is a direct and immediate threat to the continued viability of Federal, State, and local alcoholism programs.

This represents one more attempt by the administration to undermine the implementation of the Federal responsibility as mandated by Congress for alcoholism prevention, treatment and rehabilitation.

And yet we know that alcoholism is highly treatable and that programs for the treatment and rehabilitation of alcoholics have high success rates. Client outcome data reported by treatment programs supported by the National Institute on Alcohol Abuse and Alcoholism show significant improvement rates of 70 percent for patients who have received treatment in alcohol treatment centers. By significant improvement I mean that they have reduced their alcohol consumption to a point where they can function normally in society. Fifty-four percent of those treated were reported as abstaining from alcohol altogether.

Earlier this month the National Institute reported to the National Advisory Council on the first benefit/cost study conducted on a broad national scale. I have sent a copy of this study to the chairman of the Senate Subcommittee on Labor/HEW Appropriations, the distinguished Senator from Washington (Mr. MAGNUSON).

I ask unanimous consent that my letter to Senator MAGNUSON together with the Executive Summary of the study be printed in the RECORD. The entire study is available to all interested parties in the office of the Subcommittee on Alcoholism and Narcotics of the Committee on Labor and Public Welfare, which I chair.

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

U.S. SENATE,
Washington, D.C., May 10, 1976.

Senator WARREN G. MAGNUSON,
Chairman, Subcommittee on Labor/HEW Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We have known for a long time that alcoholism is highly treatable and that the funding of treatment programs is a very cost beneficial and worthwhile social endeavor for the Nation.

Now, for the first time, we have some hard, documented data from a cost/benefit study which has just been completed on 41 Alcoholism Treatment Centers (ATCs) funded by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) since 1971. This is the first study of its kind that has been conducted on a broad National scale utilizing cost and benefit data from the NIAAA evaluation system.

The study shows that, for every dollar of expenditures made for the ATC Program during the last half of 1974, there would be approximately three dollars in benefits returned to the Nation as a whole during the next ten years (i.e., the benefit/cost ratio was determined to be about 3:1).

To put it another way, from the $11 million cost of operating this program during the last half of 1974, over $33 million worth of benefits will be realized over the next ten years. I would also note that, of the $11 million for operating costs, only one-half of that amount was provided by the Federal Government.

As determined by this study, the benefits realized from the operation of this program were primarily a result of the reduction in health care costs, reduction in motor vehicle accident costs, and increases in productivity (i.e., taxable earnings) attributed to the patients who were treated in these programs. The positive cost/benefit ratio attributed to this program parallel the findings of the NIAAA evaluation system that approximately 70 percent of ATC clients show significant reduction in alcohol consumption rates, unemployment and impairment due to alcohol use.

The detailed results of this study will be available shortly in the final printed report. However, I wanted to share these early results with you right away. I think you will agree that the expected benefits not only justify continuance and expansion of Federal appropriations in support of alcohol abuse and alcoholism but, clearly, should be one of the highestt priorities in our National budget since the total economic costs of alcohol abuse and alcoholism exceeded $25 billion in 1971.

It is clear to me that these treatment programs funded by the National Institute on Alcohol Abuse and Alcoholism have fully demonstrated that they are highly successful, both from the viewpoint of society as a whole and the alcohol individual.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman.

BENEFIT/COST ANALYSIS OF ALCOHOLISM TREATMENT CENTERS

EXECUTIVE SUMMARY: VOLUME I

A. Summary of findings

From an economic viewpoint, the NIAAA Alcoholism Treatment Center Program is a very "profitable" social program for the nation, for participating communities, and for clients.

National viewpoint

The national economy will realize ten years of benefits, estimated to have a net present value of $21.9 million, resulting from the operations of 41 Alcoholism Treatment Centers during the last half of 1974.

Each $1.00 of total program expenditures is expected to return $2.96 of benefits.

Twenty-five centers produced estimated benefits exceeding the costs of their programs.

Community viewpoint

Communities will gain ten years of benefits estimated to exceed $30 million.

Each $1.00 of community investment, including local government support, is expected to yield $11.46 of benefits.

Thirty centers generated estimated benefits greater than the investments of their communities.

Individual viewpoint

For the overall program, clients will experience nearly $6 million of benefits during a ten-year period.

Fewer hospitalizations of 4,777 clients indicated a health care cost reduction of $5,169,120 per year.

For reduced consumption of alcoholic beverages, 1,361 clients are expected to save $572,200 per year.

Increased earnings, reported by 374 clients, totaled $130,185 per year.

Reduced alcohol consumption by 1,116 driver-clients is expected to reduce the risk of motor vehicle accidents for an estimated annual cost reduction of $96,585.

B. Study objectives

This study, a Benefit/Cost Analysis of Alcoholism Treatment Centers, was conducted by JWK International Corporation for the National Institute on Alcohol Abuse and Alcoholism under Contract No. ADM-281-75-0031. The purpose of the study was to compare economic costs and benefits associated with Alcoholism Treatment Centers (ATCs) at 41 locations in the United States.

The emphasis of the study was to assess the impact of alcoholism treatment projects from the point of view of the national economy, the community economy, and the individual client. The results of the study are intended for use in decision-making regarding projects at both the local and federal levels of government.

The study effort included development of a methodology for assessing costs and benefits associated with treatment. The ATC monitoring system was used as the principal data source for the analysis. Additional information on community impact of the ATCs was collected from ATCs at four locations. The methodology was developed, the data were assembled and analyzed, and the findings are documented in this final report.

C. Study results

In the course of the ATC Benefit-Cost Study, potentially significant areas of benefit were identified as follows:

Reduced hospitalization costs;
Increased Earnings;
Decreased motor vehicle accidents;
Reduced costs of alcohol consumption; and
Reduced criminal activity and legal system costs.

In addition, it was necessary to estimate the costs of ATC program operations. These included the operating costs as incurred by the federal and local governments, private community agencies, and individual clients.

The study effort began with an assessment of the relative importance of each of the benefit areas, and the development of a methodology for assessing the magnitude of each benefit component. The areas identified as accounting for most of the benefit of center treatment were health care costs, motor vehicle accident costs, and productivity (earnings) increases. No satisfactory method was determined for measuring the impact of crime reduction.

For each of the three principal benefit areas, benefits and costs were determined from three points of view: the national economy, the community economy, and the individual. The benefit-cost statistics, computed for each ATC and the total of 41 ATCs were: the net present value of benefits associated with treatment and the benefit/cost ratio.[1]

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[1] The net present value of benefits is the present value of benefits minus the present value of costs. The benefit/cost ratio is the present value of benefits divided by the present value of costs. "Present value" denotes an estimate of today's money value of a future (or past) stream of benefits or costs through a span of time. Present value is computed by discounting a stream of benefits or costs with an appropriate discount rate (10% was used in this study) to approximate "present value" dollars.

The net present values and benefit/cost ratios differ for each viewpoint, since the benefits realized from each viewpoint and the related expenditures are different. For example, the community and the individual do not realize benefits associated with increased federal income tax revenue that are part of increased earnings after treatment.

Table 1 summarizes the results of the study. It indicates the totals of estimated benefits that will accrue during ten years, based on six months of operations of the ATCs. The estimated costs represent the costs of operating 41 ATCs during the last half of 1974. Hence, the net present values and benefit/cost ratios describe a ten year stream of benefits expected to result from six months of operations of the ATC program.

TABLE 1.—SUMMARY OF BENEFIT/COST MEASURES

[Dollar amounts in millions]

Benefit/cost measures	Viewpoint: National economy	Viewpoint: Community economy	Viewpoint: Individual client (at age 40)
Estimated benefits (during 10 yr)	$33.1	$33.0	$6.0
Estimated costs (for 6 mo)	11.2	2.9	1.0
Net present value	21.9	30.1	5.0
Benefit/cost ratio	2.96	11.46	6.21

The results are impressive. The national economy will realize a ten year stream of benefits, estimated at $21.9 million, resulting from operation of the 41 ATCs during the last half of 1974. The dominant portion of this benefit stream is attributable to decreases in health care costs. The benefit/cost ratio of 2.96 indicates that, for every dollar expended in the program, the national economy realizes a return of $2.96.

From the community economy viewpoint, participating communities will gain about $30 million of benefits during the next ten years, from the six months of ATC operations. They will realize an eleven-fold return on their investment, including local government support. The benefit/cost ratios are larger for the community economy than for the national economy because the federal government paid a major proportion of the program costs. The value of the national economy B/C ratio does not depend on how the costs are shared.

Individuals also will realize significant returns on the portion of program cost that they paid. Clients, who received treatment in the last half of 1974, will receive benefits (during ten years) estimated to have a present value of nearly $6.0 million. Each dollar of their investment in treatment fees will yield about $6 in benefits for the representative client at age 40. Based on the economic return per dollar invested, the overall ATC program represents a very "profitable" social program.

The benefit/cost measures (net present value and benefit-cost ratios) were computed for each of the 41 ATCs. Table 2 presents these results for a representative selection of the ATCs. It can be seen from Table 2 that there is considerable variability in the net present value and benefit/cost ratios among the different centers. This variability can be attributed to many factors, such as differences of the sharing of program costs among the federal government, community agencies, local government, and individuals.

TABLE 2.—BENEFIT/COST MEASURES FOR SELECTED COMMUNITIES

ATC code, Benefit/cost measure	Viewpoint: National economy	Viewpoint: Community economy	Viewpoint: Individual client, age 40
AG:			
PV	1,638,894	1,636,940	114,561
BC	6.28	22.49	1.57
AZ:			
PV	824,801	824,801	10,675
BC	2.70	13.68	12.96
BH:			
PV	4,876,136	4,874,115	907,464
BC	5.16	9.25	1.98
BI:			
PV	1,427,896	1,427,896	316,642
BC	1.07	2.65	5.82
BO:			
PV	6,008,617	5,971,778	799,402
BC	5.59	10.56	6.48
NIAAA system:			
PV	33,152,939	32,994,154	6,049,295
BC	2.96	11.46	6.21

D. Limitations

Although the objectives of the study were accomplished, data limitations and study resource constraints limited the comprehensiveness and precision of the analysis. The principal limitations of the study resulted from the following factors:

1. Some deficiencies were encountered in th ATC client data.

2. No completely satisfactory measure of the earnings impact of ATC treatment was available.

3. No satisfactory measure was developed for the economic impact of the reduction of alcohol-related crime and legal system costs.

Limitations associated with each of these factors are described below:

First, some problems were encountered in the use of the ATC client data for this analysis. The ATC Monitoring System was developed to provide system users with periodic client, treatment services, and management information. The system provides for standardization definitions and procedures in data collection activities. It was intended also to be used for program evalaution but it was not designed for the specific analytical approach of this study. When the Monitoring System data were applied to this benefit/cost model, some deficiencies and limitations were encountered. Modifications and estimates, necessary to overcome these difficulties, are described in the Main Report.

The second problem area is related to the measurement of earnings change attributed to ATC treatment. Ideally, an estimate of this quantity should be based on a control or comparison group of individuals similar to the ATC clients in all respects for having received treatment. Lacking this, the difference (corrected for inflation) between the clients' earnings six months and eighteen months after treatment was used as a measure of earnings change associated with treatment. It is acknowledged that this measure is not completely satisfactory.

Third, no reasonable means was developed for assessing the economic impact of alcoholism-related criminal activity or legal system costs. No credible means was found for translating the ATC Monitoring System arrest data into economic costs on a comparable basis from community to community.

Overall, while a workable methodology was developed for assessing the economic benefits and costs associated with alcoholism treatment, there is much room for improvement. More comprehensive analysis would be possible after some modifications of data collection instruments and procedures. To compensate partially for the data deficiencies, a very conservative measurement approach was adopted. For example, the ten-year projection of benefits is less than half of the expected remaining lifetime of the ATC client.

It should be noted that the present study is concerned with estimation of the economic benefits associate with ATC treatment, based on data in the ATC Monitoring System. There are, of course, additional benefits to be realized from successful treatment, such as improved mental and physical health, and family cohesion. In addition, there are economic benefits that may accrue from ATC activities, such as consultation, outreach and information programs; these benefits are not reflected in the monitoring system data and were hence not measured in the present study.

Finally, it is noted that the exact numerical values computed for the net present value and benefit cost ratios depend on numerous technical assumptions, such as a 10% discount rate, a 10-year benefit horizon, and a full-employment economy with no job displacement effects. These assumptions, discussed in dept in the Main Report, should be considered in interpreting and applying the numerical values of the cost-benefit measures.

E. Recommendations

Based on the study findings, the evidence is strong that the economic benefits of the ATC program substantially exceed the program's costs, from all three viewpoints considered—the national economy, the community economy, and the individual client. During the course of the study, however, a number of situations were identified that deserve additional study or consideration. These items include the following:

1. *Examined individual ATCs.* The wide variability in net present value and benefit/cost ratio observed in the study suggests a need for examining those projects at the extremes—i.e., those projects whose benefits are much greater than or much less than costs. These differences may result from differences in ATC effectiveness, or they may be the result of data collection and reporting differences. In either case, they should be examined.

2. *Modify the ATC Monitoring System.* The Monitoring System should be modified to facilitate and enhance future benefit/cost or evaluation studies. Some suggestions are:

a. Examine the feasibility of collecting more precise cost and benefit data through the Monitoring System. For example, data on the costs of hospitalization to the client would enable more precise benefit estimates than the number of hospitalizations as currently recorded. A similar situation holds for the costs of motor vehicle accidents and legal system costs.

b. Emphasize the critical importance of data to treatment center managers. Their leadership and awareness of data needs are important to program evaluation.

c. Develop additional training programs for treatment center staff who do the interviewing. Promote the principles of interviewing and standard procedures for the generation of comparable data which can minimize missing data and unwillingness to respond.

d. Develop a NIAAA auditing team to analyze each Monitoring System report received from the treatment center. This team should be mobile and make unannounced visits to treatment centers to check on the accuracy of Monitoring System reports.

3. *Recommendations for Further Research.*

1. Benefit/cost models may be used to provide a continuous economic evaluation program of the NIAAA treatment center system. Using the benefit/cost ratio as the criterion, statistical quality control procedures

can be used to evaluate the quarterly Monitoring System reports. A control chart for each treatment center can be maintained, based on past benefit/cost measurements for the center or on system norms. Such a program should enable policy makers to recognize performance changes at a treatment center early and to suggest corrective measures before irreversible deterioration takes place.

2. The Stanford Research Institute's 18-month follow-up study found no significant difference in outcome of various treatment approaches. But different approaches doubtlessly vary substantially in cost. These costs should be estimated and used as a basis for allocating government funds to the most effective approaches.

F. Structure of the final report

The final report of the ATC benefit/cost study is presented in three separate volumes:

I. This volume, the Executive Summary;
II. The Main Report; and
III. Appendices.

The Main Report describes the methodology, the analysis, the conclusions, the limitations, the recomendations. The Appendices present additional details, mostly of a coputational nature, that support the discussion of the main text. The main text consists of:

Chapter I—Introduction.
Chapter II—Methodology.
Chapter III—Economic Contribution of NIAAA Treatment Centers to the National Economy, Community Economies and Individual Clients.
Chapter IV—Benefits Beyond Present Measurement.
Chapter V—Conclusions and Recommendations.
Chapter VI—References.

Chapter I describes the ATC system, indicates the study objectives, outlines the study approach, and summarizes the findings. Chapter II presents a detailed description of the procedure used to estimate ATC benefits and costs. This chapter includes discussion of measurement weaknesses. Chapter III summarizes the results of applying the methodology to data from the 41 ATCs. It includes details on the estimated benefits and costs associated with each treatment center. Chapter IV describes significant benefits not measured by the present methodology with reasons for their not being measured. Chapter V presents a summary of the study findings with conclusions and recommendations.

The Appendices to the report are as follows:

Appendix A.—A Money Estimate of Motor Vehicle Accident Cost of Alcohol Abuse.
Appendix B.—Measurement Critique of Increased Productivity Benefits (As Measured By Increased Worker Earnings).
Appendix C.—Health Care System Cost Reduction—Numerical Example.
Appendix D.—Cost Effectiveness Model for ATC.
Appendix E.—ATC Baseline Data.
Appendix F.—Benefit Cost Analysis.

Appendix A describes the procedure used to estimate the economic costs of motor vehicle accidents associated with alcohol abuse. Appendix B provides a detailed critique of the approach adopted to measure changes in worker earnings associated with ATC treatment. Appendix C presents a numerical example to illustrate the computation of economic benefits associated with decreases in hospitalization associated with ATC treatment.

Appendix E provides a series of tables that display the center-by-center benefit/cost computations. Finally, Appendix F contains data summaries for each ATC and for the NIAAA system.

IMPLEMENTING LEGISLATION BY CONGRESS REQUIRED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a number of critics of the Genocide Convention have alleged that it would automatically supersede and invalidate existing U.S. law. This is not the case. Article V of the Convention makes it clear that implementing legislation is necessary before the convention would become effective in this country. That article provides:

The Contracting Parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention and, in particular, to provide effective penalties for persons guilty of genocide or of any of the other acts enumerated in article III.

Indeed, the Senate Committee on Foreign Relations, which has within the last several weeks recommended Senate ratification of the treaty, views such Senate approval as the first in a two-step procedure. Of equal importance will be the second step, that is, the enactment of the implementing legislation. To emphasize this the committee has incorporated into the proposed resolution of ratification the following recommendation of the Department of State:

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article V has been enacted.

The ratification process is not complete until after the instrument is deposited with the United Nations. Therefore, this declaration will insure that the treaty's effect will be in total accord with the congressional will. The alleged threat of the convention bypassing our constitutional legislative processes is nonexistent. The convention itself explicitly requires the implementing legislation to be enacted in accordance with our Nation's Constitution.

Let us not permit bogus claims of unconstitutionality to subvert our active support of basic constitutional principles. Once again I urge the support of all Members of the Senate to ratify this most important human rights treaty.

RULES OF TEMPORARY SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM

Mr. STEVENSON. Mr. President, in accordance with the Legislative Reorganization Act of 1970, I submit for publication in the RECORD the rules for the Temporary Select Committee To Study the Senate Committee System On April 29, 1976, the members of the temporary select committee adopted these rules. I ask unanimous consent that they be printed in the RECORD.

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

RULES OF THE TEMPORARY SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM, ADOPTED APRIL 29, 1976

1. Rules of the Senate

Applicable requirements of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee.

2. Meetings

a. The regular meeting day of the Committee shall be the first Thursday of each month while the Congress is in session.

b. Special meetings may be held at the call of the Chair, provided at least 48 hours notice is furnished to all Members.

c. If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held, specifying the date and hour of that special meeting. The Committee shall meet at that date and hour. The clerk shall notify all members of the Select Committee of the date and hour of the special meeting.

3. Quorum

a. A majority of the members of the Committee shall constitute a quorum thereof for the transaction of business.

b. Notwithstanding the provisions of section (a) above, two members of the Committee, one majority and one minority, shall constitute a quorum for the purpose of receiving testimony.

4. Chairman and Membership

a. The Committee shall select a Chairman from among its Majority Party members, and a Co-Chairman from among its Minority Party members.

b. The Co-Chairman shall act in the absence of the Chairman, and in the absence of both, the duties of the Chair shall be filled by a Committee member designated by the Chairman.

5. Order of Business—Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman, subject always to an appeal to the Committee membership.

6. Hearings Procedure

a. The Chairman of the Committee or any member thereof may administer oaths to witnesses.

b. The Committee shall make public announcement of the date, place and subject matter of any hearings to be conducted by it at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date.

c. The Committee shall require each witness who is to appear before it to file with the clerk of the committee, at least 48 hours in advance of the witness's appearance, a written copy of the proposed statement. The Chairman and Co-Chairman may excuse a witness from such requirement upon good cause.

d. Minority Party Members of the Select Committee shall be afforded reasonable time to summon witnesses chosen by them.

7. Television and Radio Coverage

a. Any meeting or hearing of the Committee which is open to the public may be covered in whole, or in part, by television broadcast, radio broadchast, or motion picture or still photography. Photographers and reporters using mechanical recording, filming or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff on the dais, or with the orderly process of the meeting or hearing.

b. No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be included in radio or television coverage, all equipment used for coverage shall be turned off.

8. Committee Records and Transcripts.

a. Accurate stenographic records shall be kept of the testimony of all witnesses in executive and public hearings.

b. Transcripts of all public hearings and meetings of the Committee will be open for inspection by the public at the offices of the Committee during business hours.

9. Subpoenas—Subpoenas authorized for the Select Committee may be issued over the signature of the Chairman, or any other member designated by the Chairman, and may be served by any person designated by the Chairman or member signing the subpoena.

10. Proxies.

a. Proxy voting shall not be allowed when the question before the Committee is the issuance of a report or recommendation. In such cases an absent member's vote may be announced solely for the purposes of recording the member's position and such announced votes shall not affect the passage or defeat of the motion to issue the report or recommendation. On other matters before the Committee, proxy votes shall be permitted if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of another Committee member that he be so recorded.

b. All proxies shall be in writing.

c. Proxies shall not be considered for the purpose of establishing a quorum.

11. Travel.

a. Travel by members of the Committee or staff for the purpose of conducting field hearings, meetings, or similar activities related to the mandate of the Committee shall be authorized in advance of such travel. Such authorization shall be in the form of travel vouchers signed by the chairman of the Committee.

12. Staff

a. The appointment or dismissal of the staff director-counsel and the counsel to the co-chairman to the Select Committee shall be approved by a majority vote of the Select Committee, a quorum being present, upon the recommendation of the chairman and co-chairman, respectively. All other full time staff assistants shall be appointed by the chairman and co-chairman, acting jointly.

b. The Select Committee may procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner, and under the same conditions as a standing committee of the Senate may procure such services under subsection (1) of section 202 of the Legislative Reorganization Act of 1946, as amended: provided, that not more than $30,000 shall be expended for salaries and expenses of such consultants.

c. All staff employed by the Committee or housed in Committee offices shall work for the Select Committee as a whole, under the general direction of the Chairman and Co-Chairman, and the immediate direction of the staff director-counsel.

d. Members of the staff must not accept public speaking engagements or write for publication in the field of the Senate Committee system without specific advance permission from the staff director-counsel. The staff director-counsel and the counsel to the co-chairman shall secure advance permission for such activities on their part from the Chairman and Co-Chairman, respectively. In any event, such public statements should avoid the expression of personal recommendations or predictions of future, or interpretation of past, Commitee or member actions.

13. Rules Changes

a. The rules of the Select Committee may be changed, modified, amended or suspended at any time; provided, however, that not less than a majority of the entire membership so determine at a meeting called with due notice.

b. Any amendments adopted in the rules of the Select Committee shall be published in the *Congressional Record* not later than thirty days after adoption.

ABRAHAM LINCOLN: UNFORGETTABLE AMERICAN

Mr. HUDDLESTON. Mr. President, Miss Mabel Kunkel, a distinguished Kentuckian, educator, and scholar has recently completed one of the most comprehensive works ever written on our 16th President. It is entitled, "Abraham Lincoln: Unforgettable American."

I commend Miss Kunkel for the contributions she has made to our State during the half century she spent in the classroom and congratulate her upon the completion of 16 years of research that resulted in this book.

Miss Kunkel has a deep sense of pride for the history of America and the people who shaped it, and this patriotism is displayed throughout this documented story of Kentucky's native son, Abraham Lincoln.

The book is one of Kentucky's major contributions to our Nation's Bicentennial, and again, I commend Miss Kunkel for releasing it in this special year for all Americans to read and enjoy.

THREE MORE DEFENSE OFFICIALS PUBLICLY OPPOSE THE B–1

Mr. PROXMIRE. Mr. President, I have recently received letters from three individuals who have had an enormous amount of personal experience in national security affairs.

Roswell L. Gilpatric has been both the Deputy Secretary of Defense and the Under Secretary of the Air Force. He has particular familiarity with the B–1 arguments since he participated in the B–70 decision.

Wolfgang K. H. Panofsky is currently the head of the Stanford Linear Accelerator Center and formerly was the Chairman of the Strategic Weapons Panel of the President's Science Advisory Committee.

Sidney D. Drell currently is professor and deputy director of the Standford Linear Accelerator Center and also was a Chairman of the Strategic Weapons Panel of the President's Science Advisory Committee.

Mr. President, here are three of the most respected military experts in the country. Each concludes that to move ahead with the B–1 bomber at this time would be unwise for military and economic reasons. I urge my colleagues to read these letters and contact these experts if they have any further questions.

Mr. President, I ask unanimous consent that the three letters be printed in the RECORD at this point.

Mr. President, I also ask unanimous consent that a recent editorial by Neil Mehler of the Chicago Tribune be printed in the RECORD.

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

CRAVATH, SWAINE & MOORE,
New York, N.Y., May 12, 1976.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Dirksen Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: Responding to your letter of May 6, I am opposed to the B–1 bomber project and am willing to say so publicly.

Fifteen years ago, I participated in the decision to cancel the B–70 bomber project because the costs involved would not have provided a comparable benefit to our national security. I feel the same way about the B–1.

Sincerely,

ROSWELL L. GILPATRIC.

STANFORD UNIVERSITY,
STANFORD LINEAR ACCELERATOR CENTER,
Stanford, Calif., May 17, 1976.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Committee on Appropriations,
Washington, D.C.

DEAR SENATOR PROXMIRE: Please accept my apologies for a belated response to your letter of May 6, 1976 requesting my comments on the FY 1977 Military Authorization Procurement Bill containing $1.5 billion in funding for the B–1 bomber.

I have very little to add to the excellent three papers which you have attached to your letter. All the technical points taken in those analyses are extremely well taken. In particular I concur with the conclusion that the supersonic capability of the B–1 adds essentially nothing to its military value, while at the same time greatly contributing to its cost. Moreover those of us interested in military matters have been dismayed by the all-too-familiar pattern of growing costs and eroding performance as is reflected in the B–1 program.

Possibly most disturbing to those of us interested in the maintenance of a U.S. strategic deterrent in the most cost-effective manner has been the distortion of the Air Force program by the very existence of the B–1. In order to avoid unfavorable comparisons with the B–1 program the Air Force has retarded development and procurement relating to adaption of stand-off measures for the B–52 force. It is abundantly clear that medium-range cruise missiles, or even ballistic missiles adapted to the B–52, offer a much more secure penetration capability for the B–52 through Soviet defense—be they AWACS or ground-to-air missiles—than the B–1 possibly could; moreover such improved performance is provided at lower cost. I hope very much that through your efforts it will be possible to reorient the Air Force's strategic bomber program away from the B–1 towards more effective utilization of the B–52 force.

It was a pleasure to testify before your Joint Committee on Defense Production during the recent hearings on Civil Defense.

With best personal regards,

WOLFGANG K. H. PANOFSKY.

STANFORD, CALIF., *May 5, 1976.*

Dr. JEREMY J. STONE,
Director,
Federation of American Scientists
Washington, D.C.

DEAR JEREMY: I am writing concerning the upcoming Senate vote on the B–1 bomber. It is my view that our national policy, especially in an arms control environment, should maintain the role of the SAC bombers in our strategic deterrent force. Among the important features of the manned strategic bomber are the following: It is survivable, capable of airborne alert, recallable, flexible as a threat with stand-off armaments for penetrating onto target, a vertifiable mobile launcher, and unambiguously a second strike force since it takes many hours to span the dis-

tance from launch to target and not a mere 30 minutes as do the ICBM's.

I recognize the impending need to replace the aging B–52 force starting sometime during the next decade. Unfortunately, however, I believe we are moving in the wrong direction with the current B–1 program. In particular, we are developing an exorbitantly and unnecessarily expensive "Cadillac of the sky" with the current B–1 design of a penetrating supersonic bomber. I believe there is time during the lifetime of the present B–52 force to reorient the manned bomber program in search of a less expensive aircraft which will be suitable for launching standoff air to surface cruise missiles (ALCM's). Moreover, there is no need to continue the current reliance on aerial refueling as presently required for the B–52's and as being designed into the B–1 force. Greater economy of operation, greater flexibility, and reduced vulnerabilities should be possible without the need for maintaining the aerial tanker craft.

I hope that in the upcoming Senate vote it will be recognized that this country still has an opportunity to redirect the B–1 bomber program toward a more effective and economical design for maintaining the important manned bomber component of our deterrent forces.

Sincerely yours,

SIDNEY D. DRELL.

[From the Chicago Tribune, May 15, 1976]

PROXMIRE SETS HIS SIGHTS ON B–1

(By Neil Mehler)

The debate between President Ford and Ronald Reagan over whether the United States is still the top banana, militarily, has had a chilling effect on the country.

Even liberal Democrats have, by and large, stopped talking about defense-budget cuts.

Both the President and his challenger have endorsed the B–1 bomber program. Reagan goes even further, calling for the B–1, the Trident submarine, and the cruise missile programs all to be undertaken or expanded.

Almost unnoticed is the less passionate and less superficial examination of the defense issue going on in the Senate. Sen. William Proxmire [D., Wis.] has led the attack and the Air Force and other branches of the establishment have rebutted using Sen. Barry Goldwater [R., Ariz.] and others as their spokesmen.

Proxmire's thoughtful argument against the building of the B–1 rests on several premises:

The B–1 would have certain liabilities, in addition to its staggering cost, because it is to fly at supersonic speeds. Such flight requires engineering and structural specifications that lead to reduced missile-carrying capacity and that make the aircraft easier to shoot down and defend against.

"The B–1 is denied longer range, greater target flexibility, heavier pay load, greater evasive maneuver capability, shorter takeoff distance, and thus overall survivability" because of its supersonic flight capacity, a quality of dubious military value.

"At Mach 1.6 [the top speed for the craft] the B–1 could not begin to outrun anything but the oldest current Soviet interceptors."

The relatively inexpensive cruise missile "is practically invisible to radar," whereas the B–1 is highly visible and trackable.

The [existing subsonic B–52 bomber] can carry 24 weapons, the same as the B–1 and, with modifications including four modern turbofan jet engines and related work would prove, "at a small fraction of the cost, superior to the B–1 in several important respects."

Proxmire, who has been delivering his attack on the B–1 in a series of speeches on the Senate floor, says, "It must be emphasized that the 'modified B–52 is not a long-run alternative to a new bomber. Rather, it provides adequate strategic bomber capability for 15 years at very low cost [and gives time for a follow-on bomber or a cruise missile platform to be developed. . . . In the meantime, the $20 billion to $40 billion that the B–1 would have required can be applied to the other pressing defense needs.' "

Proxmire's argument cannot be fully explored, much less analyzed, in limited space. It is to be hoped that those who will have to decide the fate of the B–1 are listening and thinking about his views on the program.

FULL EMPLOYMENT AND BALANCED GROWTH

Mr. TOWER. Mr. President, the Senate Committee on Banking, Housing and Urban Affairs began hearings today on S. 50, the "Full Employment and Balanced Growth Act of 1976." A more apt title would be "An Act to Substitute Government Planning for the Free Market, to Slow Economic Growth, to Swell Government Payrolls, to Rekindle Rampant Inflation and to Insure High Future Levels of Unemployment."

As a first step toward substituting government planning for the free market, the bill would establish an institutional structure for national economic planning. The initial grand plan would be required to provide for driving the unemployment rate for "adults" down to 3 percent or less within 4 years. If adult unemployment is defined as the rate for persons 18 years old and older seeking work, the last time "adult" unemployment was as low as 3 percent was during the Korean war. Not even the inflationary government spending and credit-creation policies of the Vietnam era were able to drive the unemployment rate down to 3 percent. Those policies were sufficient, however, to ignite an inflation that threw this country into its worst recession in 40 years. How bad of a recession do you suppose we could cause by adopting spending and credit-creation policies designed to artificially drive the unemployment rate down to 3 percent?

Under S. 50, the Federal Government would be the employer of last resort. Depending on the type of public-service job created, the wages paid would be the highest of the following: The Federal minimum wage, the State or local minimum wage, the prevailing wage in State or local government, or the prevailing wage in construction as specified by the Davis-Bacon Act. This would remove much, if not all, of the incentive for these employees to continue seeking employment in the private sector and would, thereby, create a huge new pool of permanent Government employees.

In testimony yesterday before the Banking Committee, Federal Reserve Governor Charles Partee outlined how such an employer-of-last-resort program also would lead to cost-push inflation:

Private labor markets would be tightened, and this would cause private employers to bid up wage rates in order to obtain and retain workers. Also, by making public jobs available at attractive wages as a matter of right, the program would encourage workers now employed in the private sector to press for even larger wage gains, or to transfer to governmental jobs. As an example, any construction project under this bill would pay the going union rate; but since a large proportion of building in the U.S. is nonunion, this wage would be higher than many construction workers now receive and would provide an alternative preferable to their existing jobs.

In his testimony yesterday before the Banking Committee, Alan Greenspan, Chairman of the Council of Economic Advisers, outlined how such an employer-of-last-resort program would, in addition, slow economic growth:

Such large scale public employment programs would entail a major increase in the number of workers committed to relatively low productivity jobs in the public sector. This would certainly slow the rise in overall productivity and hence in our standards of living. The programs would not contribute to the capital investment required to create the productive jobs needed to regain a sustainable high employment economy. Indeed, the heavy budget costs of funding the program would result in higher taxes on the productive private sector or greater budget deficits. This is likely to interfere with private savings and capital investment, and the badly needed increases in job supporting facilities. In short, we would be creating the types of problems which confront other countries where bloated public sector employment has become a serious impediment to growth, progress and stability. This approach has proven to be shortsighted and counterproductive.

S. 50 would not stop with cost-push inflationary pressures from a new pool of Government workers paid at wages designed to drive up private-sector wages and demand-pull inflationary pressures from much more inflationary fiscal and monetary policies. S. 50 would build an additional inflationary bias into the economy by reducing the independence of the Federal Reserve in setting monetary policy. How many times do we have to be told that increasing political pressure on the Federal Reserve will increase pressure for short-run policies with an inflationary bias at the expense of long-run policies oriented to growth, price stability, and sustainable full employment?

Finally, recent history should convince even the doubting Thomases that rapid inflation, while sometimes leading to short periods of high employment, in the long run leads to recession and high unemployment. By guaranteeing an accelerating inflation, S. 50 would insure high future levels of unemployment.

To further alert the American people to the dangers posed by S. 50, I ask unanimous consent that the statements of Chairman Greenspan and Governor Partee before the Banking Committee be printed in the RECORD.

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

TESTIMONY BY ALAN GREENSPAN, CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS, BEFORE THE SEATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, MAY 20, 1976

I am grateful for the opportunity to appear before this Committee to discuss the views of the Council of Economic Advisers on the proposals embodied in S. 50, The Full Employment and Balanced Growth Act of 1976. This is a set of proposals which goes far beyond the Employment Act of 1946 and which, if adopted, would have major effects upon economic policy, the policymaking processes of the federal government, and the economy itself. These proposals therefore deserve our closest examination.

The bill has several major provisions which

I would like to address this morning. It would establish a single numerical goal for full employment and commit the Federal government to the achievement of that goal within four years. The numerical goal is specified as "a rate of unemployment not in excess of 3 percent of the adult Americans in the civilian labor force." The bill also specifies programs and policies to be used in attaining the unemployment rate goal. If the unemployment goal cannot be achieved through the use of standard fiscal and monetary policy measures, it is to be achieved by assigning an employer of last resort role to the Federal government and "through reservoirs of federally-operated public employment projects and private non-profit employment projects." And, the bill requires an elaborate formal system of reporting and consultation.

Implicit in this legislation, and indeed, in any meaningful economic definition of full employment is the presumption that employment means productive jobs, that is jobs supported by productive facilities which enable the high levels of productivity and hence the high wages which are the hallmark of the American worker. When we speak of full employment our goal is not a statistic, but a labor market characterized by high employment and productivity.

There are only two ways to pay a high wage for a particular job. Either there is sufficiently high output per manhour in that employment to generate the real income implicit in the wage, or the difference is paid by someone else in the economy through a transfer or a subsidy. Putting people on a public payroll in an unproductive job is not much different from unemployment insurance since the activity that is taking place contributes relatively little to the total national product. We may call it a job but in an economic sense that doesn't make it one. Hence I think it is important to recognize that *productive* employment should be implicit both in the concept of full employment and in any number we might use to designate the unemployment rate associated with full employment.

There are great difficulties involved in specifying the appropriate minimum unemployment rate, that is, the rate consistent with maximum employment, production and purchasing power, the goals specified in the Employment Act of 1946. Our goal should be to produce the highest level of productive employment which is sustainable over the longer run. What that level is at any particular time is far easier to specify when the economy is already operating near it. Under those conditions one is better situated to judge the balance or the tradeoffs between employment, capacity and a number of other factors whose interaction is vital to achieving and maintaining a high employment stability. Our policy should focus on expanding economic activity as rapidly as feasible until we achieve that qualitative state.

Specifying an unemployment number in advance does not, in my judgment, add much information to the economic policy decisionmaking process. Our economic system is dynamic and an unemployment rate that was consistent with full employment in one period may be too high or too low in some subsequent period. Suppose, for example, we were to choose a 4 percent unemployment rate goal but when we got into the vicinity of 4 percent we found that we could in fact achieve and sustain an even lower unemployment rate.

Under these conditions we would clearly attempt to reach the lower rate. In that instance the 4 percent objective would not have served a particularly useful purpose. On the other hand, suppose we discovered significant pressure with respect to the utilization of resources when we reached 5 percent, just to choose a number. It would be clear at that point that an effort to reach a 4 percent unemployment rate would create destabilizing economy into a recession and send the unemployment rate back up. However, if we were committed at that point to achieve a 4 percent unemployment rate it would be more difficult to resist the pressures to do so. It, therefore, seems far preferable to strive to achieve the qualitative condition of full employment as quickly as we are able to do so. Having a specific numerical objective in advance does not seem to me to be especially helpful and when we are again in the neighborhood of full employment it might make the achievement of *stable* full employment more difficult.

The approach incorporated in S. 50 relies heavily on the ability of the economics profession to plan or to outline fairly precisely the path that must be followed to achieve and then maintain full employment. I find the thrust of this argument troublesome. It presumes a detailed forecasting capability which is far beyond any realistic assessment of the present or immediately foreseeable capability of the economics profession. Nor would an infusion of additional funds significantly improve forecasting reliability.

A modern industrial economic system based even partly on market phenomena is so complex that any model or statistical abstraction, no matter how complex, is still a gross oversimplification of the dynamics of the system. Models can never expect to achieve more than very rough approximations of the dynamics of the real world. These approximations are most useful but they fall significantly short of the analytic and forecasting requirements of the approach envisioned in S. 50.

Moreover, try as we might, it will be difficult to separate political considerations from the planning process. The Federal government would sanction certain growth paths for total demand which would presumably be consistent with the unemployment targets. This goal related projection, however, is almost certain to go wrong. For clearly, whatever comes out of the straight-forward projection based on average historical relationships will surely be considered inadequate by the political process setting the goals. Instead of basing the targets on the average expectation cranked out by the analytical process there will be a tendency to adopt more optimistic and, by definition, less probable sets of projections as targets or as standards of performance. This would place the goals in the outer range, if not at the absolute extremes, of real growth, employment and inflation possibilities.

Consequently, as real events unfold, the economy will have been found to have fallen short of the unrealistic politically-determined goals for the levels of production, employment, income, inflation, etc. This in turn could mean that either the goals would be abandoned or the government would intervene further in the system to correct the "fault." Historic experience suggests that intervention is far more likely than the abandonment of unrealistic goals.

Implicit in S. 50's specification that the Federal Government set not only economic goals but the particular policies that will get us there, is the presumption that our theoretical underpinnings enable us to construct and successfully follow such programs.

Since such a view is unrealistic what would S. 50 mean in practice? If the detailed policies fail to achieve the specified goals, as a practical matter public service jobs become the means to achieve the 3 percent unemployment goal. For this reason I believe we must examine the impact of expanded public service employment as a means of achieving our goal of full employment.

On the basis of experience with moderate size public employment programs, numerous studies have concluded that public jobs programs do not ultimately create significantly more jobs than any other type of current policy, whether it be in the form of tax cuts or increased government spending for other purposes. In fact, the evidence suggests that after two years as much as 90 percent of those public sector jobs that were funded would have been created anyway through ongoing state and local efforts. What happens is that state and local governments substitute federal funds for their own funds as they expand. The additional federal money enables state and local governments to lower taxes or raise them less than they otherwise would have. In this sense, a good deal of public employment funds indirectly becomes a form of general grants to state and local governments. Also, studies indicate that it is not the hard core unemployed who tend to be placed in federally funded public service employment job slots, but rather the jobs tend to go to persons with good prospects for a job in the private sector of the economy where wages are more likely to reflect productivity.

We do not have experience with the large scale public employment projects contemplated in S. 50. Millions of jobs would have to be funded under these programs in order to reduce the adult unemployment rate as measured statistically to 3 percent.

Such large scale public employment programs would entail a major increase in the number of workers committed to relatively low productivity jobs in the public sector. This would cerainly slow the rise in overall productivity and hence in our standards of living. The programs would not contribute to the capital investment required to create the productive jobs needed to regain a sustainable high employment economy.

Indeed, the heavy budget costs of funding the program would result in higher taxes on the productive private sector or greater budget deficits. This is likely to interfere with private savings and capital investment, and the badly needed increases in job supporting facilities. In short, we would be creating the types of problems which confront other countries where bloated public sector employment has become a serious impediment to growth, progress and stability. This approach has proven to be shortsighted and counterproductive.

There is no question that extremely high unemployment and the hardships associated with it is one of the most serious problems currently confronting this country. It is important, however, in devising policies to examine the nature of the problem carefully so that the remedies are applicable and do not focus on something other than the real problems. There is, for example, an implicit notion in many unemployment reducing programs that unemployment is a stable and unchanging condition for those who are unemployed. In reality, our labor markets are characterized by an extraordinary amount of churning, involving entry and exit from the labor force and moves between jobs, occupations and geographic areas. The statistics suggest that unemployment is more generally of relatively short duration and experienced by a significant proportion of the labor force.

There were close to 8 million unemployed on average every week during 1975 and there are likely to be perhaps 7 million this year. But it is not the same people who are out of work month after month for periods of years. If that were the case very specific economic policy remedies would have to be directed towards that problem. But the problem is quite different. On average, based on past experience, we can estimate that approximately 25 million different people experienced one or more spells of unemployment in 1975, and perhaps one-third or more of these experienced at least two spells. On average, each spell of unemployment approximated two months and a large proportion of the spells was of very short duration. Because of the significant amount of turnover within the unemployment rolls the approximately 400 million total weeks of unemployment experienced in 1975 was spread

very broadly across our average 93 million work force.

Clearly if we are to confront appropriately the problem of severe unemployment it is important to recognize it for what it actually is. Public service jobs are not a sensible solution for short duration unemployment. In fact, this approach may actually inhibit the normal processes of job search and productive reemployment, and thereby unnecessarily shunt workers onto public payrolls.

Although most unemployment is characterized by high turnover and spells of short duration some is of a severe and prolonged nature. When an individual who has been specifically trained to do a particular job loses that job it is often difficult to find another job that uses those skills. When skills are not readily transferable there is a structural problem that can be very painful to the worker caught in that position. It is sometimes said that programs targeted to the long-term unemployed might be used to eliminate some of this type of unemployment. However, there is no reason to believe that public jobs can be easily matched to the precise skills of these displaced workers. In fact, a public employment job that does not utilize these skills simply delays the readjustment process—the job training or relocation that must take place for the worker to become productive again. Taking all of these factors into account unemployment insurance, coupled with job training programs for the long-term unemployed, would appear to be the most appropriate response to our problem of excessive unemployment. It cushions the financial hardships associated with unemployment, allows time for job search, relocation and retraining.

Our goal should be to achieve the reestablishment of a stable economy, the generation of productive job opportunities and a rising standard of living. Under normal circumstances this problem is difficult enough. There are some compelling reasons, however, for believing that it may be more than normally difficult in the next several years. The employment of our labor force in productive jobs in the private sector of the economy will require a very large increase in capital investment. Not only must we provide the tools, the plant and the equipment, we must also provide the investment required by our energy objectives and by the environmental and the safety legislation which is already on the books.

Without the investment required to produce the jobs and the productivity growth we will not achieve the increasing standard of living to which we have become accustomed. Indeed, short of fundamental and improbable changes in our institutions or in our patterns of behavior, inadequate investment could prevent the attainment of high-employment conditions and price stability even if we were to accept the lower rates of productivity increases.

STATEMENT BY J. CHARLES PARTEE, MEMBER OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM BEFORE THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, U.S. SENATE, MAY 20, 1976

I appreciate the opportunity to present the views of the Federal Reserve Board on S. 50, the "Full Employment and Balanced Growth Act of 1976." This bill would amend the Employment Act of 1946, which requires the Federal government to utilize all of its resources in order to foster conditions that "promote maximum employment, production and purchasing power." The Federal Reserve Board fully recognizes its responsibility under the 1946 Act and has reported regularly to Congress on its efforts to further the objectives of the law. The central question facing Congress as it considers S. 50 is whether or not the proposed amendments will help advance the goals of the original Act. I am sorry to say that we do not believe they will. The bill is both too rigid and too inflationary and, on balance, would likely prove to be inconsistent with the long-term economic well-being of the nation.

Unemployment has been a very serious problem recently in the United States, as in many other countries. But this condition is mainly a product of the recession, which in turn was caused by the excesses and imbalances that had developed earlier in the economy. With economic recovery, good progress is being made in restoring jobs, and the unemployment rate has dropped 1½ percentage points over the past year.

Substantial further progress is necessary in creating new job opportunities, thereby reducing unemployment and providing for the absorption of a steadily growing labor force. This must be a primary objective of governmental economic policy. It is also of crucial importance, however, that we avoid recreating the conditions that led to the past recession, and could do so again. This means that continued attention must be directed to questions of economic structure and balance, including avoidance of the extremely injurious effects of rapid inflation.

We at the Board are gravely concerned that the net effect of S. 50 would be to add substantially to the inflationary bias already evident in the performance of the nation's economy, without generating a lasting increase in productive employment opportunities. The events of recent years have demonstrated again that rapid inflation can undermine prosperity and exacerbate unemployment. The inflation of 1973 and 1974, with its adverse effects on real incomes, attitudes and the quality of economic decision-making, was a major force contributing to the subsequent deep economic recession. It should be clear from this experience that such conditions exact their toll in terms of economic inequity and social discontent. The American people have become painfully aware of the costs of inflation and of the need to control it.

It is of critical importance, we believe, that the containment of inflation be recognized explicitly as a national objective inseparable from the goals of maximum employment and production. Indeed, a principal flaw in the 1946 Act is its failure to identify clearly price stability as a long-run economic goal. S. 50 shares and extends this shortcoming. In the Board's judgment, the anti-inflation provisions of the bill are too weak and too vague to be satisfactory. Nowhere are there workable safeguards against inflation. Instead, the bill has many provisions that would contribute further to conditions and practices that would likely result in an intensification of upward price pressures.

Certainly one inflationary feature is the bill's objective of 3 per cent adult unemployment to be reached, and sustained, within four years following enactment. This is a most arbitrary target. Historically, a 3 per cent adult unemployment rate is very low. Over the past 30 years, the jobless rate for those 18 and over has been in the neighborhood of 3 per cent only during 1952–53 and 1968–69, years in which the number of men in the armed forces was over 3½ million—half again as high as the present level. Moreover, both of these periods of heightened economic activity were characterized by demand-pull inflationary pressures and were followed eventually by major recessions. Thus, our postwar experience has been that achievement of 3 per cent unemployment is likely to be accompanied by substantial upward price pressures and followed by economic decline, rather than by sustained full employment.

In addition, the setting of a rigid unemployment goal ignores the dynamic character of the American labor force. The jobless rate of a decade or so ago does not have the same meaning as the current rate, principally because of the shifting composition of the labor force and the more liberal nature of our Federal income-support programs. Today's labor force has relatively more new entrants and reentrants—chiefly the young, and married women—than it did then. These groups typically have higher rates of joblessness as they search—often intermittently and through trial and error—for a satisfactory job. It is reasonable to think that this has biased the official jobless rate in an upward direction.

Indeed, the fact that the bill sets forth an unemployment target while making no mention of a comparable specific objective with regard to inflation is illustrative of its uneven treatment of these two economic problems. I would not urge that any fixed target for short-run price behavior be set; the meaning of an inflation rate, in its own way, can be as changeable as the meaning of a jobless rate. My purpose simply is to point out the bias of S. 50 in favor of one important national goal at the expense of another.

Some of the countercyclical and structural programs of S. 50 are likely to introduce important new elements of inflationary bias into our economic system. A significant problem of many past stabilization programs has been timing. Although the bill calls for the establishment of triggers and allocation formulas, I believe it still unlikely that we would avoid the pitfall of applying the aid too late in an economic downturn and continuing it too far into a recovery, when the effect on price pressures can be most pronounced. Experience has shown that such defects in timing have been particularly marked in programs of accelerated public works—one of the bill's recommended options. The inflationary implications of some of the other suggested programs—including those to stabilize State and local government budgets over the cycle and to extend unemployment insurance—also require careful evaluation.

The major inflationary thrust from the countercyclical programs, however, would come from the specific provisions of this bill that make the Federal government the employer of last resort. While worthy in principle, the program as specified in S. 50 has a critical flaw. It requires the payment of prevailing wages, defined where applicable as the highest of the following: the Federal minimum wage, the State or local minimum wage, the prevailing wage in State or local government, or the prevailing wage in construction as specified by the Davis-Bacon Act.

This program—and these wages—would have profound inflationary consequences for several reasons. First, the program would result in substantial cost-push pressures. Private labor markets would be tightened, and this would cause private employers to bid up wage rates in order to obtain and retain workers. Also, by making public jobs available at attractive wages as a matter of right, the program would encourage workers now employed in the private sector to press for even larger wage gains, or to transfer to governmental jobs. As an example, any construction project under this bill would pay the going union rate; but since a large proportion of building in the U.S. is nonunion, this wage would be higher than many construction workers now receive and would provide an alternative preferable to their existing jobs.

Second, the employer of last resort program, as specified, would very likely come to generate significant demand-pull pressures on prices. Given our national reluctance to raise taxes sufficiently to cover increases in government spending, the financing of the program would tend to add to the Federal deficit—very substantially so, at some points in time. In this fiscal year, for example, the Federal government is spending close to $3 billion to support some 320,000 public service

employment jobs in State and local government. The program proposed by S. 50 has the potential of being many times larger than this. Its attractive wage provisions would draw not only from the unemployed but also from those working part-time or at less desirable jobs, and from those not presently in the labor force, including retired persons, housewives and students. The upper bound of potential participation cannot be estimated with any degree of accuracy. But it seems quite possible that several million jobs might come to be needed to employ all of those seeking these positions at the relatively attractive rates of pay that would be offered. Such a program might therefore involve $30 billion or more in outlays at current average pay scales. I might note also that we have learned from the existing public service employment programs that cost offsets in terms of reduced transfer payments under other programs may not be as large as is often thought. Only about one-fourth of public service program enrollees in 1975 had been receiving unemployment insurance or public assistance prior to participation in the program.

Far and away the most significant defect of the bill as far as inflation is concerned, however, results from the limitations it places on the exercise of monetary and fiscal policy. If I interpret S. 50 correctly, such policies are to be directed solely to the achievement of the 3 per cent unemployment goal until this target is reached.

Only when that rate is below 3 percent can macro-economic tools be directed in any degree to the problems of inflation and economic instability. Instead, these fundamental techniques of demand management—used throughout the world in governmental efforts to combat inflation as well as unemployment—are to be supplanted in the bill by a series of specific program initiatives. The list of these substitute measures includes the following: a comprehensive information system to monitor inflationary trends; programs to encourage greater supplies of goods, services and factors of production; export licensing; establishment of stockpile reserves of food and critical materials; encouragement to labor and management to raise productivity through voluntary action; and proposals to increase competition.

Whatever the individual merits of these programs—and some are worthy of careful consideration—one fact is abundantly clear. They do not constitute an effective policy of inflation control. We believe that it would be a most serious mistake to discard the use of monetary and fiscal policy for stabilization purposes without first finding some effective alternative means of constraining inflation on an enduring basis.

Moreover, the bill's adoption of a trigger point with regard to economic goals simply does not provide a workable basis for employing accumulated knowledge about the behavior of the economy. It would not be practicable, in my view, to focus macroeconomic policies exclusively toward a full employment goal and then, at a given point, abruptly shift attention to the containment of inflation. That is analogous to approaching a stoplight at top speed, and then applying the brakes with equal vigor; the momentum would be sure to carry one into the intersection, or the deceleration to send one through the car's windshield, or more probably both. There needs to be the latitude to modulate and balance policy objectives to changing economic circumstances if we are to have any hope of achieving a lasting economic prosperity.

The changes required by the bill would go considerably beyond narrowing the options for modulating macro-policy objectives in accord with perceived needs of the economy. They would also alter dramatically the features of the existing process for review and oversight of the monetary policy function. In this regard, I would like to direct my comments to two specific provisions. First, the President is required to recommend a particular plan for monetary policy and to submit it annually to the Congress along with his numerical goals for employment, production and purchasing power. Second, within 15 days of the President's report, the Federal Reserve Board is required to submit its intended policies for the coming year to the Congress, indicating the extent to which its plans support the goals of S. 50 and providing justification for any variation from the President's recommendations. The Federal Reserve Board strongly objects to these proposed new procedures on two grounds: (1) they would alter the traditional relationship between the Congress, the Federal Reserve and the Executive Branch in a way that could well prove detrimental to the economic well-being of the nation, and (2) the procedures specified would seriously impair the current operational flexibility needed in the formulation and conduct of monetary policy.

The Federal Reserve Act was carefully drawn to specify a relationship between the Congress and the Federal Reserve System that would serve to insulate the monetary authority from short-run political pressures. This feature of the Act stemmed from a well founded concern that excessive government spending could be aided and abetted if the executive were granted the authority to control a nation's money supply. It is a fact of economic history that governments everywhere have come under great pressure to engage in massive deficit spending, at one time or another, even though this patently jeopardized the longer-run health of the economy. History also is replete with the inflationary consequences that have followed when governments have given in to such temptations, and have then simply run the printing presses in order to supply the money needed to finance their deficits.

The need to turn to private financial markets in order to finance deficit public spending performs an important function. The process of financing shifts purchasing power from private savers to the government, thus neutralizing much of the potential inflationary effect of deficit financing, while the necessity of finding willing investors imposes a market discipline on the scale of such deficits. But even in the United States, where this discipline has largely prevailed, the Federal budget has been in deficit every year but one since 1960. There is nothing in this record that suggests that we can relent in the battle to avoid excessive deficit financing. But instead S. 50 proposes to weaken one key safeguard against inflationary public finance by introducing the Executive Branch explicitly and publicly into the making of monetary policy. And were the Congress to mandate these new procedures, it also would significantly dilute its preeminent role in the oversight of the monetary policy process.

Moreover, the proposed procedures for the planning and evaluation of monetary policy are, for operational reasons, inferior to those now in place. Under House Concurrent Resolution 133, the Federal Reserve Board reports on economic and financial developments, and specifies its current expectations for a variety of monetary aggregates on a quarterly schedule, alternately before the Banking Committees of the House and Senate. The great advantage of this reporting procedure is that it permits the Federal Reserve the flexibility necessary to adapt monetary policy to changing economic conditions. The procedures proposed in S. 50 would curtail such flexibility.

There are two major changes in the existing process required by S. 50: (1) policy planning is moved from a quarterly to what would effectively be a 12 to 15-month reference period, and (2) there would appear to be a fixed commitment to longer-term plans for monetary policy in support of specified numerical national economic goals. On the basis of experience, the Board is convinced that these changes would make the proposed planning and evaluation process too rigid to be workable. As this Committee is aware, the ability of economists to forecast economic events for a year or more into the future with any high degree of reliability simply does not exist. Two rather notable recent illustrations of forecasting imprecision come quickly to mind: the extraordinarily high rates of inflation that developed in 1973 and 1974 that virtually no one foresaw, and the severity of the 1974–75 recession, which was also quite unexpected. In either case, it would have been a serious error to adhere to outdated plans based upon economic forecasts that proved to be wide of the mark.

In addition, the current state of knowledge about the relationship between movements in the monetary aggregates and real economic activity is not nearly so precise as the comments of some economists would have you believe. In recent quarters, for example, there appears to have been a dramatic reduction in the amount of money needed to accommodate the expansion in GNP. Under these circumstances, holding to a course of monetary growth that might have been suggested by historical money/GNP relationships could have been quite damaging. Speculative activities would have been encouraged, thus sowing the seeds for future economic instability, and the foundation might well have been laid for a renewal of intensified inflationary pressures.

Technical and financial innovations, accompanied by regulatory changes, undoubtedly have accounted in part for the slower growth in the narrowly-defined money stock. For example, the spread of overdraft checking account credit privileges, increased use of credit cards to facilitate transactions, and the introduction of savings accounts at commercial banks for business firms all have tended to encourage greater economizing in the use of currency and checking account balances. These effects could not have been estimated with any accuracy in advance, however, and in any event, I do not think that they provide a complete explanation. The fact is that there is a potential for short-run volatility in monetary relationships that can make economic forecasts based on monetary inputs quite treacherous.

These uncertainties about monetary and economic relationships require exceptional vigilance and flexibility by the Federal Reserve, and serve to point out the need for flexibility as an attribute of the monetary policy process. Ours is a complex and dynamic economy; its linkages and responses are still imperfectly understood and probably always will be. Thus, in order to accomplish the objectives of economic stabilization, the formulation and conduct of monetary policy need to retain their flexibility to adapt to unforeseen developments in our economic and financial system. For these reasons we believe the provisions of S. 50 with respect to the monetary policy planning process would serve to impair the contribution the Federal Reserve can make in helping to achieve our national economic goals.

Let me turn now to what this bill has to offer by way of improving the trade-off between unemployment and inflation.

We have all painfully learned that the unemployment-inflation trade-off—which is generally thought to be shaped by our human and material resources, our economic institutions and processes, and our social practices and aspirations—has grown distinctly more unfavorable in recent years. A simple but useful illustration of this deterioration is the so-called discomfort index, which adds together the unemployment rate and the rate of increase in consumer prices. Last year, that index was 15.6, while a decade ago it was 6.4 and two decades ago 4.8.

High unemployment side by side with high rates of inflation presents the most difficult problem facing economic policymakers, not only in the United States but throughout the

world. The sources of this problem are far from fully understood, but an important part appears to be structural in nature and, therefore, relatively immune to monetary and fiscal policy. A look at the composition of unemployment figures illustrate some of the structural impediments in labor markets. Groups experiencing the greatest barriers—discrimination, marginal skills, location in depressed areas—have jobless rates well above the national average, even when the economy is not in a recession. For example, in the pre-recession year of 1973, when the national average unemployment rate was 4.9 per cent, black joblessness was 8.9 per cent, while 14.5 per cent of all teenagers in the labor force were unemployed.

The bill properly recognizes the importance of structural problems and suggests a variety of programs to alleviate them. There are many such programs that might prove beneficial, but I believe that two broad areas deserve special emphasis. First are programs that would help increase competition in product and factor markets. There is need to reassess the effectiveness of our antitrust legislation—with regard to both business and labor practices—and the anti-competitive effects of Federal regulation of all kinds. We need also to reexamine the costs and benefits of such Federally mandated programs as the Davis-Bacon Act, the minimum wage for teenagers and extended unemployment insurance. Second are programs that would serve to increase over time the employability of the jobless. We need better and more imaginative training programs and an improved labor market information system that would match job vacancies with available people, perhaps on a national basis.

Other programs are worthy of consideration. We should find effective ways to encourage more investment in productive plant and equipment, through stronger incentives and perhaps some revisions in the tax laws. We should stress programs to improve efficiency in both the private and public sectors. In this regard, the Board would endorse the principle of zero-base budgeting, which appears to be contemplated by the feature of S. 50 requiring the review of one-fifth (by dollar value) of all Federal government programs annually.

A new emphasis on structural programs such as these, together with prudent monetary and fiscal policies, will provide our best hope for achieving the goals of the Employment Act of 1946. But the Board believes that S. 50, while reasserting these goals, would in the end be counterproductive in the effort to achieve them. The bill would release a powerful combination of demand-pull and cost-push pressures on prices. As has been demonstrated by the experience of many other countries—and, to a degree, by our own experience of recent years—rapid inflation can breed economic instability and ultimately retard—not promote—the growth of productive jobs. If we are truly to commit ourselves to the broad goals of the 1946 Act, we need programs and policies that achieve a greater balance among our economic objectives than is recognized in S. 50.

TRUE INDUSTRIAL DEMOCRACY THROUGH COLLECTIVE BARGAINING

Mr. JAVITS. Mr. President, I have long been concerned about the need for enhancing true "industrial democracy" for the collective benefit of organized labor, management, and the entire domestic economy. Last week marked a signficant, positive event which can hasten the development of industrial democracy through our American collective bargaining system.

On Wednesday, May 12, Leonard Woodcock, president of the United Auto Workers Union, announced in Germany that the UAW would seek a seat on the board of directors of the Chrysler Corp. during collective bargaining negotiations that are scheduled to begin this July.

What makes this announcement so significant is that heretofore American labor unions have generally refrained from seeking or even endorsing any of the innovative steps toward industrial democracy and "codetermination" that have been so successful in Western Europe. German and Swedish labor unions, as well as those in France, Denmark, Austria, and other countries, have sought and achieved participation with employers through mandated board representation, centralized financial participation plans, and workers councils. American labor unions, however, have been circumspect about these innovations.

The recent recession has taken an incredible toll in terms of unemployment and reduced hours of work. The accompanying double-digit inflation further has eroded the real buying power of American workers. For this reason, organized labor has considered its first priority to be "catching up" with prerecession levels of purchasing power and employment.

Beyond these concerns, some labor unions have believed that their traditional roles in the American collective bargaining process would be undermined by such innovations as board representation.

Finally, there are some segments of organized labor who are suspicious that behind the rhetoric of industrial democracy emanating from Western Europe are managerial "speedup" tactics.

Each of these objections is, I believe, made in good faith, but they fail to take adequate account of the fact that, in our private enterprise system, the individual collective bargaining agreement would determine the timing and extent of adoption of any of these innovations. Obviously, there can be nor should be no legislation in the United States mandating, as it does in Western Europe, that workers be represented on the boards of directors of all corporations. Nor can there be or should there be legislation requiring labor unions to accept or implement any of the other innovations that have been adopted in Western Europe.

But I believe that individual labor unions can determine, in each instance, the appropriateness of including in collective bargaining negotiations for any of these innovative employee benefits.

This is precisely what Leonard Woodcock has just announced—that the UAW will seek representation on the Chrysler board through the collective bargaining process. There is no attempt to seek legislation or to in any way usurp the rights of American labor or business. Likewise, the UAW seems to realize that so long as board representation is an outgrowth of the collective bargaining process, there is no subversion of labor's legitimate prerogatives or traditional role.

I have always believed that what makes labor-management relations in the United States so unique is the collective bargaining process, with the full and complete input of each and every member through open, public union meetings. Collective bargaining makes it possible for labor unions to voice their grievances, demands, and concerns to management on an equal footing and in open dialog.

But much more can and should be done to make workers full partners in the American economic system, as long as established procedures are utilized and implemented, not abrogated or circumvented. This is why Senator HUMPHREY and I have introduced the Employee Stock Ownership Fund Act of 1976. Our bill allows trade union representatives to sit as trustees on the trust funds that receive and invest employer and/or employee contributions to stock ownership funds. The Javits-Humphrey plan represents our fundamental belief that employee stock ownership can be brought into and become a part of the traditional collective bargaining process. This can only be accomplished if organized labor is given the opportunity to initiate activation of such plans. Rather than vitiate labor's traditional role, therefore, as other stock ownership plans would do, our plan would depend on the collective bargaining process.

This is why I am so pleased by the thrust of Leonard Woodcock's announcement. If the UAW ultimately sits on the Chrysler board of directors, it will attest to the efficacy and vitality of the American system of free collective bargaining. It is my sincere hope that other trade unions will consider adopting similar positions so that the social, economic, and philosophical implications of "peoples capitalism" can be openly and intelligently discussed.

The United Auto Workers have continued the tradition of progressive leadership in economic policy initiated under the leadership of the late Walter Reuther. Most recently, the UAW has been a strong advocate of indicative national economic planning. Under Leonard Woodcock's distinguished leadership, the UAW has maintained Walter Reuther's progressive traditions. The decision to bargain for a board seat is consistent with that spirit of progressive leadership and I applaud it today.

Mr. President, I ask unanimous consent to have printed in the RECORD an excellent article on this question written by A. H. Raskin of the New York Times.

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

THE LABOR SCENE—IS "WORKER PARTICIPATION" COMING TO THE U.S.?

(By A. H. Raskin)

The United Automobile Workers, a union which through three postwar decades has often put a "made in Detroit" label on American industrial relations, is making quiet headway toward greater worker participation in areas of corporate decision-making that were once the jealously guarded domain of management.

The most remarkable aspect of this progress is that it is being made in a nonconfrontation spirit and, especially in the case of the General Motors Corporation, with the

enthusiastic cooperation of the auto manufacturers. The joint effort is focused on experiments to improve the quality of working life by giving workers a bigger voice in problem solving at the job and plant level.

This bottom-up move for increased employee involvement is at the opposite pole from the pressure the U.A.W. plans to bring on the Chrysler Corporation in contract negotiations this fall to put union representatives on the company's board of directors. Leonard Woodcock, the U.A.W.'s president, said while he was in Munich this week that the union planned such a move.

The decision to ask for worker directors, the longest leap yet projected by any American union toward shared corporate power, is based on a proposal Chrysler itself made a year ago to the 54 unions at its beleaguered British subsidiary. The British unions never accepted the two proferred board seats, but joint committees made up of supervisors and workers are in virtually total command of job assignment, work scheduling and most other aspects of manpower planning in the British plants.

Douglas A. Fraser, the U.A.W. vice president in charge of the union's Chrysler department, insists that having one or two unionists on the board of the parent company could help save it from repeating the kind of blunders that almost sank it in 1974 and 1975.

Chrysler is not commenting publicly, but the union bid for directorships is getting intense top-level study. Whatever the ultimate decision, it is already predictable that one result of this year's bargaining at Chrysler will be a substantial expansion in programs already under way for greater worker responsibility in "humanizing" assemblyline jobs and easing sources of in-plant discontent.

Joint efforts along this line, begun three years ago, sagged under the impact of mass recession layoffs and the company's own struggle to stay out of bankruptcy. In recent months Chrysler's newly installed officers—John J. Riccardo, chairman, and Eugene A. Cafiero, president—have put great emphasis on seeking to re-establish rapport by making personal visits to plants and maintaining an open-door policy toward the rank and file.

This is especially marked in the newest of Chrysler plants, an assembly plant for Dodge compact wagons that is being dedicated today at Windsor, Ontario. The new work force is being given much greater autonomy than usual in setting up job teams, rotating assignments and taking over many functions normally performed by inspectors and foremen.

With a view to making such experiments companywide, Chrysler is about to name a staff director to help spread the concept in all its divisions. Mr. Fraser, the U.A.W. Chrysler chief, has an even more ambitious notion.

"Why not take a couple of departments and see if we can't get rid of 90 per cent of the foremen?" he asks. "One way would be let the workers elect a leader as group coordinator."

The real pioneer in this direction has been the biggest of the corporations with which the U.A.W. deals, General Motors. Irving Bluestone, the union vice president in charge of the G.M. department, ranks first among this country's labor leaders in advocacy of labor-management cooperation to improve the quality of working life through increased employee involvement.

The company has become just as ardent a champion of the notion that decision-making about jobs and how they should be performed ought to be pushed down to the lowest possible level.

"We're trying to provide an adult life for every man and woman in G.M.," says Al Warren, a former plant manager, who now serves as the company's director of personnel development. "We always treated workers as children. Now our whole emphasis is on trying to move responsibility down the ladder."

So imbued with the new spirit is Mr. Warren that he shies away from discussing productivity gains as a dividend of increased job satisfaction. He feels that turns the spotlight to the wrong issue, but he is quick to add that in plants where experiments are under way the quality of product has improved along with the quality of working life.

Both sides have had to do missionary work with hardbacks in their own ranks to foster the changed attitudes required for effective cooperation.

"We thought we had to be mean to one another," the G.M. official notes, "but when the focus is on the quality of working life it gets us away from the confrontation spirit."

Mr. Bluestone describes the response from U.A.W. locals involved in the experiments as "excellent." He says the union intends to push for broader joint efforts in the 1976 contract talks and anticipates no company resistance.

The prominence of Mr. Bluestone and Mr. Fraser in extending the boundaries of union participation in areas traditionally reserved to management is of particular significance because one or the other is likely to become president of the U.A.W. next year. The present head of the 1.4-million-member auto union, Leonard Woodcock, passed his 65th birthday last February and must quit at the U.A.W. convention in Los Angeles in June 1977.

Though internal politicking will be submerged until after the Big Three contract talks this fall, most analysts expect that Mr. Fraser and Mr. Bluestone, both now 59 and always close personal allies within the organization, will come to the convention with delegate blocs big enough to control the outcome—provided one steps aside in favor of the other.

The choice of either would insure continuation of the philosophical heritage of Mr. Woodcock's predecessor, Walter P. Reuther, who died in a plane crash six years ago. "They see eye to eye on 90 per cent of things," said one intimate of the two vice presidents. "It wouldn't change the course of the union, whichever one wins."

NEW YORK SCHOOL LUNCHES GIVEN POOR MARKS

Mr. HUMPHREY. Mr. President, I wish to bring to your attention a May 19 article in the New York Times by Mimi Sheraton entitled "Lunches for Pupils Given Poor Marks."

This article indicates some of the reasons why our school lunches are unattractive to students and why there is a high incidence of plate waste. Many of the meals served to our students are unattractive and unappetizing. The article also indicates that they very often are of poor nutritional quality.

The conditions under which these meals are served and eaten also are such as to discourage eating the full portions and enjoying them.

The article further describes some examples of tasteless and unappetizing fare as well as some few examples which have been fairly successful.

Mr. President, I ask unanimous consent that this article be printed in the RECORD along with a letter which I sent to the General Accounting Office in relation to a study they are carrying out on the school lunch program.

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

WASHINGTON, D.C.,
May 20, 1976.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
General Accounting Office,
Washington, D.C.

DEAR ELMER: I am writing to you to bring to your attention an article in the May 19 issue of the *New York Times* entitled "Lunches For Pupils Given Poor Marks."

This is by way of a follow-up to my December 15, 1975 letter in which I asked the General Accounting Office to undertake a study regarding the issue of plate waste in the school lunch program.

This article describes in some detail why the school lunches in the New York City program are unappetizing and often below the minimum standards of sound nutrition. In looking at the issue of plate waste, the GAO should also consider ways of making these meals more attractive.

You may wish to have your staff contact the State Comptroller regarding a report which they prepared on this subject.

Please let me know if I can be of any further assistance. I look forward to receiving your study recommendations when completed.

Sincerely,

HUBERT H. HUMPHREY.

LUNCHES FOR PUPILS GIVEN POOR MARKS

(By Mimi Sheraton)

NEW YORK CITY.—Children are being fed school lunches that are both unappetizing and often far below minimum standards of sound nutrition.

Faced with food that is all too frequently soggy, salty, cold or burned, a large number of children toss the lunches, uneaten, into garbage pails.

These conclusions are based on this writer's three-year study of 150 public, private and parochial schools, and the findings on low nutrition and waste were corroborated recently in a report released by State Comptroller Arthur Levitt.

Mr. Levitt's auditors, in a study made two years ago, found that 22 of 66 lunches (containing 40,000 servings) did not meet the minimum nutrient requirements set down by the United States Department of Agriculture.

The meals eaten in New York City schools often are served in crowded, drab feeding halls to rushed children in hats and coats who have only 20 minutes to line up for food, eat it and then line up again to dispose of the trays.

To eat the food, they frequently are crammed on benches at narrow tables as they try to cut meat, scoop up soup or wind up spaghetti with a spork, a diabolical utensil that is a sort of papery plastic ice-cream scoop with blunt tines at the tip.

Only a few schools offer spoons for soup, and no children are given knives, for reasons that are depressing and obvious.

In New York City, 556,225 lunches are served on an average day to youngsters in public and nonprofit parochial schools at the elementary and junior and senior high levels. Of the total, 92 percent of the meals are given without cost to the youngsters who qualify because they come from low-income homes.

In order to obtain Federal and state subsidies that make it possible for the schools to provide free lunches, schools must serve what the United States Department of Agriculture has designated as Type A lunches, which represent one-third of the

recommended daily requirements of all nutrients for 10-to-12-year-olds.

Each lunch must include a two-ounce edible portion of protein in the form of meat, fish or cheese, or one egg or half a cup of dried beans or four tablespoons of peanut butter, or an equivalent combination of any of these.

It must also include half a pint of fluid whole milk, three-quarters of a cup of vegetables or fruit, one slice of bread or a roll or muffin made of enriched flour, and one teaspoon of butter or fortified margarine.

These requirements are met in New York City with four lunch systems—the basic lunch, the cooking cafeteria, the use of bulk frozen convenience foods, and the use of so-called meal packs.

The simplest of these is the basic lunch which is served in only 162 elementary schools. Because these schools have virtually no cooking facilities, the lunches consist of soup and sandwiches or of entrees heated from cans, plus a fruit dessert and milk.

Cooking cafeterias are used in 528 elementary and junior and senior high schools. They use fully equipped kitchens where hot meals are cooked from fresh ingredients, sometimes supplemented with convenience items.

Bulk frozen convenience foods are served in 119 junior and senior high schools. In these places, the food is prepared in kitchens that have only convection ovens to heat fully prepared and portioned foods. Sometimes fresh fruit is added.

LIKE TV DINNERS

Meal packs make up the fourth system. and they are a three-year-old program presently used in 434 elementary schools. They consist of fully prepared frozen entrees in fitted foil trays that are much like TV dinners. Unfrozen items, such as bread, fruit and dessert, are served separately.

Comptroller Levitt's report listed estimated costs for food alone in the various systems. Using a hamburger lunch as an example, the findings were these: 78 cents in a cooking cafeteria, 69 cents for bulk convenience and 75 cents for the meal pack.

The basic lunch cost for the hamburger was not calculated, but Julius J. Jacobs, director of the Board of Education's bureau of school lunches, estimates that they average 30 percent less than meal packs.

Although prices have risen since the audit two years ago, they have maintained the same relationship.

It is significant that the quality of school lunches did not depend on the age or condition of the school, nor on the income level of the neighborhood, but on the type of food system used, with smelly, tasteless and tepid meals predominating when the lunches were made from convenience foods, either frozen or canned.

I had a wonderful turkey dinner with mashed potatoes in the dilapidated cooking kitchen of Charles Evans Hughes High School in the Chelsea section of Manhattan, but I had a dreary, scorched lunch from a meal pack in Public School 6, which is in a wealthy neighborhood on upper Madison Avenue.

The fried chicken at the new John F. Kennedy High School in the Bronx was of the bulk convenience type, and it was steamy and musty. But the mildly spiced but savory chili made from scratch in the fairly modern P.S. 41 in Greenwich Village was satisfying and delicious.

The same range of features from bad to good, described in detail below, holds true for the same systems when observed in other cities that I studied—Chicago, Newark, New Orleans and Milwaukee.

THE BASIC LUNCH

The nutritional requirements are met with canned soup and sandwiches, prepared at the schools, which fulfill the bread and butter needs and the protein needs with such fillings as cheese, sliced meat, peanut butter and tuna fish. Soups such as vegetable, chicken or beef noodle, tomato and split pea are products of standard commercial packers, with the Heinz brand most in evidence.

Vegetable or fruit requirements are met with vegetables in the soup or with fresh or canned fruit desserts. Milk is included and, on special days, ice cream or cookies are added.

While one might wish for a better choice of breads than the standard American white or the hamburger, hot dog or hero rolls, whenever rye or whole wheat alternatives have been tried, most children have balked at eating them.

In order to upgrade the soup-and-sandwich format, and to satisfy the demands of parents for hot food (even though most children prefer it cold), most schools with these basic lunches serve heated canned entrees once or twice a week.

These entrees include ravioli, spaghetti with meatballs or sauce, sloppy joes, beef stew and canned cooked hamburgers in tomato sauce or gravy. Because sauces make it hard to be sure that two ounces of protein have been picked up in the serving ladle, a slice of American cheese is usually added to such entrees.

The canned pasta products are the starchy, slippery, overcooked and oversweetened types found on supermarket shelves, and are made by Chef Boy-ar-dee, Prince and an institutional packer, Venice Maid. The worst entrees are the sodden canned hamburgers, mealy with textured vegetable protein and tasting every bit as sour as they smell.

It is unfortunate that the soup and sandwich formula is in such bad repute, because of all the lunches observed this was the one that consistently led to the least waste because it was most preferred by the children.

Since this is also the least expensive lunch, it is too bad that it is not used at least in combination with one of the other systems. Instead, soup-and-sandwich kitchens are being systematically replaced with meal pack systems.

COOKING CAFETERIAS

This is by far the best system in operation, with fresh food prepared in fully equipped kitchens. Among the more memorable entrees eaten in such kitchens were crisp oven-baked chicken, roasted fresh ham, chili, sloppy joes, meat loaves, Italian-style meat sauces, and corned beef and cabbage on St. Patrick's Day.

Some fresh vegetables are used, although most are canned, but even those are especially well handled by cooks who take pride in the meal they turn out. The vegetables are usually well drained and tossed with butter or margarine. They are altogether superior to their frozen counterparts in bulk convenience kitchens.

SOME FLEXIBILITY

Rice and potatoes are freshly cooked, but most of the potatoes are frozen or dehydrated, and convenience items such as breaded fish portions are, again, carefully handled.

With this system, it is possible to give larger portions or seconds of individual items to older children. Best of all, perhaps, is the appetizing smell of food in these kitchens when the children come in to lunch and the warmth and friendliness of staff members who encourage them to eat.

In three dozen cooking cafeterias visited, only four turned out genuinely poor cooking.

While the waste observed in cooking cafeterias was far less than in meal-pack lunches, there was still far too much, mostly because of vegetables that were thrown away and one still has to work around the unpredictability of children's tastes. One group of junior high school students in District 1 on the Lower East side ate almost every shred of the excellent freshly made cole slaw. Another group, in a Newark high school, left every shred of equally good and equally fresh cole slaw.

BULK FROZEN CONVENIENCE

This system, followed only in junior and senior high schools, uses precooked frozen foods. The kitchens have convection ovens for heating, conveyor belts for arranging trays and no conventional ranges or ovens.

Fried chicken that is at once dry but greasy; curled-up, dry hamburgers; gray soggy fish portions, and metallic-tasting meatballs are among the standard hot entrees. A cold sandwich is almost always available as a alternative.

At the handsome new Martin Luther King Jr. High School at 66th Street and Amsterdam Avenue, a luncheon entree billed as a meatball hero was a thin, gray, oval slice of meat loaf, about as appetizing as the worn out sole of a shoe, which it resembled.

MEAL PACKS

As far as this observer is concerned, this system is the worst in operation, allowing for even less flexibility than bulk convenience. Foil trays hold fully cooked and frozen protein and vegetable entrees that are heated in convection ovens especially fitted for the trays. The result is a serving that looks like the dreariest, tiniest of airline meals.

The standard items are tough, sodden hamburgers that are pasty with vegetable protein and usually bitingly salty; limply breaded fried chicken; gray, pulpy fish; damp grilled cheese sandwiches; sour, sticky pizza, usually on thick soda cracker bases, and salty hot dogs, often tinged with a gray-green pallor.

Fruit, dessert, bread and milk supplied by the bureau are often the only part of the lunch the children eat.

Even more important than taste, perhaps, is the question of nutrition. At the time the Levitt audit was being made, the bureau of school lunches was purchasing meal packs from National Portion Control, Intercontinental Foods Industries, Mass Feeding and Morton's.

All concerned at the bureau swore by these suppliers in interviews, but since many of the protein portions seemed much below the two-ounce-recommended minimum requirement, I sent some of the meal packs to an independent laboratory to be weighed.

The Morton's samples' protein portions weighed 1.6, 2.0, 2.1 and 2.3 ounces, while Mass Feedings were 0.7, 1.6, 2.0 and 2.3 ounces (the 0.7-ounce one being a tiny fried chicken wing).

The Intercontinental packs had protein portions that weighed 1.2, 1.8, 2.0 and 2.3 ounces.

National Portion Control and Intercontinental were later dropped as suppliers, but Mr. Jacobs of the lunch bureau said, "They were dropped strictly on a bidding basis. Their prices were higher than those we selected."

Mass Feeding and Morton's remained as suppliers, and in the last school year, Larry's Inc., was added, and upon seeing a few of its meals, I sent one seemingly inadequate sample to the same laboratory. Tests found that it contained only 1.7 ounces of protein.

This year Larry's has been dropped. Also this year, I saw some Mass Feeding packs that looked inadequate in protein, but I was unable to have them tested: District supervisors said that it was against regulations to take them off the premises.

The Levitt study examined the nutritive values of the food and reported failures of many lunches to contain the recommended daily requirement of one-third of the youngsters' needs. National Portion Control and Intercontinental did not meet the basic requirements for 6 out of the 12 nutrients in

17 out of 47 meals, the Levitt audit said, and Morton's at times lacked sufficient iron or phosphorus. Reports were not included on Mass Feeding.

FINDINGS CORROBORATED

If these packs often are short in nutrients and in protein weight, they are almost always unappetizing. The instant mashed potatoes are caked into the compartments like library paste, carrots are waterlogged, shriveled peas are often burned black, the corn kernels are almost empty, the string beans are brownish and the baked beans are mushy.

All of this corroborates the Levitt audit's contention that the lunch bureau's inspection methods leave much to be desired, and when the report was released last week, the Board of Education said it agreed with the findings.

However, during the three years that I have been doing this research, everyone questioned in the lunch bureau insisted that inspection was adequate. It must be noted that inspection of meal packs is especially difficult, because each pack is sealed with foil for proper heating.

Only inspection of every pack as it is opened by the children would assure adequate portions. Never did I see a lunchroom attendant return a meal pack because of small portions or because the food was burned or cold.

Meal packs accounted for the greatest waste, and at one elementary school in the Williamsburg section of Brooklyn, I counted 40 children in a row who dropped unopened packs into the garbage can even though they contained hamburgers, a normally popular item.

LUNCH FROM HOME

Reasons this occurred must include the possibility that some children brought lunch from home even though they took the free lunch, that they had had bad experiences with meal packs in the past and assumed they were all alike, and that they were just shy, frightened and rushed and needed encouragement to taste the food and give it a chance.

It has been found in interviews with children, parents, supervisors and lunchroom attendants that meal packs meet with great acceptance within the first eight weeks of their introduction, but that they then begin to decline in favor. This is perhaps due to the sameness in menu and flavor that they present.

Another drawback to the meal-pack system is that the same size lunch is served to children of every age, from the tiniest first-grader to the biggest fifth-grader.

INFLEXIBLE FORMAT

And the meal packs and the bulk convenience kitchens share this shortcoming: Once the kitchens are stripped of all conventional equipment to accommodate the heating of prepared frozen foods, an inflexible format takes hold and the schools cannot take advantage of lower prices for fresh foods and seasonal bargains. They are at the mercy of the convenience-food processors.

There are opponents to this within the school establishment. Richard Reed, chief of the New York State Education Department's bureau of school foods, said of meal packs:

"They may make good stopgaps until complete kitchens are installed, but they are certainly no permanent satisfactory answer."

Others concur with Mr. Reed, including one of Mr. Jacobs's most valuable deputies in the school lunch bureau, who said, asking to remain anonymous:

"There is no room for profit-making companies in a public school lunch system. We could give the kids more and better food if we cooked it ourselves."

But Mr. Jacobs remains the meal pack's greatest booster, swearing by it and the bulk convenience method, and new schools in New York City are being equipped only for these systems and in older schools as old-style equipment wears out it is replaced with convenience facilities.

"Frankly and honestly," Mr. Jacobs said last week, "this bureau is committed to convenience food lunches, both in the form of meal packs for elementary schools and bulk frozen for high schools. We feel it is less expensive than food prepared at local labor costs, the food is more sanitary, and we can get the processors to adjust their products to our specifications.

And so, the more than half of the city's more than one million schoolchildren who get their lunches in this program will be eating more and more frozen convenience foods. Those in the remaining half-million or so will do as they have done before: go home for lunch or bring it with them to school.

Observations of the latter group yield results as discouraging as those cited above. Instead of finding the nutritious, high-protein selections that one might expect, 8 out every 18 brown-bag lunches that I have seen appear to be even more deficient than the school lunch. They feature jelly sandwiches, cookies, candy, pretzels, potato chips and, instead of milk, soda.

U.S. AFRICA POLICY

Mr. KENNEDY. Mr. President, I would like to enter in the RECORD a statement by Representative ANDREW YOUNG on "The Promise of U.S. Africa Policy" as it appeared in the Washington Post on Monday, May 17.

Representative YOUNG fully explains the intricate details of the current strife in southern Africa and he presents a compelling case for a renewed approach by the U.S. Government in its policy on southern Africa.

Mr. President, I ask unanimous consent that Representative YOUNG's statement on U.S. Africa policy be printed in the RECORD.

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

THE PROMISE OF U.S. AFRICA POLICY

(By ANDREW YOUNG)

Secretary Kissinger's trip to the African continent has generated tremendous impact. The conservatives of the President's party try to blame Ford's losses and Reagan's triumphs on Kissinger's Lusaka message; former diplomat George Kennan has reached into his cold-warrior bag of ready explanations to doomsay the Kissinger expedition; and liberals of both parties view the visit with suspicion and doubt.

There is now an image of southern Africa in flames, a holocaust of genocide against white lives and civilized values. Undoubtedly others from every corner—professors, politicians and media commentators—will soon jump on the southern African bandwagon to have their say.

But what did the Kissinger safari promise in its re-orienting of U.S. foreign policy toward Africa? We should not forget that just three months ago this country was bogged down in an African misadventure, Angola. Intervening on the wrong side, which had South African assistance, cost us a lot of black African friends and the consequences have not all been felt yet. The Cubans remain in Angola while the South Africans have left.

Angola is so haunting to our national psyche that we have yet to recognize the MPLA government. Against that background, Kissinger's efforts, however small, did begin a new era of at least minimal recognition of the importance of the Third World in U.S. policy. But what was really committed and how do the promises affect our nation's self-interest?

To me, the national self-interest is quite evident. Africa has immense mineral and other wealth upon which we will increasingly depend. Our economic future and Africa's growth will revolve on access to expanding markets as well as the availability of U.S. technology. Already our trade balance and investment volume on the African continent has shifted in favor of the black developing states as opposed to South Africa. According to the Department of Commerce, U.S. trade with Africa in the first half of 1975 increased at a much more rapid pace than our trade with the rest of the world. Nigeria, as one example, sells us her oil products and ranks sixth as a source of U.S. imports. Economics has always helped to determine politics in this country.

What seems apparent, therefore, is that the United States has agreed that whites in southern Africa cannot maintain privileged, elitist rule. This is a significant admission when one considers the Nixon-Kissinger "tilt" initiated in 1969.

There is no joy in this policy shift, only a confrontation with political realities. Angola was the hammer that struck this proper chord into place. The United States finally has deduced that there are no realistic alternatives to armed struggle, given our past refusal to be involved in diplomatic and economic approaches to pressure a political capitulation from Ian Smith. While Kissinger smiled on the Callaghan proposal, it was a throwaway. The British have never been able to do anything against Smith, but guerrilla warfare may drive him to the London constitutional table in a few months. The United States, Kissinger asserts, will remain pure in this period of struggle unlike the Angola attempt. No arms to the liberation movements; whites will not be killed by American guns.

In addition, a commitment by the United States to South Africa has been publicly made. The already existing dialogue between Prime Minister Vorster and State Department policy-makers is now above board and clear-cut. Angola predicted this relationship; Kissinger confirmed it.

South Africa may be saved from massive turmoil and bloodshed if it does three things: force Smith to step down; set a timetable for Namibian self-rule; and abolish the cruder realities of internal apartheid. What is not said, of course, is what else South Africa then perhaps could count on from the United States: a lifting of the arms embargo; softer monetary policies in World Bank and IMF decision-making; extension of direct loans from the Eximbank; possibly recognition of the Transkei, South Africa's first Bantustan, for instance.

In the short run, armed struggle within Rhodesia's borders will increase. A few thousand whites will pack up and leave out of racial arrogance rather than actual danger. Political pressure on Ian Smith will escalate to set up real talks that lead to majority rule. Zimbabwe will be born, and it will be born quickly if Botswana can get the money to cut off Rhodesia's other rail link.

Namibia also will win liberation within a short time. SWAPO is poised to enter constitutional talks the moment South Africa agrees to majority rule, In reality, the 5 to 1 ratio makes this fact so. Until then, the next few months will bring increased guerrilla struggle with the threat of Cuban-Angolan intervention hanging overhead. African states, including Nigeria, welcome the Cuban threat, but privately prefer to see the liberation of Rhodesia and Namibia without their involvement. Assistance of advisers from Tanzania and Mozambique is an obvious attempt to say to Cuba and Russia, "We

want to try it on our own. Arms, yes; troops, no."

So, I, for one, think Kissinger's African Safari was both necessary and instructive. If the Kissinger visit had not taken place now, then Ford's tendency toward Republican isolationism would have allowed a drift in events whereby further dependence on Soviet and Cuban intervention in southern Africa would become almost certain.

I am personally sorry that African affairs have to become a political football since problems there are of great magnitude and require sustained rather than expedient analysis. But the signals Secretary Kissinger set off are better than any I have seen from American policy managers since the Kennedy administration.

Whether they are too little and too late remains to be seen. A new administration in November, however, will build on them and avert unnecessary destruction and costs in human lives in the southern Africa of the future.

DESEGREGATION AND THE CITIES

PART VII.—HOUSING SEGREGATION TRENDS

Mr. BROOKE. Mr. President, opponents of court-ordered school desegregation plans frequently express their preference for achieving "natural" school desegregation through the development of integrated neighborhoods. Supporters of the courts usually share this as a long-range objective, but defend the right of the courts to correct de jure segregation in the schools in the interim. Some observers claim that the passage of the federal fair housing provisions of the 1968 Civil Rights Act should desegregate neighborhoods. Others criticize HUD and argue that fair housing has made no significant impact on housing market practices.

A good beginning point for analyzing these issues is the data on urban residential segregation provided by the 1970 Census. Though the Federal law had been in effect only briefly at that time, most housing units in the country had been covered by State or local laws some time earlier.

The census data showed very little change in the patterns of high urban segregation. It showed continued rapid departure of white middle class families from the central cities, continued low representation of blacks in the suburbs, continued ghetto expansion, and a tendency for those black families who did reach the suburbs to be channeled into patterns of segregated housing. Unless there is a very dramatic change in these statistics and the trends that they represent, there is no chance in the foreseeable future that we will achieve natural school integration in our large urban communities. Positive policies will be needed to speed integration.

The data presented today includes three tables summarizing 1970 segregation levels and articles interpreting the data by two leading experts in racial demographics. The first table, taken from Municipal Performance Report's November 1973 issue on city housing uses indices calculated by Annemette Sorensen, Karl Taeuber, and Leslie Hollingsworth, Jr., to show changes in the level of segregation since 1940. The statistics represent the percentage of non-whites living in a number of leading cities who would have to move to achieve a random non-racial pattern of residence. In most of the cities, the data shows, almost nine-tenths of the black families would have had to move. The statistics really understate the level of minority group segregation for two reasons. They show transitional neighborhoods as integrated and they show neighborhoods with black and Latino minorities as desegregated communities.

The following tables are simpler, showing merely the percentage of black residents who live in predominantly black and virtually all-black neighborhoods in various cities.

Readers troubled by the statistics will find lucid explanations of the trends and their meaning in articles by Prof. Karl Taeuber of the University of Wisconsin and Prof. Reynolds Farley of the University of Michigan's population studies center. Farley directly examines the relationship between housing segregation and school segregation. Finally, a new report on New York City trends to 1975 shows that the pattern of spreading segregation remains strong in this decade.

Mr. President, I ask unanimous consent that the above-mentioned materials be printed in the RECORD.

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

TABLE I.—HOUSING SEGREGATION

City	How many nonwhites would have to move? [1]						How many blacks would have to move? [2]		Change in percent of nonwhites that would have to move [3]			
	1940 (percent)	Rank	1950 (percent)	1960 (percent)	1970 (percent)	Rank	1970	Rank	1940–50	1950–60	1960–70	Rank
Atlanta	87.4	14	91.5	93.6	91.5	28	91.9	25	4.1	2.1	−2.1	23
Baltimore	90.1	21	91.3	89.6	88.3	21	89.4	19	1.2	−1.7	−1.3	26
Boston	86.3	12	86.5	83.9	79.9	12	84.3	10	.2	−2.6	−4.0	12
Buffalo	87.9	15	89.5	86.5	84.2	19	87.3	16	1.6	−3.0	−2.3	22
Chicago	95.0	27	92.1	92.6	88.8	24	93.0	28	−2.9	.5	−3.6	15
Cincinnati	90.6	23	91.2	89.0	83.1	14	84.2	9	.6	−2.2	−5.9	10
Cleveland	92.0	24	91.5	91.3	89.0	23	90.1	21	−.5	−.2	−2.5	21
Dallas	80.2	2	88.4	94.6	92.7	29	95.9	29	8.2	6.2	−1.9	25
Denver	87.9	15	88.9	85.5	77.6	9	88.9	18	1.0	−3.4	−7.9	7
Detroit	89.9	20	88.8	84.5	80.9	13	82.1	6	−1.1	−4.3	−3.6	18
Houston	84.5	11	91.5	93.7	90.0	27	92.1	27	7.0	2.2	−3.7	15
Indianapolis	90.4	22	91.4	91.6	88.3	21	89.6	20	1.0	.2	−3.3	10
Kansas City	88.0	17	91.3	90.8	87.9	20	90.5	23	3.3	−.5	−2.9	24
Los Angeles	84.2	9	84.6	81.8	78.6	11	90.6	24	.4	−2.8	−3.2	17
Miami	97.9	28	97.8	97.9	89.4	26	92.0	26	−.1	.1	−8.5	1
Milwaukee	92.9	26	91.6	88.1	83.7	17	88.0	17	−1.3	−3.5	−4.4	16
Minneapolis	88.0	17	86.0	79.3	67.9	2	80.4	5	−2.0	−6.7	−11.4	8
Newark	77.4	1	76.9	71.6	74.9	8	76.3	2	−.5	−5.3	3.3	26
New Orleans	81.0	3	84.9	86.3	83.1	14	83.9	8	3.9	1.4	−3.2	13
New York	86.8	13	87.3	79.3	73.0	7	77.3	3	.5	−8.0	−6.3	9
Philadelphia	88.0	17	89.0	87.1	83.2	16	84.4	1	1.0	−1.9	−3.9	13
Phoenix			86.1	85.6	72.8	6	86.7	15		−.5	−12.8	2
Pittsburgh	82.0	5	84.0	84.6	83.9	18	85.9	13	2.0	.6	−.7	28
Portland	83.8	8	84.3	76.7	69.0	3	86.2	14	.5	−7.6	−7.7	8
St. Louis	92.6	25	92.9	90.5	89.3	25	90.1	21	.3	−2.4	−1.2	27
San Diego	84.4	10	83.6	81.3	71.6	5	85.6	12	−.8	−2.3	−9.7	5
San Francisco	82.9	7	79.8	69.3	55.5	1	75.0	1	−3.1	−10.5	−13.8	1
San Jose			79.4	60.4						−19.0		
Seattle	82.2	6	83.3	79.7	69.2	4	82.2	7	1.1	−3.6	−10.5	4
Washington	81.0	3	80.1	79.7	77.7	10	78.8	4	−.9	−.4	−2.0	24

[1] How many nonwhites would have to move? This measures the difference between the actual distribution of households by race and a random distribution. It shows the percentage of nonwhite households which would have to move in order to achieve a random distribution of whites and nonwhites throughout the city. Data are not available from the source for Phoenix in 1940 and 1970 and for San Jose in 1970. Source: Taeuber and Taeuber (1965) for 1940, 1950, and 1960 data. Karl Taeuber, correspondence, September and October 1973, for 1970 data.

[2] How many blacks would have to move? This measures the proportion of blacks in a city who would have to move to achieve a random distribution. Data are not available from the source for San Jose in 1970. Source: Karl Taeuber, correspondence, September and October 1973.

[3] Change in percent of nonwhites that would have to move. This measure shows the amount of desegregation that occurred for each city in the 1960's. It shows much more desegregation in this decade than in either of the previous 2 decades. Source: Calculated from the previous columns on nonwhite segregation levels in 1960 and 1970.

TABLE II.—*Indicators of racial separation in cities with populations over 100,000 and black populations over 50,000, 1970*

A. PROPORTION OF BLACK POPULATION LIVING IN CENSUS TRACTS 50 PERCENT OR MORE BLACK

Rank:	Percent
1. Washington, D.C.	96.2
2. Chicago	93.9
3. Cleveland	93.7
4. Richmond, Va.	93.6
5. Jackson, Miss.	93.3
6. Dallas	92.8
7. Baltimore	91.5
8. Oklahoma City	91.3
9. Atlanta	91.0
10. Dayton	90.9
11. Savannah	90.6
12. Detroit	90.4
13. Gary	90.0
14. Newark	89.7
15. Charlotte, N.C.	89.5
16. Memphis	89.0
17. Shreveport	88.9
18. Miami	88.5
19. Kansas City	88.5
20. St. Louis	88.2
21. Norfolk	87.4
22. Los Angeles	86.9
23. Birmingham	86.0
24. Milwaukee	86.0
25. Louisville	85.8
26. New Orleans	85.3
27. Mobile	85.1
28. Houston	83.3
29. Buffalo	83.2
30. Jacksonville	82.6
31. Philadelphia	81.9
32. Tampa	81.3
33. Ft. Worth	81.0
34. Pittsburgh	80.5
35. Flint	80.3
36. Boston	76.1
37. Cincinnati	76.1
38. Indianapolis	76.0
39. Nashville	75.6
40. Columbus	73.9
41. Toledo	69.3
42. Oakland	66.6
43. New York	64.0
44. San Diego	58.3
45. San Francisco	55.5
46. Jersey City	53.5
47. San Antonio	51.8

SOURCE—Special census tabulations prepared for the Office of Equal Opportunity, Department of Housing and Urban Development, by the Census Data Corp.

TABLE III

B. PROPORTION OF BLACK POPULATION LIVING IN CENSUS TRACTS 90 PERCENT OR MORE BLACK

Rank	Percent
1. Chicago	77.7
2. Shreveport	76.3
3. Atlanta	74.9
4. Mobile	72.2
5. Norfolk	71.8
6. Jackson, Miss.	71.6
7. St. Louis	71.2
8. Baltimore	70.8
9. Gary	68.8
10. Richmond	67.6
11. Cleveland	67.4
12. Washington, D.C.	66.5
13. Dallas	66.0
14. Dayton	65.1
15. Miami	64.9
16. Memphis	61.2
17. Savannah	60.0
18. Oklahoma City	59.6
19. Jacksonville	56.9
20. Louisville	53.9
21. Nashville	51.3
22. Charlotte	50.1
23. Kansas City, Mo.	49.3
24. Ft. Worth	49.0
25. Detroit	48.9
26. Birmingham	46.9
27. Philadelphia	44.7
28. Newark	43.2
29. Buffalo	42.9
30. Milwaukee	41.7
31. New Orleans	41.0
32. Indianapolis	39.2
33. Houston	38.8
34. Pittsburgh	38.2
35. Tampa	37.3
36. Cincinnati	36.6
37. Flint	34.7
38. Boston	31.3
39. Los Angeles	30.0
40. Toledo	29.7
41. New York	28.4
42. San Antonio	25.7
43. Oakland	15.2
44. Columbus	15.2
45. Jersey City	9.8
46. San Francisco	0
47. San Diego	0

SOURCE.—Special census tabulations prepared for the Office of Equal Opportunity, Department of Housing and Urban Development, by Census Data Corp.

KARL E. TAEUBER, "RACIAL SEGREGATION: THE PERSISTING DILEMMA"

ANNALS OF THE AMERICAN ACADEMY, NOVEMBER 1975

ABSTRACT: Although moderate to high social and economic heterogeneity are typical of suburbs as well as central cities, the black population has become highly segregated residentially. This segregation has little economic base, but is based primarily on racial discrimination. The military images used to describe black "invasion" of neighborhoods and white "flight" from central cities express racial conflict and distort our perception of metropolitan trends. As a one-in-eight minority nationally, blacks are not numerous enough to "take over" many central cities. The high concentration of blacks in a couple dozen cities ensures that blacks will remain a small minority in 200 other metropolitan areas. Demographic data since 1970 indicate a reversal of the centuries-long process of increasing metropolitan concentration and a sharp diminution in the flow of black migrants to large cities. To date, there is no evidence of sharp shifts in the residential isolation of blacks. Black suburbanization in some metropolitan areas has followed the central city pattern of segregation. The altered demographic circumstances of the 1970s and 1980s hold out prospects for change, but those prospects depend on the nation's efforts to reduce continuing discrimination in the sale and rental of housing.

The National Advisory Commission on Civil Disorders, appointed by President Johnson in response to the ghetto riots of the mid-1960s, reported in early 1968 its basic conclusion: "Our nation is moving toward two societies, one black, one white—separate and unequal." The image of "two societies" took root in people's minds in a way that the commission's recommendations for action never could. Translated into geographic terms, this image now dominates the nation's perception of central city and suburbs: a black core surrounded by a white noose.

For decades scholars and the public have used battlefield imagery to describe residential patterns of blacks and whites. Early in this century, as black populations grew in the cities, the so-called colored were said to be threatening and invading white neighborhoods. During my childhood in World War II, a "blockbuster" was a bomb of awesome destructive power; in college in the 1950s I learned that a "block-buster" was an unscrupulous character who dared to sell or rent to Negroes in white areas. In the years since the Kerner Commission report, the imagery has become that of defeat and panic, of white flight to the suburbs in fear of blackening central cities.

This racial battlefield imagery of cities and suburbs is, like the other city-suburban imagery, a gross exaggeration that nevertheless blinds the national perception to reality. Racial conflict is a prominent aspect of the American metropolitan scene, but the two-society image is too narrow a perspective. A survey of certain census data on population distribution and migration can broaden the perspective and provide a glimpse of both the uniformities of racial residential patterns throughout the nation and of the diversities in scale and character of the problems posed by these patterns in individual metropolitan areas.

THE BLACKENING OF CENTRAL CITIES

What did the 1970 census reveal about the so-called blackening of central cities? In the 243 metropolitan areas, blacks composed a majority of the population in only three central cities. These three cities—Washington, Newark and Atlanta—are each severely underbounded with respect to the spread of urbanization around them. (Washington had 26 percent of the metropolitan area's population; Newark, 21 percent; and Atlanta, 36 percent.) In the total metropolitan population of these three places, blacks were outnumbered three or four to one.

In only 12 other metropolitan areas did blacks in 1970 compose between 40 and 50 percent of the central city population. Four of these 12 were Southern cities in which the black percentage either declined or increased only slightly during the 1960s: Birmingham, Alabama; Charleston, South Carolina; Pine Bluff, Arkansas; and Richmond, Virginia. The other eight cities experienced rapid increases in percentage of blacks during the 1960s, and most will probably have black majorities by the time of the 1980 census. These eight, in declining order of city size, are Detroit, Baltimore, St. Louis and New Orleans, among the nation's large cities, and Savannah, Wilmington, Augusta and Atlantic City among the medium-size cities.

A few central cities other than these eight may experience such rapid white out-movement and black increase during the 1970s that they, too, will have black majorities by 1980. But in 211 of the 243 central cities, whites outnumbered blacks more than two to one in 1970. Many of the 32 cities in which blacks composed more than one-third of the 1970 population were medium-size Southern cities from which blacks were fleeing as fast as whites in the 1960s. In other medium-size cities whites were moving in, not out, and at a faster rate than blacks.

About one of every eight persons in the United States is Negro (according to census classification). A minority group, outnumbered seven to one, cannot "take over" all of the nation's central cities. Indeed, more than half of the nation's black population already lives in central cities of metropolitan areas. Black urbanization in the future cannot continue at the former pace. There are not enough blacks left in the rural South to provide a continuing large flow into the cities.

Although 198 of the 243 metropolitan areas experienced an increase during the 1960s in the percentage of blacks in the central city, there is no typical metropolitan area. Black population in New York City increased by more than half a million. In Provo-Orem, Utah, the black central city population increased from 18 to 28 persons. There are prevailing patterns of racial population change, but the specific pattern in each metropolitan area takes on a unique size and shape.

BLACK SUBURBANIZATION

Variety is the prominent feature of patterns of black suburbanization among the nation's metropolitan areas. In 1970 there were 70 million whites living in the suburbs (census definition) and 3.4 million blacks. Blacks composed about five percent of all suburban residents; but this aggregate figure of five percent is a misleading indication

of the general pattern. In most of the old South, blacks lived in town and villages and throughout the countryside. As metropolitan areas grew, they incorporated within their domain the pre-existing pattern of racial enclaves. Despite the exclusion of blacks from most of the new suburban housing of the past 50 years, in many of the South's metropolitan areas blacks compose from 10 to 40 percent of the suburban population. In every Northern metropolitan area and in some Southern areas, blacks compose less than 10 percent of the suburban population and often only a miniscule proportion.

During the 1950s and 1960s more blacks moved out of many Southern metropolitan areas than moved in; this was true of suburbs as well as central cities. The huge flow of black population to Northern central cities drew heavily from Southern urban blacks as well as from blacks in the rural hinterlands. With rapid white suburbanization in these Southern metropolitan areas, the percentage that blacks composed of the suburban population often fell.

In the Northern metropolitan areas, racial patterns of suburbanization varied. In many areas with rapid suburbanization of whites, the number of blacks has shown a sharp percentage increase. Some observers have seen in these demographic figures the harbinger of new era of extensive black suburbanization. Caution is warranted, however, whenever one looks at percentage change data from a small base population. Between 1960 and 1970 the white suburban population in the Boston metropolitan area increased only 11 percent, while the black suburban population increased 53 percent. Numerically, however, the white suburbanization greatly outweighed the black: the white suburban population increased by 200,000, from 1.9 million to 2.1 million; the black suburban increase was less than 8,000, from 15,000 to 22,000. The rate of black suburbanization was greater, to be sure, and the percentage that blacks composed of Boston's suburban population did increase—from less than one percent to just over one percent. If this is the harbinger of a new era of black suburbanization, it is obvious that the old era will be with us for a long time before being ushered out.

Another kind of evidence shows that the black suburbanization currently occurring in a number of large metropolitan areas, whatever its numerical scale, is following the essential dynamics of the old era rather than ushering in a new era of race relations. This evidence pertains to the location of black suburbanites and the character of their new communities. Consider Chicago, for example, where the quantity of black suburbanization has been rather large. In the two decades from 1950 to 1970, the black suburban population in the Chicago area increased by 85,000 persons (from a 1950 base of 44,000). Nearly two-thirds of this increase occurred in nine old industrial suburbs (such as Joliet, Waukegan and Chicago Heights), each of which was experiencing the same kind of blacks-replacing-whites in segregated neighborhoods that occurs in central cities. Another one-fourth of the black suburban increase occurred in five "black suburbs" (such as Robbins and East Chicago Heights), small communities or neighborhoods in which new housing developments had been marketed directly to black families. The Chicago suburban territory, aside from these 14 communities, was home to more than 3 million whites in 1970, but it made room for a black increase of fewer than 10,000 persons during the 20-year period.

ECONOMICS OR DISCRIMINATION?

The residential segregation of blacks from whites within central cities and the exclusion of blacks from suburbs are often assumed to be a reflection of the relatively poorer economic circumstances of blacks. In fact, although metropolitan areas have both wealthier and poorer neighborhoods, most residential neighborhoods throughout the metropolis have housing that rents or sells for a wide range of prices. Thus, the first premise of the poverty interpretation of racial residential patterns is only a half-truth. The residential distribution of persons among neighborhoods in the metropolis is only in small part a function of housing costs, family income or other economic factors.

The second premise of the poverty interpretation of housing segregation is that blacks are poorer than whites. This is again only a partial truth. If the entire distribution of families by income is considered, rather than just average incomes, a considerable overlap is seen among races. Many wealthy and middle income black families have greater economic resources than do millions of poor white families.

The conclusion from the two premises of the poverty interpretation of residential segregation is that the residential locations of blacks and whites differ because of economic differences. The reality, alas, is not so simple. Sociologists and economists have devised various statistical techniques for assessing the influence of economic factors on the differential residential location of black and white households, but they have not reached any consensus beyond agreement that other factors are important. I have contributed to the esoteric literature on this topic, but I am more impressed by the results of common sense and simple statistics. Common sense and open eyes reveal that rich blacks do not live interspersed with rich whites. Poor whites do not live interspersed with poor blacks. Racial residential segregation exists to far too high a degree in all American cities for economic factors to be the primary cause. Simple statistics offer surprising confirmation. In Chicago in 1960, the average rent paid by white tenants was $88 a month; the average rent paid by black tenants was $88 a month. Black renters were highly segregated from white renters despite their obvious ability to pay as much.

But suburbanization is different, is it not? Granted that patterns of housing segregation in the central city are not primarily economic in origin, is it not true that economic factors play a more important role in suburban locations? Consider data for 29 of the Nation's largest metropolitan areas. Among white families with incomes of $5,000 to $6,999 (not a very good income even by 1969 standards), the proportion who lived in the suburbs was greater in every case than the suburban proportion among black families with incomes of $15,000 to $24,900. Consider also a specific metropolis. In Detroit in 1970, more than half of the white families in each income level, from very poor to very rich, lived in the suburbs. Among blacks, only one-tenth of the families at each income level (including very rich) lived in the suburbs.

I have concluded from my own research and a review of the work of others that the prime cause of residential segregation by race has been discrimination, both public and private. Racial discrimination was influential in developing the racially segregated pattern of American cities. In recent years, despite court rulings and legislation clearly outlawing virtually all types of racial discrimination in housing, past patterns persist, and every investigation uncovers evidence that old impediments to free choice of residence by blacks continue. I refer specifically to practices such as:

1. racially motivated site selection and tenant assignment policies in public housing;

2. racially motivated site selection, financing, sales, and rental policies of other types of government subsidized housing, such as Federal Housing Administration and Veterans Administration insurance programs;

3. racially motivated site selection, relocation policies and practices, and redevelopment policies in urban renewal programs;

4. zoning and annexation policies that foster racial segregation;

5. restrictive covenants attached to housing deeds;

6. policies of financial institutions that discourage prospective developers of racially integrated private housing;

7. policies of financial institutions that allocate mortgage funds and rehabilitation loans to blacks only if they live in predominantly black areas;

8. practices of the real estate industry such as (a) limiting the access of black brokers to realty associations and multiple listing services; (b) refusals by white realtors to cobroke on transactions that would foster racial integration; (c) block-busting, panic selling, and racial steering; (d) racially identifying vacancies, either overtly or by nominally benign codes (advertising housing according to racially identifiable schools or other neighborhood identifiers); (e) refusing to show houses or apartments or refusing to encourage blacks to consider housing in white neighborhoods; (f) reprimanding or penalizing brokers and salesmen who act to facilitate racial integration; and

9. racially discriminatory practices by individual homeowners and landlords.

MASS MIGRATION TO METROPOLIS

A century ago the black population in the United States was predominantly a rural agricultural one because the South of which blacks were a part was itself a rural agricultural region. As the South slowly urbanized, blacks participated. Southern cities, together with their outlying suburbs, grew with a pattern of separate housing for blacks. A slow northward movement of black population that had been occurring in the first half-century after the emancipation of slaves accelerated during the 1910–20 decade. Continuing for the next half-century and a few years beyond, the flow of blacks to Northern cities was truly a mass migration. Between 1920 and 1930 in Georgia and between 1940 and 1950 in Mississippi, nearly half of the young black males reaching adulthood left their states. In 1920, 1930 and 1950, in Michigan, Illinois and New York, from one-third to more than one-half of the young adult blacks enumerated in the census had moved to those states within the preceding 10 years.

The mass migration northward drew blacks from all over the South, from cities as well as villages and tenant farms. The Northern destinations, by contrast, were few in number. Of all Northern blacks in 1970, two-thirds lives in seven metropolitan areas containing more than 300,000 blacks each (New York, Chicago, Philadelphia, Detroit, St. Louis, Newark and Cleveland). In the West, two-thirds of the blacks lived in Los Angeles or San Francisco. In the South, only five metropolitan areas contained more than 300,000 blacks each, and the 16 containing more than 100,000 blacks included only one-third of the region's total black population.

END OF AN ERA?

Any mass migration carries within itself the seeds of its own destruction. As youth move from one region to another, they transfer future natural increase from the place of origin to the place of destination. This demographic fact of life ensures that new generations will be born and raised in the destination places and that the supply of future migrants from the place of origin will be depleted. In addition, any mass migration is cause and effect of massive social and economic transformations at origin and destination.

During the half-century of massive black migration, the character of the migration was continually changing. By the time national attention was focused on the so-called urban crisis following the Watts riot of

1965, Northern black populations were increasingly Northern-born and Northern-raised. Northern blacks who migrated from the South were increasingly from the urban South. For blacks, as for whites, long distance migration was a feature of a metropolitan industrial economy in which those persons with greater education and marketable skills moved for economic benefit and for a better life. The poor and poorly educated rural blacks who were still being displaced from agriculture were far more likely to move a few miles to a Southern town or city than to take off directly for a Northern metropolis.

The steady aggregation of Americans, white and black, into metropolitan areas is a mass migration that must come to an end sometime. This migration has ebbed and flowed with economic circumstances—as in the slowdown during the depression of the 1930s—but at least until 1970 it was a continuing feature of American demographic history. No one foresaw the sudden cessation of this steady population concentration, but cessation is what appears to have happened since 1970. From 1970 to 1974, metropolitan areas lost migrants to nonmetropolitan territories. Analysts first thought that the results might simply reflect a spilling over of metropolitan expansion beyond the current boundaries of metropolitan areas. Further investigation revealed, however, that the population in counties adjacent to metropolitan areas was growing less rapidly than the population in nonmetropolitan counties not adjacent to any metropolitan area.

The national shift away from an ever-greater piling up of population in metropolitan areas has been matched by an extraordinarily sharp decline in black metropolitan movement. During the early 1970s there was still a slow rate of net in-movement of blacks to metropolitan areas, but it hardly compared to the rapid pace of the 1950s and 1960s. It is the nation's largest metropolitan areas that have experienced the sharpest shift in total migration rates, and it is these areas that in the past were most attractive to black migrants. As the black population has become increasingly urban, and as young blacks have become increasingly well educated, the character of black migration has increasingly resembled that of white migration. During recent decades white migration to central cities declined and then reversed, first in the largest cities and more recently in many of the medium-size centers. Already in the 1960s, blacks displayed a net out-movement from some central cities, and it should not have surprised us so much that this trend would gain momentum in the 1970s.

PERSISTING SEGREGATION

Recent information on population redistribution of both whites and blacks during the 1970s has surprised demographers and other social scientists. The sharp changes in fundamental long term trends were not anticipated and have not yet been investigated. It is difficult to change long-accustomed perceptions, and many observers suspect (or hope) that the latest demographic shifts are a temporary response to the unusual economic circumstances of the early 1970s. Taking cognizance of the fact that no trend continues forever, I am much less skeptical of the new information. We may well be entering a new era in American population distribution.

The identification of eras is an analytical distinction imposed on a continuous reality. The trends of population concentration in metropolitan places and dispersal within metropolitan areas have not suddenly been obliterated; rather, the magnitude of the former has declined, and we do not yet know how the pace of suburbanization has been and will be affected. Thus it is extraordinarily difficult to assess the future of black suburbanization.

In the early decades of the twentieth century, as the so-called Great Migration of blacks to Northern cities accelerated, the black newcomers to the cities behaved much like other newcomers of those times. Negro migrants repeated the behavior of Italian and Polish migrants and other ethnic groups in settling initially in certain downtown areas of inexpensive housing accessible to public transportation. As numbers grew, ethnic colonies spread. With time, increasing numbers of the group became familiar with the ways of the city, with how to get along economically, and with other residential choices that might be more pleasant than crowded central neighborhoods. From the beginning of mass concentration of each successive European ethnic group in New York, Chicago, Detroit and other great cities, some members of the group were moving elsewhere in the city, sometimes establishing secondary colonies, sometimes settling into ethnically heterogeneous neighborhoods. Many of the children and grandchildren, natives of America and of the city, exercised even wider ranges of choice of residence. Statistical measures of the degree of segregation of each major European ethnic group document declining segregation as time passed.

For blacks, however, residential patterns took a different twist. The mechanism of racial discrimination identified above were deliberately devised and elaborated to control the dispersal of blacks and to produce a more "orderly" channeling of rapidly growing black populations. Statistical measures document increasing segregation of blacks. The residential segregation between blacks and whites increased well beyond the levels characteristic of turn-of-the-century ethnic group segregation in Northern cities. Some Southern cities that grew to prominence after the Civil War also experienced their first large influx of black population during this period, and their residential patterns developed similarly to those in the North. In some older Southern cities, where a large black population was present ever since the days of slavery, a more dispersed racial residential pattern survived for many decades. But even in those cities, such as Charleston, South Carolina, with its traditional pattern of backyard and alley dwellings for blacks, the modern national style of separate residential areas eventually took over. Urban renewal in the 1950s largely completed the task of racially modernizing these cities.

During the 1950s in the North, and during the 1960s in both Northern and Southern cities, the intensity of residential segregation of blacks and whites diminished somewhat from its peak levels. These declines were too small to reflect or presage a new liberalism in race relations. Rather they arose, I believe, from the large scale of the white out-movement from central cities and from the simultaneous rapid increase in the numbers of black families (native Americans all and many second or third generation urbanites) who did not like the ghettos and who pursued as best they could—within the confines of a discriminatory housing market—the standard American dream of a decent home and a decent neighborhood in which to raise one's children.

The slight diminution in the degree of racial residential segregation within the central cities occurred during a period of rapid increase in white suburban populations. The 1970 census was the first to provide data for individual city blocks throughout the urbanized area, and hence for 1970 it is possible to calculate area-wide segregation indexes of the same sort described above for central cities. Among 40 of 44 Northern metropolitan areas, the segregation index for the total urbanized area is greater than that for the central city alone. Among Southern metropolitan areas, with their historical pattern of suburban black enclaves, the area index is higher in 27 of 44 cases.

These statistical data document the severity of the two-society pattern of increasingly black central cities and white suburbs. Until there is a much more even distribution of blacks and whites among central cities and suburbs, segregation indexes for metropolitan areas cannot fall. The evidence presented above indicates that black suburbanization to date, while numerically greater than ever before, remains a minor pattern in black population redistribution. Suburbia shows no signs of quickly becoming for blacks, as for whites, the primary destination of migrants. The evidence further shows that the suburbanization to date has occurred with the same racially discriminatory channeling of black residents into selected localities that characterizes central cities.

The lowered birth rate in the United States and the lowered rate at which whites and blacks are moving into metropolitan areas should sharply reduce population pressure on urban and suburban housing. Older and less desirable housing seems increasingly likely to be abandoned, as happened in the 1950s and 1960s even with growing populations. Reduction of central city densities should occur, and a potential exists for greatly increased black suburbanization. With black populations growing more slowly, and with blacks interested in the full spectrum of metropolitan residential neighborhoods, there could be rapid residential desegregation without the population pressures that in the past led so often to immediate resegregation. This pattern could develop, but there is no evidence yet that it will. Racial segregation persists in suburban housing because racial discrimination persists in suburbia.

Whether these patterns change depends not only on whether we develop the will and devise the means to enforce existing nationwide laws against all types of housing discrimination; change in the racial patterns of housing also depends on what happens to segregation in schooling and employment. It has become somewhat fashionable to recognize these linkages only to use them as an excuse. Segregated schools are said to depend on segregated housing, which depends on black poverty, which depends on occupational discrimination, which depends on earlier discrimination in Southern schooling, which depends on antebellum social institutions. This kind of logic rests on a specious reading of social science evidence. There is indeed a certain "unity of the Negro problem," as Gunnar Myrdal noted more than 30 years ago, but that unity may be expressed in the present tense, not only as a historical residue of slavery:

"Behind the barrier of common discrimination, there is unity and close interrelation between the Negro's political power; his civil rights; his employment opportunities; his standards of housing, nutrition and clothing; his health, manners, and law observance; his ideals and ideologies. The unity is largely the result of cumulative causation binding them all together in a system and tying them to white discrimination."

REYNOLDS FARLEY, "RESIDENTIAL SEGREGATION AND ITS IMPLICATIONS FOR SCHOOL INTEGRATION"

LAW AND CONTEMPORARY PROBLEMS, WINTER 1975

Introduction

If parents desire that their children attend neighborhood schools and if the nation's Constitution requires racially integrated schools, then neighborhoods must be integrated. Residential areas, however, are

highly segregated by race; thus public schools are also segregated except in those school districts operating under court orders or under a voluntarily adopted desegregation plan. Because of the segregated character of most neighborhoods, such desegregation plans rely heavily on busing substantial numbers of students to schools outside their neighborhoods.

This article examines the relationship between school segregation and residential segregation. The first section describes the extent of racial residential segregation. The second section examines racial segregation in public schools and its linkage with residential segregation. The impact of school desegregation litigation upon school integration in large school districts is assessed. Finally, the implications of demographic trends for the future are summarized in the concluding pages.

I. Racial residential segregation

In this article the "index of dissimilarity" will be used as a measure of the extent of residential segregation.[1] The numerical value of the index represents the proportion of either whites or blacks who would have to shift from one area to another to effect complete integration of the residential areas of a city. If a city were completely integrated so that all neighborhoods or subareas had an identical racial composition, the value of the index would be zero. If, on the other hand, residential segregation were so pervasive that all blacks lived in exclusively black areas and all whites in exclusively white neighborhoods, the index would assume its maximum value, 100. Thus low values indicate that there is little residential segregation while high values indicate extensive residential segregation. An analysis of the racial composition of residential areas of the nation's largest cities in 1970, shown in Figure 1,[2] indicates that levels of racial residential segregation were quite high. For example, in Dallas, 97 per cent of either the white or the black population would have had to shift their places of residence to produce a completely integrated city; that is, a city in which every block had the same racial composition. Of the fifteen largest cities, San Francisco has the lowest racial residential segregation—75 per cent of either the white or the black population would have to shift their places of residence to bring about complete integration.

When a larger sample of cities, classified by region, was examined, residential segregation was found to be greatest in the South—where the average value of the "index of dissimilarity" was 91.4, somewhat less in the border states (87.3), and lowest in the North (81.4) and West (81.1).[3] None of the 109 cities in the sample had a segregation score under 60 in 1970. Indeed, only 3 cities had scores of less than 70.[4] The racial residential segregation indices used in Figure 1 are based on data from central cities. There is evidence, however, that if the indices were calculated for the entire metropolitan area there would be no significant difference in their values. Blacks appear to be as residentially segregated from whites in the suburbs as in the central cities.[5]

The pervasiveness and magnitude of racial residential segregation is made apparent by comparing it to the extent of residential segregation by income, occupation, or ethnicity. One might expect that families would be segregated by income. In the Chicago urbanized area in 1970, the index of dissimilarity comparing the residential distribution of white families with incomes over $25,000 to that of white families with incomes of $3,000 to $4,000 was 55.[6] Yet the index comparing the residential distribution of all white families with that of all black families was 93. A comparison of the residential distribution of white families with incomes exceeding $25,000 with that of black families in the same income group in the Chicago urbanized area provides an index of 94.[7] Thus well-to-do whites are much more segregated from affluent black families than they are from poor white families.

Segregation scores for white ethnic groups have also been compared.[8] The index of dissimilarity based on the residential distribution of native whites and of people of Polish stock in the New York area for 1960 was 43.[9] By contrast, the index of dissimilarity based on the distribution of native whites and blacks was 80.[10] Thus racial residential segregation is significantly greater than the residential segregation of socioeconomic or ethnic group.

An analysis of changes in the extent of residential segregation during the period since 1970 cannot be undertaken because of the unavailability of data. Nevertheless, the presumption is that levels of residential segregation have changed little since the 1970 Census. Between 1950 and 1960, only modest declines in racial residential segregation were recorded.[11] Preliminary data for 1970 indicate that this trend toward only slightly lower levels of segregation has continued.[12] Thus, the nation's neighborhoods are almost as segregated now as they were thirty years ago. If present trends persist, schools organized on a neighborhood basis will remain racially segregated indefinitely.

II. The changing racial composition of urbanized areas

A. Trends in Residential Patterns

As recently as 1940, four-fifths of the black population lived in the South, and almost two-thirds of those resided in rural areas.[13] However, World War II and the prosperous postwar years saw the movement of blacks away from the rural South and into cities. By 1970, the percentage of all blacks who lived in urbanized areas, 81 per cent, exceeded that for whites, the comparable figure being 72 per cent.[14] At present, the black population outside the South is approximately as large as the black population within the South.[15]

Within urbanized areas, there has been a differential rate of growth of black and white populations. Overall, the share of the nation's white population living within central cities has declined while the proportion of blacks in central cities has risen. The trends for the nation's fifteen largest urbanized areas are shown in Figure 2.[16] In each of the central cities of the fifteen urbanized areas, the black population grew faster than the white. The percentage of blacks in Detroit, for example, increased from 29 to 44 per cent between 1960 and 1970. In Washington, the increase in the percentage of blacks in the same period was from 54 per cent to 71 per cent. In the suburbs, on the other hand, the changes in the percentage of the population that was black were generally small. In eleven of the suburban areas shown in Figure 2, the growth rate of the black population exceeds that of whites, but in four areas—Baltimore, Dallas, Detroit, and Houston—the percentage of blacks in the suburbs actually declined because the growth rate of the white suburban population exceeded that of the black.

It is extraordinarily difficult to generalize about demographic trends in urbanized areas, since there is substantial variety in urban growth patterns.[17] Thus there are significant exceptions to the generalization that white out-migration and black in-migration characterize the nation's large cities and that suburban rings contain few blacks. Nevertheless, the white population of the largest cities reached a peak around 1960 and since then, the increase in the white population has been concentrated in the suburbs. The black population has grown both within cities and the suburban rings, although the numerical growth in the black population is much greater in cities.[18]

During the 1960's two new trends in the distribution of the black population in the urbanized areas became evident. First, the black population in suburban areas increased more rapidly. Indeed, during that decade, the rate of growth of the black population in the suburbs was generally greater than that of the white population, although the numerical increase for whites was much greater than for blacks.[19] The suburban rings surrounding New York, Los Angeles, Philadelphia, and Washington now contain large and rapidly expanding black populations. This growth does not necessarily portend residential integration in the suburbs. Many of the suburban areas with substantial black populations are extensions of central city ghettos, while others are black suburban enclaves.[20] Second, the growth rate of the black population in central cities declined during the 1960's. Several large cities which had attracted many blacks in the period of the 1950's experienced a net outmigration of both blacks and whites between 1960 and 1970.[21]

In summary, the patterns of population change in many urbanized areas suggest that opportunities for school integration are minimal. In many cities there has been a substantial out-migration of whites with a concomitant growth of the black population. Even those cities which are experiencing a net out-migration of blacks appear to be losing whites at a higher rate, thus increasing the percentage of the total population that is black. Although the suburban populations of both blacks and whites are now growing, this does not seem likely to result in racially integrated suburbs; rather the patterns of residential segregation typical in central cities appear to be duplicated in the suburban rings.

B. Black Enrollment in Public Schools

Total population figures underrepresent the black pupil population in public schools. The number of black students as a percentage of the total public elementary school enrollment in the fifteen largest cities for the census years 1960 and 1970, as shown in Figure 3, is considerably higher than the black population as a percentage of the total city population. For example, blacks comprised 33 per cent of the total population of Chicago in 1970,[22] in the same year, black pupils comprised 55 per cent of the total public elementary school population.[23]

There are several reasons for this difference. First, black birth rates have traditionally exceeded those of whites. While blacks comprise 11 per cent of this nation's population, 14 per cent of the elementary school age population is black.[24] Second, the high rate of out-migration of white families of childbearing age results in a considerably lower proportion of white school age children remaining in the central cities. In the city of Detroit, for example, the median age of blacks is 23, while for whites, the median age is 36. Whites account for 77 per cent of that city's population aged 65 and over, but only 46 percent of the school-age population.[25] Third, private and parochial schools enroll about 10 percent of the nation's elementary school students. In many central cities, non-public schools constitute an even higher percentage of the total elementary school enrollment. Black students are significantly underrepresented in these non-public schools compared to the proportion they comprise of the public elementary school population.[26] In northern cities, where private and parochial school enrollments are quite high, this has the consequence of increasing the proportion of black students in the public schools. In Philadelphia, for example, private elementary schools in 1970 enrolled almost three-fifths as many pupils as the public

Footnotes at end of article.

schools, yet only 11 per cent of the nonpublic elementary school students were black, while 61 per cent of the public elementary school students were black.[37]

C. Economic Factors and Residential Segregation

It is often argued that the high degree of racial residential segregation found in cities [38] and the near-absence of blacks from the suburban ring [39] are attributable to income differences between the races. Such contentions are not valid. Most neighborhoods in the United States are economically heterogeneous. If people were residentially distributed according to the value of the housing they can afford, instead of according to skin color, levels of residential segregation would be low. Figure 4 indicates the percentage of black families and of white families in an urbanized area that actually lived in the suburban ring in 1970, and the percentage of black families that *would* live in the suburbs if the only factor affecting their residential location were their income. We assume, for instance, that if 40 per cent of white families in the urbanized area with incomes of $8,000 to $10,000 lived in the suburbs, then the same proportion of blacks at that income level would be living in the suburbs. We are assuming that blacks retain their actual incomes but are as well represented in the suburbs as whites at each income level.

In most urbanized areas, the racial composition of the suburbs would be greatly altered if blacks occupied housing according to their ability to pay. In 1970, 73 per cent of the Detroit area's white families, but only 12 per cent of the area's black families, actually lived in the suburban ring. If blacks were as well represented in the suburbs at each income level as whites, 67 per cent of the black families—rather than 12 per cent—would be suburban residents.

Other studies which have analyzed the role that economic variables play in the residential segregation of blacks from whites within central cities [40] or in suburban areas [41] also demonstrate that economic factors explain only a small proportion of the residential segregation found in American metropolises.

III. Racial segregation in public elementary schools

Southern schools were completely segregated by race in 1954. Many northern city schools were also highly segregated because of school board practices and because neighborhoods were segregated by race.[42] For approximately a decade after the Supreme Court's ruling in *Brown* v. *Board of Education*,[43] private lawsuits on behalf of students in southern districts brought about limited advances in racial integration, particularly in schools in border states.[44]

The Civil Rights Act of 1964 [45] gave the Justice Department power to bring school desegregation suits [46] and provided that the Department of Health, Education, and Welfare (HEW) could terminate funds in districts which maintained segregated facilities.[47] The latter provision gained further importance with the passage of the Elementary and Secondary Education Act of 1965,[48] which channeled large amounts of federal funds to southern districts.[49]

Governmental pressures for school desegregation increased after 1965 as HEW issued guidelines [50] and negotiated with many southern districts about discriminatory practices.[51] Federal courts enunciated new and encompassing integration principles. For example, the 1968 Supreme Court decision in *Green v. County School Board of New Kent County* [52] held that freedom-of-choice integration plans were acceptable only if they actually desegregated schools. In *Alexander v. Holmes County Board of Education* [53] the Supreme Court demanded that school districts terminate dual systems at once and begin immediately to operate unitary systems. The Denver decision, *Keyes v. School District No. 1* [54] called for school integration in a northern city which did not have the history of state-prescribed de jure segregation common to the southern school districts. The Supreme Court's unanimous decision in the Charlotte, North Carolina case, *Swann v. Charlotte-Mecklenburg Board of Education*,[55] legitimized large-scale busing as an integration device and permitted the use of a "mathematical racial balance reflecting the pupil constituency of the system" as "a starting point in the process of shaping a remedy." [56]

The Civil Rights Act of 1964 also provided for the collection of data concerning the racial composition of students and staff in public schools.[57] These data permit the measurement of trends over time in school segregation. An analysis of large city school districts, 85 in the North and 58 in the South,[58] enrolling 20 per cent of the nation's white public elementary school students in the fall of 1972 and 65 per cent of the black students, was undertaken to determine the extent of intradistrict school segregation.[59]

The index of dissimilarity,[60] used in the first part of this article as a measure of residential segregation, can also be used to measure school segregation. Large values indicate a substantial degree of segregation while low values indicate that the school district is effectively integrated. In 1967, segregation indices for Montgomery, Alabama and Shreveport, Louisiana [61] exceeded 97, indicating the existence of a dual school system in each of those cities.

Several federal judges, having found that a school system is unconstitutionally segregated, have ordered as part of the judicial relief that the individual schools in an unconstitutionally dual system should have approximately the same racial composition as the entire district. In *Swann v. Charlotte-Mecklenburg Board of Education*,[62] the district court mandated that school authorities assign pupils such that each school would approximate the 71 per cent white, 29 per cent black ratio of the district.[63] The integration plan designed for the Louisville area, where about 20 per cent of the student population is black, specified that for the fall of 1974, the proportion of blacks in every school must be between 12 and 30 per cent.[64] If these remedial orders are implemented, the indices of dissimilarity will be low for these school districts.

Indices of dissimilarity measuring racial segregation in the public elementary schools in the fifteen largest cities in the South and Border States and the fifteen largest cities in the North and West [65] are given in Figure 5. In 1967, the southern and border districts had high segregation indices ranging from a low of 76 in Louisville to a high of 97 in Oklahoma City. Schools were somewhat less segregated by race in the North and West, but not significantly so. New York was the only northern district with an index below 60, while San Francisco and Seattle had indices under 70. The average student segregation indices for the two major regions are shown in Figure 5.

Changes over time in school segregation can be readily summarized. Prior to a major desegregation effort, schools in all these districts were extensively segregated by race. Before 1967 a few districts voluntarily adopted integration plans and consequently segregation levels were low that year in Evanston, Illinois,[66] Providence, Rhode Island,[67] and Riverside, California.[68]

After 1967, school segregation decreased dramatically in many districts, in large part because of federal court orders, Charlotte had a segregation index of 77 in 1967. In the fall of 1970 students were reassigned, pursuant to a federal desegregation decree which included busing of about 46,000 of the district's 80,000 students. Thus in 1970, the segregation index fell to 18. The San Francisco Unified School District effected an extensive integration plan pursuant to a 1971 federal district court order to devise a workable integration plan to normalize the ratio of blacks to whites within all the San Francisco school district's schools.[69] Thereafter, as shown in Figure 5, the segregation index for San Francisco dropped from 67 in 1967 to 20 in 1972. Plans requiring massive integration went also into operation in Oklahoma City, Oklahoma,[60] Jacksonville, Florida,[61] and Nashville, Tennessee,[62] between 1970 and 1972, resulting in a substantial decline in school segregation—from 97 in 1967 to 25 in Oklahoma City, from 92 to 22 in Jacksonville, and from 85 to 37 in Nashville. By contrast, there were no such orders affecting schools in St. Louis, Chicago, Cleveland, or Los Angeles, and, as indicated in Figure 5, the level of school segregation actually increased slightly between 1967 and 1972 in three out of four of these cities. The decrease in the fourth city, Los Angeles, was small—from 89 in 1967 to 87 in 1972.

Although federal courts and—in a few districts—state courts [63] played the dominant role in reducing school segregation, an analysis of data for these 143 districts indicates a general trend toward decreasing segregation in schools, even without court orders. After eliminating those districts involved in large-scale desegregation programs, a pattern of modest declines in segregation levels is evident, the declines being greater in the South than in the North. One study [64] suggests that the pattern in many cities during the 1960's was as follows: demands by black parents for improved or integrated schools, initial rejection of these demands by school boards, followed by stronger demands from blacks and action by courts no longer willing to tolerate delays in disestablishing dual school systems,[65] and finally school boards and administrators responding by improving some black schools, closing older and inadequate facilities, reorganizing school attendance zones, busing students, or devising open-enrollment plans.[66] These actions help to account for the decrease in student segregation.

The summary data provided in Figure 5 for all 143 school districts indicate that in 1967 southern districts were considerably more segregated, with an index value of 86, than those outside the South, where the index value in 1967 was 68. By 1972, however, the average segregation index was smaller in the South, 53, than in the North and West, where it was 58. In 1967 the standard deviation for segregation scores was low in the South since southern districts all had similar levels of segregation. By contrast, the standard deviation for the South in 1972 was high, 26, indicating wide variations among southern districts in their levels of segregation. Those southern districts operating under court orders had low segregation indices—frequently under 25—while those not under such court orders in 1972—including Dallas, Houston, and Louisville—had indices exceeding 80.

IV. School and residential segregation within districts

Outside the South, we would expect a correspondence between a city's racial residential segregation index and its school segregation index since school attendance zones are often drawn on a neighborhood basis. It is more difficult to anticipate the relationship in the South. In 1954, southern schools were segregated regardless of whether or not racial residential segregation was present.[67] By the late 1960's, some of the South's larger, urban school districts adopted the neighborhood schools concept [68] prevalent in the urban districts in the North. Others, however, retained dual systems with a slight sprinkling of blacks in the white schools resulting from

Footnotes at end of article.

the use of pupil placement plans [69] or freedom-of-choice plans.[70]

To determine the linkage between school segregation and residential segregation, school segregation indices of 94 cities (the 61 northern and 33 southern cities for which residential information was available) for 1972 were compared to the residential segregation indices for 1970 of the same cities. This analysis, shown in Figure 6,[71] indicates that there is no relationship between the extent of school segregation and residential segregation in the South—cities with high residential segregation scores were no more likely to have large school segregation scores than cities whose neighborhoods were relatively integrated. The slight relationship between school and residential segregation in the South that existed in 1967 has disappeared, undoubtedly because of the activity of federal courts, which have ordered school integration in many cities where blacks and whites are highly segregated by residence. These districts include Asheville, North Carolina,[72] Norfolk [73] and Richmond, [74] Virginia, and Oklahoma City, Oklahoma.[75] At the other extreme, public schools in Baltimore, Dallas, and St. Louis were highly segregated, reflecting their high degree of residential segregation, since these districts were not operating in 1972 under federal court orders requiring massive integration.[76]

The northern city districts, however, do show a moderate relationship between residential and school segregation. Where neighborhoods are highly segregated, schools tend also to be highly segregated; and the variance in residential segregation accounts for one-sixth of the variance in school segregation. Those school districts where the degree of school segregation is much less than was predicted on the basis of their level of residential segregation are districts which put massive integration plans into operation, curtailing the extent to which the neighborhood school concept of pupil assignment was used. These districts include Berkeley,[77] Evanston,[78] Evansville,[79] Harrisburg,[80] Pasadena,[81] Providence,[82] and San Francisco.[83] Northern districts whose levels of school segregation greatly exceeded what would be predicted from their residential segregation scores include Chicago—a city in which both federal courts and HEW have failed to integrate schools [84]—and Cleveland.

V. Causes of Residential Segregation

At the beginning of this article, it was noted that if parents desired neighborhood schools and if the Constitution requires integrated schools, then neighborhoods must be integrated. It is therefore appropriate to examine the causes of residential segregation and possibilities for change. In his concurring opinion in *Milliken v. Bradley*, Justice Stewart noted that there was a " 'growing core of Negro schools surrounded by a receding ring of white schools in Detroit' " and that this "predominantly Negro school population in Detroit" was "caused by unknown and perhaps unknowable factors such as in-migration, birth rates, economic changes, or cumulative acts of private racial fears. . . ." [85]

Many aspects of the trend toward residential segregation are known, however. For example, it is known that blacks made sizable economic gains during the 1960's and that by 1970 racial differences in occupation, income, and educational attainment were generally smaller than they were in previous decades.[86] It is also known that, despite economic gains, levels of residential segregation did not decline significantly.[87] Moreover, urban blacks report considerable dissatisfaction with their housing,[88] and few blacks report a preference for all black residential areas.[89] At the same time, a growing proportion of whites report a willingness to accept a black in their neighborhood; [90] in 1972, four-fifths of a national sample of whites said that it would make no difference if a Negro of similar education and income moved into their block.[91]

A committee appointed by the National Academy of Sciences to investigate residential patterns in the United States, observed that there were few stable interracial areas.[92] The committee concluded: [93]

"Today, in many metropolitan areas there are in fact two housing markets, not one. A web of institutional discrimination exists that reduces the "effective" supply, especially for nonwhite minorities. The institutional web, comprised of many interrelated components, ranges from the services of realtors, mortgage lenders, appraisers, and developers; to the laws, government regulations, and administrative and political behavior of government officials; to patterns and practices related to employment, schools, transportation, and community services."

The implications of this institutional web of discrimination have also been apparent to several judges in school integration cases outside of the South.[94] Courts have not, however, solved the problem of how to cut through this web.

CONCLUSION

The analyses undertaken in this article have indicated first, that neighborhoods in the United States are extensively segregated by race and there is no compelling evidence that residential segregation is significantly decreasing. Second, within many—but not all—metropolitan areas, the out-migration of a substantial proportion of white families of childbearing age is responsible in large part for the existence of central cities with large black populations and surrounding suburban rings with primarily white populations. Third, pressures from the federal government for school integration greatly increased during the last decade, significantly reducing the degree to which central city school districts are segregated. Analysis of 143 school districts has indicated that, on the average, the proportion of either black or white students that a district would have to shift to bring about the same racial composition in each of the schools in that district fell from 75 per cent in 1967 to 56 per cent in 1972. Those districts operating under court order, or which have voluntarily implemented integration plans, have segregation levels which are now dramatically lower than they were a decade ago. Intradistrict integration has proceeded most rapidly in the South, and today, on average, schools in that region are less racially segregated than schools in the North and West.

This article has attempted to address the relationship between residential segregation and school segregation. As the indices of school segregation given in Figures 5 and 6 have shown, schools can be integrated despite the existence of very high levels of residential segregation. However, residential segregation makes school integration more difficult to accomplish, and as the proportion of black students in large school districts increases, it will become necessary to bus more and more children longer distances to achieve integration of the schools.

Furthermore, the growing concentration of blacks in central cities, and the almost exclusively white school populations in the suburban rings, means that further court orders directed only to the central city will have limited impact. Public school enrollments in many of the largest cities are predominantly black and thus complete intradistrict integration in Chicago, Cleveland, Detroit, and Philadelphia would result in integrated schools which would be about three-fifths black; in Atlanta and New Orleans, such desegregated schools would be four-fifths black. The general trend toward outmigration of both whites and blacks and the decline in birth rates mean that both black and white enrollments in central city public schools will decline. The decline, however, will be greater among whites than blacks, meaning that integrated central city schools will enroll fewer and fewer white students.

When cities and their suburban rings are consolidated into single school districts—as is the case with the Miami-Dade County (Florida) school district, the Nashville-Davidson County (Tennessee) school district, and the Charlotte-Mecklenburg (North Carolina) school district—intradistrict integration will not lead to predominately black central city schools. The recent Supreme Court decision in the case of Detroit and its suburbs suggests, however, that courts may have no power to *compel* such consolidations.[95] Thus the opportunity for achieving integrated schools by combining central city and suburban areas may only occur in the case of voluntary consolidations.

As the data have indicated, court-ordered or voluntary desegregation plans confined to the central city initially have a substantial impact on the degree of school integration, even though residential segregation remains firmly entrenched. However, as long as present demographic trends continue with the pupil population of the many cities becoming increasingly black, implementation of such plans will have limited impact on the extent of school segregation. On the other hand, even if courts were willing to order integration on a metropolitan-wide basis, because of the extensive residential segregation both within the central city and between the city and the suburban ring—for what seem to be all too "knowable" factors of "institutional discrimination"—such integration of the schools could be accomplished only by sacrificing the neighborhood school concept.

FOOTNOTES

[1] The definitive work was written by Karl and Alma Taeuber based on data from the Census of 1960. K. TAEUBER & TAEUBER, NEGROES IN CITIES (1965). After reviewing a variety of proposed measures, the Taeubers selected an index which they identified as *delta* or the index of dissimilarity. It takes as its standard the racial composition of a city or metropolitan area, and then compares the racial composition of subareas—usually city blocks or census tracts—to the racial composition of the entire city or metropolitan area.

In each subarea, i, suppose there are w_i whites and n_i blacks. The entire city or metropolitan area contains W whites and N blacks. The index of dissimilarity is calculated as follows:

$$\frac{1}{2}\Sigma_i\left|\frac{n_i}{N}-\frac{w_i}{W}\right|$$

See id. at 236, app. A.

[2] The indexes in Figure 1 were computed from 1970 Census data.

[3] The small values of the standard deviations of the indices given in Figure 1 indicate that the residential segregation scores are clustered around the high values.

[4] The three cities were Cambridge, Massachusetts, and Camden and East Orange, New Jersey.

[5] *See* N. KANTROWITZ, ETHNIC AND RACIAL SEGREGATION IN THE NEW YORK METROPOLIS 19, Table 2.2. (1973); K. TAEUBER & A. TAEUBER, *supra* note 1, at 55–62; Hermalin & Farley, *The Potential for Residential Integration in Cities and Suburbs: Implications for the Busing Controversy*, 38 AM. SOCIOLOGICAL REV. 595, 607, Table 7 (1973).

[6] These indexes of dissimilarity were calculated from census tract data.

[7] These indexes were computed using census data for 1970 from the Indiana and Illinois portions of the Chicago urbanized area. This area includes 3.4 million residents of Chicago and 2.8 million who lived in the suburban ring. 1 U.S. BUREAU OF THE CENSUS,

DEP'T OF COMMERCE, 1970 CENSUS OF POPULATION: CHARACTERISTICS OF THE POPULATION, pt. 15, at 60, Table 12 (1973).

[8] N. KANTROWITZ, *supra* note 5.

[9] *Id.*

[10] *Id.*

[11] K. TAEUBER & A. TAEUBER, *supra* note 1, at 44, Table 5.

[12] A. SORENSEN, K. TAEUBER, & J. HOLLINGSWORTH, INDEXES OF RACIAL RESIDENTIAL SEGREGATION FOR 109 CITIES IN THE UNITED STATES, 1940–1970, at 7 (Studies in Racial Segregation No. 1, 1974). Changing values of indexes of dissimilarity must be interpreted with caution. With the rapid growth of the black population in central cities, many neighborhoods experience a relatively slow transition from all white to all black. Thus these will be reported as "integrated neighborhoods" for a few years during the transition, and an increase in the number of such transitional neighborhoods will produce a lower index value during these years despite the fact that at the end of the transition residential segregation may be as great as before.

[13] D. PRICE, CHANGING CHARACTERISTICS OF THE NEGRO POPULATION 9, 11, Tables I–1 & I–3 (1969).

[14] 1 U.S. BUREAU OF THE CENSUS, DEP'T OF COMMERCE, 1970 CENSUS OF POPULATION: CHARACTERISTICS OF THE POPULATION, pt. 1, at 279–80, Table 54 (1973). The Census Bureau uses the term "urbanized area" to refer to a large central city and its contiguous densely settled suburban fringe. *See* 1 H. SHRYOCK & J. SIEGEL, THE METHODS AND MATERIALS OF DEMOGRAPHY 1960–61 (1973). In most areas of the country, municipal, county, and school district boundaries are not coterminous with the boundaries of an urbanized area.

[15] 1 U.S. BUREAU OF THE CENSUS, *supra* note 14, at 281, Table 55; U.S. DEP'T OF COMMERCE, CURRENT POPULATION REPORTS: SPECIAL STUDIES 11, Table 2 (Bureau of the Census Series P–23, No. 48, 1974).

[16] Figure 2 shows the percentage of the total central city and suburban population for 1960 and 1970 that is black. In the New York, Los Angeles, Chicago, San Francisco, and Minneapolis urbanized areas, the Bureau of the Census designated more than one central city. The data in Figure 2, and in subsequent figures, are derived from the sum of all central cities in an urbanized area.

[17] *See* L. SCHNORE, CLASS AND RACE IN CITIES AND SUBURBS (1972); Schnore, *Urban Structure and Suburban Selectivity*, 1 DEMOGRAPHY 164 (1964); Schnore, *The Socio-Economic Status of Cities and Suburbs*, 28 AM. SOCIOLOGICAL REV. 76 (1963).

[18] U.S. DEP'T OF COMMERCE, CURRENT POPULATION REPORTS: SPECIAL STUDIES 11, Table 4 (Bureau of the Census Series P–23, No. 48, 1974).

[19] *Id.*; André, Schnore, & Sharp, *Black suburbanization, 1930–70*, 80 AM. J. SOCIOLOGY (forthcoming 1975); Taeuber, *The Changing Distribution of the Population of the United States in the Twentieth Century*, in 5 COMMISSION ON POPULATION GROWTH AND THE AMERICAN FUTURE, POPULATION DISTRIBUTION AND POLICY 83 (S. Mazie ed. 1972).

[20] Rose, *The All-Negro Town: Its Evolution and Function*, 55 GEOGRAPHICAL REV. 362 (1965); S. SUTKER & S. S. SUTKER, RACIAL TRANSITION IN THE INNER SUBURBS (1974); Farley, *The Changing Distribution of Negroes Within Metropolitan Areas; the Emergence of Black Suburbs*, 75 AM. J. SOCIOLOGY 512 (1970).

[21] U.S. BUREAU OF THE CENSUS, DEP'T OF COMMERCE, 1970 CENSUS OF POPULATION AND HOUSING: GENERAL DEMOGRAPHIC TRENDS FOR METROPOLITAN AREAS, 1960 to 1970—UNITED STATES SUMMARY 62–68, Table 12 (1971). The term "net migration" refers to the total increase or decrease in the population of an area, less the number of persons projected to be added to the area from the natural increase of the population.

[22] Figure 2, at pp. 170–71 *supra*.

[23] Figure 3, at pp. 172–73 *supra*.

[24] U.S. DEPT. OF COMMERCE, CURRENT POPULATION REPORTS: POPULATION ESTIMATES AND PROJECTIONS 2, Table 1 (Bureau of the Census Series P–25, No. 511, 1974).

[25] 1 U.S. BUREAU OF THE CENSUS, DEP'T OF COMMERCE, 1970 CENSUS OF POPULATION: CHARACTERISTICS OF THE POPULATION, pt. 24, at 100, Table 24 (1973).

[26] U.S. DEP'T OF COMMERCE, CURRENT POPULATION REPORTS: POPULATION CHARACTERISTICS 3, Table 1 (Bureau of the Census Series P–20, No. 261, 1974).

[27] 1 U.S. BUREAU OF THE CENSUS, DEP'T OF COMMERCE, 1970 CENSUS OF POPULATION: CHARACTERISTICS OF THE POPULATION, pt. 40, at 371–72, 435–36, Tables 83 and 91 (1973).

[28] *See* Figure 1, at p. 166 *supra*.

[29] *See* Figures 2 and 3, at pp. 170–73 *supra*.

[30] K. TAEUBER AND A. TAEUBER, *supra* note 1, at 78–95.

[31] Hermalin & Farley, *supra* note 5, at 605–08.

[32] For evidence concerning school segregation prior to 1967, see 2 U.S. COMMISSION ON CIVIL RIGHTS, RACIAL ISOLATION IN THE PUBLIC SCHOOLS 12–19, Table A–3 (1967).

[33] 347 U.S. 483 (1954).

[34] *See* G. ORFIELD, THE RECONSTRUCTION OF SOUTHERN EDUCATION 15–32 (1969); J. PELTASON, FIFTY-EIGHT LONELY MEN 114–15 (1961); U.S. BUREAU OF THE CENSUS, DEP'T OF COMMERCE, 1972 STATISTICAL ABSTRACT OF THE UNITED STATES, 118 (1972).

[35] 42 U.S.C. § 2000 (1970).

[36] *Id.* §2000c–6.

[37] *Id.* §2000d–1.

[38] 20 U.S.C. § 241a *et seq* (1970). *See also* 42 U.S.C. § 2000d–5 (1970).

[39] *See* G. ORFIELD, *supra* note 34, at 94.

[40] U.S. OFFICE OF EDUCATION, DEP'T OF HEALTH, EDUCATION, & WELFARE, GENERAL STATEMENT OF POLICIES UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 RESPECTING DESEGREGATION OF ELEMENTARY AND SECONDARY SCHOOLS (1965). The Fifth Circuit Court of Appeals in effect adopted the HEW guidelines as minimum standards in Singleton v. Jackson Municipal Separate School Dist., 348 F.2d 729, 730–31 (5th Cir. 1965) (Singleton I), and Singleton v. Jackson Municipal Separate School Dist., 355 F.2d 865, 869 (5th Cir. 1966) (Singleton II). *See also* Read, *Judicial Evolution of the Law of School Integration Since* Brown v. Board of Education, 39 LAW & CONTEMP. PROB. no. 1, at 7, 20 (1975).

[41] *See* U.S. OFFICE OF EDUCATION, *supra* note 40, at 87–102, 142–50, 338–39. *See also* Read, *supra* note 40, at 20–22.

[42] 391 U.S. 430 (1968).

[43] 396 U.S. 19 (1969).

[44] 413 U.S. 189 (1973).

[45] 402 U.S. 1 (1971).

[46] *Id.* at 25, 29.

[47] 42 U.S.C. § 2000c–1 (1970); Pub. L. No. 88–352, § 402, 78 Stat. 247 (1964).

[48] The 85 northern districts and the 58 southern districts selected for this analysis met the following criteria: (1) The city associated with the school district had a total population of 100,000 or more in 1970. Seventeen cities under 100,000 for which residential segregation scores were available were also included. In most states, city school district boundaries are coterminous with the boundaries of the municipality. In some southern states, however, the city school district is coterminous with the entire county. The Charlotte-Mecklenburg school district, for example, includes both the city of Charlotte and Mecklenburg County, North Carolina. (2) Data concerning school segregation were available for the years 1967, 1970, and 1972. The district of Detroit provided 1966 data rather than 1967 and eight other districts provided 1968 data rather than 1967. (3) At least 3 per cent of the district's public school enrollment was black.

[49] *See* U.S. DEP'T OF COMMERCE, CURRENT POPULATION REPORTS: SPECIAL STUDIES (Bureau of the Census Series P–23, No. 48, 1974).

[50] This index, used for measuring racial residential segregation, is discussed in note 1 *supra*. When used to measure school segregation, the index of dissimilarity compares the racial composition of individual schools to the racial composition of the entire school district. The numerical value of the index represents the proportion of either white students or black students who would have to be shifted from one school to another to effect complete integration of the schools in the district. If a school district were completely integrated so that all schools had the same racial composition, the value of the index would be zero. If, on the other hand, school segregation were so pervasive that all students attend racially homogeneous schools, the index would assume its maximum value, 100. Thus low values indicate that there is little school segregation while high values indicate extensive school segregation.

[51] The Shreveport index is derived from data for Caddo Parish rather than being limited to the city itself.

[52] 311 F. Supp. 265 (W.D.N.C.), *aff'd in part and vacated and remanded in part*, 431 F.2d 138 (4th Cir.), *dist. ct. order reinstated pending further proceedings*, 399 U.S. 926, *aff'd as to part aff'd by ct. of app. and aff'd dist. ct. order stemming from remand*, 402 U.S. 1 1970).

[53] 311 F. Supp. at 267–68. On appeal, the United States Supreme Court approved the use of such racial quotas as "a starting point in the process of shaping a remedy, rather than an inflexible requirement." 402 U.S. at 25. However, the Court went on to say:

"If we were to read the holding of the District Court to require, as a matter of substantive constitutional right, any particular degree of racial balance or mixing, that approach would be disapproved and we would be obliged to reverse. The constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole."

402 U.S. at 24.

[54] 12 INTEGRATED EDUCATION 13 (September-October, 1974).

[55] For results of similar studies see Farley & Taeuber, *Racial Segregation in the Public Schools*, 79 AM. J. SOCIOLOGY 888 (1974); Rossell, *Measuring School Desegregation*, in POLITICAL STRATEGIES IN NORTHERN SCHOOL DESEGREGATION 171–182 (D. Kirby, T. Harris, R. Crain, & C. Rossell eds. 1973); Farley, *Racial Integration in the Public Schools, 1967 to 1972: Assessing the Effect of Governmental Policies*, 8 SOCIOLOGICAL FOCUS 1 (1975).

[56] *See* U.S. COMMISSION ON CIVIL RIGHTS, THE DIMINISHING BARRIER: A REPORT ON SCHOOL DESEGREGATION IN NINE COMMUNITIES 16–22 (1972).

[57] *See* H. Pfautz, Providence, R.I.: The Politics of School Desegregation (1968) (unpublished manuscript on file with the Dep't of Sociology, Brown University).

[58] *See* Hickerson, *Integrated vs. Compensatory Education in Riverside-San Bernardino Schools*, in SCHOOL DESEGREGATION IN THE NORTH 116, 123–25 (T. Edwards & F. Wirt eds. 1967).

[59] *See* Johnson v. San Francisco Unified School Dist., 339 F. Supp. 1315 (N.D. Cal. 1971). *See also* 3 RACE RELATIONS LAW SURVEY 141 (1971).

[60] *See* Dowell v. Board of Educ., 465 F.2d 1012 (10th Cir.), *cert. denied*, 409 U.S. 1041 (1972).

[61] *See* Mims v. Duval County School Bd., 447 F.2d 1330 (5th Cir. 1971).

[62] *See* Kelley v. Metropolitan County Bd. of Educ., 463 F.2d 732 (6th Cir.), *cert. denied*, 409 U.S. 1001 (1972).

[63] *See* U.S. COMMISSION ON CIVIL RIGHTS, *supra* note 56, at 23-28 (Harrisburg, Pa.); Fort, *Decision Making in the Sacramento De Facto Segregation Crisis*, in SCHOOL DESEGREGATION IN THE NORTH, *supra* note 58, 77-115 (Sacramento, Cal.).

[64] *See* Rossell, *supra* note 55.

[65] For an excellent analysis of the reaction of the Fifth Circuit Court of Appeals to foot-dragging by school districts and lower federal courts, see Read, *Judicial Evolution of the Law of School Integration Since* Brown v. Board of Education, *supra* note 40, at 18-20.

[66] *See* J. BOLNER & R. SHANLEY, BUSING: THE POLITICAL AND JUDICIAL PROCESS 193-95 (1974); C. WILLIE, RACE MIXING IN THE PUBLIC SCHOOLS ch. 2 (1973); Coleman, *Foreword: Three Phases of School Integration*, in AFFIRMATIVE SCHOOL INTERGATION 5-6 (R. Hill & M. Feeley eds. 1967).

[67] Green v. County School Bd. of New Kent County, 391 U.S. 430, 432 (1968), represents a situation where there is *no* residential segregation (New Kent County being a rural county in Eastern Virginia), but where there was *total* school segregation through 1965.

[68] Charlotte, for instance, adopted a neighborhood system in the mid 1960's but freely permited parents to transfer their children. U.S. COMMISSION ON CIVIL RIGHTS, FIVE COMMUNITIES; THEIR SEARCH FOR EQUAL EDUCATION 34 (1972). *Cf.* Swann v. Charlotte-Mecklenburg Bd. of Educ., 306 F. Supp. 1299, (W.D. N.C. 1967).

[69] Pupil placement plans allowed school authorities initially to assign students to the schools maintained for their race. Each application for reassignment to schools of the opposite race was considered in light of various nonracial factors, *e.g.*, availability of staff or transportation, curricula suitable for the individual pupil's abilities and academic preparation, the psychological effect the assignment would have on the pupil, and his morals, conduct, home environment and health. Such plans were declared constitutionally permissible in Shuttlesworth v. Birmingham Bd. of Educ., 358 U.S. 101 (1958), *aff'g* 162 F. Supp. 372 (N.D. Ala. 1958). However, even Circuit Judge Rives, the author of the lower court opinion in *Shuttlesworth* (heard by a three-judge district court), recognized that the law easily could be applied unconstitutionally and that in that event it would be struck down. 162 F. Supp. at 381-82. Later, when it finally became clear that the sole purpose of such plans was to frustrate desegregation, they were enjoined. *See* Read, *supra* note 40, at 19.

[70] Freedom-of-choice plans were designed, thereoretically, to desegregate by allowing each student to attend the school he personally chose, limited only by the dimensions of the school district, the nature of the school, and the physical capacity of the school. *See* Read, *supra* note 40, at 19. Generally, however, they achieved no sizeable integration, as illustrated by the New Kent County, Virginia school system where a freedom-of-choice plan in effect between 1965 and 1968 resulted in no whites attending the formerly black high school and only 15 per cent of the county's black students enrolling in the formerly all-white high school. This result caused the Supreme Court to strike down freedom-of-choice plans which failed to achieve integration in Green v. County School Bd. of New Kent County, 391 U.S. 430 (1968). *See* Read, *supra* note 40, at 28-29.

[71] Farley, *supra* note 55, at Table 4.

[72] *See* Allen v. Asheville City Bd. of Educ., 434 F. 2d 902 (4th Cir. 1970).

[73] *See* Brewer v. School Bd., 397 F. 2d 37 (4th Cir. 1968).

[74] *See* Bradley v. School Bd. of City of Richmond, 317 F. Supp. 555 (E.D. Va. 1970).

[75] *See* Dowell v. Board of Educ., 338 F. Supp. 1256 (W.D. Okla.) *aff'd*, 465 F. 2d 1012 (10th Cir.), *cert. denied*, 409 U.S. 1041 (1972).

[76] The residential and school segregation scores for these cities, given in Figures 1 and 5, at p. 166 & pp. 180-83 *supra*, are as follows:

	Residential (1970)	*School* (1972)
Baltimore	89	89
Dallas	96	89
St. Louis	90	92

[77] *See* Freudenthal, *Berkeley High Schools Integrate*, in SCHOOL DESEGREGATION IN THE NORTH, *supra* note 58, at 49-64; Hayman, *Berkeley*, in AFFIRMATIVE SCHOOL INTEGRATION 21-31 (R. Hill & M. Feeley eds. 1967).

[78] *See* U.S. COMMISSION ON CIVIL RIGHTS, *supra* note 56, at 16-22; Coons, *Evanston*, in AFFIRMATIVE SCHOOL INTEGRATION, *supra* note 77, at 14-20.

[79] *See* CENTER FOR NATIONAL POLICY REVIEW, JUSTICE DELAYED & DENIED 99-101 (1974).

[80] *See* U.S. COMMISSION ON CIVIL RIGHTS, *supra* note 56, at 23-28.

[81] *Cf.* Spangler v. Pasadena City Bd. of Educ., 427 F.2d 1352 (9th Cir. 1970), *cert. denied*, 402 U.S. 943 (1972); Spangler v. Pasadena City Bd. of Educ., 311 F. Supp. 501 (C.D. Cal. 1970).

[82] *See* H. Pfautz, *supra* note 57.

[83] *See* Johnson v. San Francisco Unified School Dist., 339 F. Supp. 1315 (N.D. Cal. 1971).

[84] *See* CENTER FOR NATIONAL POLICY REVIEW, *supra* note 79, at 7-10; G. ORFIELD, *supra* note 34. at ch. 4.

[85] Milliken v. Bradley, 418 U.S. 717, 756 n.2. (1974). Judge Craven, speaking for the majority in the Richmond metropolitan area case, had earlier used almost these identical words. Bradley v. School Bd. of City of Richmond, 462 F.2d 1058, 1064 (4th Cir. 1972) *aff'd by an equally divided Court*, 412 U.S. 92 (1973). *See also* Craven, *The Impact of Social Science Evidence on the Judge: A Personal Comment*, 39 LAW & CONTEMPT. PROB. no. 1, at 150, 155 (1975).

Interestingly, however, the Supreme Court, in two major school desegregation cases preceding *Milliken v. Bradley*, has implied that various school board policies which have the effect of maintaining racially segregated schools may have an impact on residential patterns. The "earmarking" of schools as black or white may have a "reciprocal effect":

"People gravitate toward school facilities, just as schools are located in response to the needs of people. The location of schools may thus influence the patterns of residential development of a metropolitan area and have important impact on composition of inner-city neighborhoods."

Swann v. Charlotte-Mecklenburg Bd. of Educ., 402 U.S. 1, 20-21 (1971). *See also* Keyes v. School Dist. No. 1, 413 U.S. 189, 200 (1973).

[86] Farley & Hermalin, *The 1960s: A Decade of Progress for Blacks?*, 9 DEMOGRAPHY 353, 354-65 (1972). *See* U.S. BUREAU OF LABOR STATISTICS, DEP'T OF LABOR, BULL. No. 1699, BLACK AMERICANS: A CHARTBOOK 39 (1971). As Figure 4, at pp. 75-76 *supra*, indicates, the economic status of blacks does not account for their residential segregation from whites.

[87] A. SORENSEN, K. TAEUBER & J. HOLLINGSWORTH, *supra* note 12.

[88] *See* Campbell & Schuman, *Racial Attitudes in Fifteen American Cities*, in THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS, SUPPLEMENTAL STUDIES FOR THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS 23, Table II-m (1968); 3 G. Gallup, THE GALLUP POLL 2037, 2195 (1972).

[89] O. DUNCAN, H. SCHUMAN, & B. DUNCAN, SOCIAL CHANGE IN A METROPOLITAN COMMUNITY 108, Table 48 (1973); Pettigrew, *Attitudes on Race and Housing: A Social-Psychological View*, in SEGREGATION IN RESIDENTIAL AREAS 21, 44-45, Table (A. Hawley & V. Rock eds. 1973). *See also* Campbell & Schuman, *supra* note 88, at 16, Table II-6.

[90] O. DUNCAN, H. SCHUMAN, & B. DUNCAN, *supra* note 89, at 99, Table 41.

[91] NATIONAL OPINION RESEARCH CENTER, NATIONAL DATA PROGRAM FOR THE SOCIAL SCIENCES 36 (1972).

[92] SOCIAL SCIENCE PANEL, NATIONAL ACADEMY OF SCIENCES, FREEDOM OF CHOICE IN HOUSING (1972).

[93] *Id.* at 20.

[94] In *Bradley v. Milliken*, Judge Roth pointed out that residential segregation within the city of Detroit and throughout the metropolitan area is "substantial, pervasive and of long standing." 338 F. Supp. 582, 586 (E.D. Mich. 1971), *aff'd*, 484 F.2d 215 (6th Cir. 1973), *rev'd*, 418 U.S. 717 (1974). In attempting to explain this phenomenon, Judge Roth continued:

"While the racially unrestricted choice of black persons and economic factors may have played some part in the development of this pattern of residential segregation, it is, in the main, the result of past and present practices and customs of racial discrimination, both public and private, which have and do restrict the housing opportunities of black people. . . .

"Governmental actions and inaction at all levels, federal, state and local, have combined, with those of private organizations, such as loaning institutions and real estate associations and brokerage firms, to establish and to maintain the pattern of residential segregation throughout the Detroit metropolitan area."

338 F. Supp. at 586-87.

Judge Keith, whose order integrated the schools in Pontiac, Michigan, in considering the role of the school board when confronted with the development of a residentially segregated pattern in that city, also touched on these factors:

A Board of Education simply cannot permit a residential segregated situation to come about and then blithely announce that for a Negro student to gain attendance at a given school all he must do is live within the school's attendance area. To rationalize thusly is to be blinded to the realities of adult life with its prejudices and opposition to integrated housing.

Davis v. School Dist., 309 F. Supp. 734, 742 (E.D. Mich. 1970), *aff'd*, 443 F.2d 573 (6th Cir.), *cert. denied*, 404 U.S. 913 (1971).

[95] Milliken v. Bradley, 418 U.S. 717 (1974). *See also* Bradley v. School Bd. of City of Richmond, 462 F.2d 1058 (4th Cir. 1972), *aff'd by an equally divided Court*, 412 U.S. 92 (1973). *But see* Newburg Area Council v. Board of Educ. of Jefferson County, 510 F.2d 1358 (6th Cir. 1974) (consolidated with Haycraft v. Board of Educ. of Louisville).

[New York Times, Apr. 19, 1976]

BLACKS AND PUERTO RICANS A BRONX MAJORITY

(By Charles Kaiser)

New York City's white population declined by more than 600,000 between 1970 and 1975, according to an analysis of United States Census figures. During that period the Bronx became the first borough in the city's history with a majority black and Puerto Rican population, the figures showed.

At the same time, the city's black population increased by only 30,000. According to population experts, this means that the number of blacks leaving New York now exceeds the number of blacks moving into the city. The increase is attributable to more black births than deaths in the last five years.

These were among dozens of findings of an analysis by The New York Times of a 1975

United States Census Bureau survey that was conducted on behalf of the city's Housing and Development Administration. Based on data from 17,000 "housing units," the survey indicated that the city's total population had declined by more than 400,000 to about 7.5 million.

We're losing the white middle class, but we're getting a larger black middle class all the time," said Dr. Frank S. Kristof, director oi economics and housing finance for the New York State Urban Development Corporation. "That makes losing the white middle class not quite as noticeable as it otherwise would be."

However, Dr. Kristof added that the increase in the size of the black middle class had been temporarily interrupted by the recession.

Louis Winnick, director of urban and metropolitan development at the Ford Foundation, predicted that in the next 10 years the city would "keep breaking up into a network of strong pockets," with whites remaining in areas like Greenwich Village, the Upper West Side, and Brooklyn Heights.

"Virtually every other borough (except Manhattan) will become more Spanish, but enclaves will remain," Mr. Winnick said.

CAUSES LISTED

The loss of more than 600,000 whites between 1970 and 1975 was nearly as large as the decline in white population in the previous 10 years, indicating a sharply increased rate of "white flight" during the most recent period. Dr. Kristof and others cited the following principal causes:

Young families moving to the suburbs, partly because of the city's deteriorating schools. This trend has been apparent since World War II, and now appears to be declining in intensity, because of the rising costs of suburban homes.

Young people moving out of the region. The trend has accelerated in the entire Northeast because of the loss of job opportunities.

Elderly people, of whom a much larger proportion are now able to retire, moving to the suburbs and out of the region.

62 PCT WHITE

The 1975 survey was broken down by borough into four different categories: white non-Puerto Rican, Negro non-Puerto Rican, Puerto Rican, and "other races," such as Orientals and American Indians.

The Puerto Rican and "other races" categories were the only ones to show substantial increases, each of about 100,000 people. Nevertheless, the Puerto Rican rate of increase is sharply reduced in comparison with the 1960's.

The city as a whole is now approximately 62 percent white, 22 percent black, 12 percent Puerto Rican and 4 percent other races. The comparable figures in 1970 were 67 percent, 21 percent, 10 percent and 2 percent.

NEW YORK CITY—POPULATION GAINS AND LOSSES

Whites, 1970	5,304,383
Whites, 1975	4,641,056
	−663,327
Blacks, 1970	1,615,348
Blacks, 1975	1,644,494
	+29,146
Puerto Ricans, 1970	811,843
Puerto Ricans, 1975	912,824
	+100,981
Other, 1970	177,906
Other, 1975	279,340
	+101,434

"It's what you would expect in the case of the blacks, because we do know that black migration from the South has been decreasing fairly rapidly," said Larry Long, who is chief of the population-analysis staff of the Census Bureau.

"For the South as a whole—from Maryland to Texas—there are about as many black moving to the region as moving from the region," Mr. Long said. "That's been the case only since 1970."

He added that the reduction in the rate of increase in the city's Puerto Rican population was consistent with the Census Bureau's finding last year that more Puerto Ricans were now moving back to Puerto Rico than were leaving the island.

Representative Herman Badillo, Democrat of the Bronx, attacked the 1975 figures as the latest example of what he said he believed was a consistent undercount of Puerto Ricans and other Spanish-speaking people in New York.

"It's way too low," Mr. Badillo said of estimates for Puerto Ricans. He said there were 1.5 million Spanish-speaking residents in New York, including illegal aliens, compared with the 912,000 Puerto Ricans estimated by the Census Bureau. The Congressman cited a City University study saying that the official 1970 figures might have undercounted Puerto Ricans by as much as 25 percent.

QUEENS AREAS CITED

Several population experts were skeptical about the latest figures for Queens, which indicated an increase of only 20,000 Puerto Ricans in the borough, or a total of 16 percent of its population.

Dr. Krist said there had been a rapid increase in the number of Puerto Ricans and other Hispanic residents in the last five years in the Jackson Heights, Corona and Flushing sections of the borough.

While the Bronx experienced a net decline of more than 170,000 whites in the last five years, leaving it with a 44 percent white population, Brooklyn experienced the single largest decline in whites, nearly 240,000.

Mr. Winnick said there was no longer any questions that Brooklyn, which is currently 58 percent white, would eventually become predominantly black and Spanish-speaking. "But will it become middleclass black and Spanish?" he asked. The city can live "very well" with a middle-class minority-group population, Mr. Winnick said.

SIMILAR PATTERN

City officials pointed out that even as Brooklyn was losing a large number of whites, the opposite trend was still discernible in the brownstone neighborhoods of Fort Greene, Park Slope, Cobble Hill and Boerum Hill, where the white populations were increasing.

"The same thing is happening in other cities in a 'row-house' stock," said one housing official. "People have been looking at all of the negative things going on, but very few people have been looking at some of the positive things."

While Manhattan lost 125,000 whites between 1970 and 1975, it was the only borough to experience a net decline in black population—nearly 90,000. As a result, there were only small changes in the proportions of different races living in Manhattan, which now stand at 58 percent white, 21 percent black, 14 percent Puerto Rican and 7 percent other races.

NONURBAN MANPOWER PLANNING: BARRIERS TO RURAL IMPLEMENTATION OF CETA

Mr. HUMPHREY. Mr. President, last week the Joint Economic Committee held a day of hearings on how well the job training and employment programs under the Comprehensive Employment and Training Act have worked. For the most part, these programs have done an excellent job of providing disadvantaged and unskilled workers with the work experience and new job skills they need to compete effectively in the job market.

But there is one aspect of CETA which has not been very well explored, and that is the problems we are having with implementing CETA programs in rural areas.

Right now, CETA is primarily an urban program geared to bring disadvantaged urban workers into the mainstream of the American economy. But there is widespread rural poverty in this Nation, and disadvantaged rural residents also need economic help.

According to Dr. John L. Mori, assistant administrator of the Manpower Department in La Salle County, Ill., rural communities are having a difficult time implementing CETA programs.

Dr. Mori recently published an article on "Nonurban Manpower Planning: Barriers to Rural Implementation of CETA" in the August 1975 issue of Adherent, A Journal of Comprehensive Employment Training and Monpower Development, pointing out some of these problems. Here are some of his observations:

First. Difficulties are created by the tendency of CETA directives and guidelines to be geared to the manpower needs of metropolitan areas rather than to those of rural areas or small towns;

Second. With the disadvantaged being neither vocal or visible in rural areas, relatively few nondisadvantaged persons within the rural community are likely to be much aware of a structural lower class in need of job training or employment assistance;

Third. Many small towns are deeply rooted in the past; tradition is strong; and resistance to change is greater than in metropolitan areas. CETA, as with any new program, is apt to be regarded with doubt and distrust;

Fourth. CETA prime sponsors often find themselves caught between performance standards for programs set nationally, involving target populations, et cetera, and the needs of their own localities;

Fifth. The problems faced by prime sponsors in small towns and rural areas are not miniatures of those confronting urban prime sponsors. They are qualitatively very different, because the demographic, social and economic patterns in urban and nonurban areas are vastly different.

We cannot solve rural poverty with urban programs; CETA must become more responsive to the needs of our small towns and rural communities.

Mr. President, I ask unanimous consent that Dr. Mori's article be printed in the RECORD.

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

NONURBAN MANPOWER PLANNING: BARRIERS TO RURAL IMPLEMENTATION OF CETA

(By John L. Mori)

The Comprehensive Employment and Training Act (CETA) is being talked about in many circles today; but CETA programs serving small towns and rural areas have drawn scant discussion. Such programs in-

clude those operated by prime sponsors in minimum-sized jurisdictions and "balance-of-State" programs through which States provide CETA services to remote rural areas.

Perhaps such programs are receiving relatively little attention because they will receive a relatively small proportion of total CETA funds. Yet, the ultimate nationwide success of the CETA concept will depend partly on the ability of CETA program administrators to deliver effective manpower services to needy residents of nonmetropolitan areas.

Several problems appear to be endemic to nonurban CETA operations because of the scale of the programs and the structures of the communities in which they operate. Other difficulties are created by the tendency of CETA directives and guidelines to be geared to the manpower needs of metropolitan areas rather than to those of rural areas or small towns. Together, such problems create a unique network of obstacles for the administrators of nonurban programs.

Two major problems facing nonmetropolitan CETA programs are the extensiveness of the jurisdictions they serve and the population distribution within those jurisdictions. In nonurban areas, a relatively small population is dispersed over a wide geographic area. The prime sponsor jurisdiction encompassing La Salle County, Ill., for example, contains six major communities, each of 20,000 or less, separated by a minimum distance of 15 miles. Travel from the central office to the farthest towns is a 35-mile drive.

Such distances pose major logistics problems for outreach and screening operations, as well as for disadvantaged clients who must travel many miles for training, jobs, or supportive services not available in their own areas. Potential clients may be unable to travel such distances because they lack cars or driver's licenses or because of the time and expense involved. Thus, distance hampers efforts to attract potential clients and may contribute to high turnover or dropout rates.

Moreover, manpower program developers in jurisdictions that serve several communities must develop programs tailored to the needs and labor market demands of each community within the jurisdiction. A program that succeeds in one or two towns may fail in a third. Program development and administration are therefore complicated by the need for multiple efforts.

Another difficulty in nonurban areas is that the problems of the disadvantaged are often hard to see. The poor and minority groups are less concentrated—and therefore less visible—than in metropolitan areas, where the poor are clustered in ghetto areas or specific districts. Demographic patterns in nonurban areas also tend to prevent disadvantaged individuals from joining together to form vested-interest groups through which they could bring their problems to public attention and speak out on such specific difficulties as inadequate housing or lack of skills training.

With the disadvantaged being neither vocal nor visible, relatively few nondisadvantaged persons within the community are likely to be aware of a structural lower class. In fact, only professional workers at local social service agencies—provided such agencies exist—are likely to know how many disadvantaged persons live within the area and what their needs are. And even these professionals may not be aware of the extent or the precise nature of the problems faced by the poor because many small towns and rural areas do not have sound statistics about the employment status, income, and educational levels of local residents.

Lacking factual information about the the problems of the disadvantaged, the nondisadvantaged residents of small towns and rural areas are likely to hold points of view which conflict with those of manpower program administrators. For example, the prevailing sentiment in many communities is that people who want to work can find work. Conversely, the view is that people are poor because the lack the ambition and determination to earn decent incomes.

Of course, such opinion ignores structural poverty, class systems, and other barriers to self-improvement—barriers which manpower program administrators must bring to public attention if CETA is to gain community acceptance. Similarly, the majority of citizens in nonurban communities may fail to see that problems such as high crime and school dropout rates are at least partly a product of poverty. Instead, such problems are lumped together under the blanket assumption that the poor are "bad apples" with a tendency to be lazy, shiftless, and criminal.

The notion that the poor have only themselves to blame for their situation prompts many persons to look askance at programs dedicated to serving "disadvantaged, unemployed, and poor" individuals. Not surprisingly, disadvantaged persons themselves may be somewhat reluctant to be associated with such programs and may fear the possible stigma attached to participating in CETA efforts. Such attitudes post further challenges to efforts to reach those in need of help.

The social structure of small communities creates other difficulties for manpower program administrators. Many small towns are deeply rooted in the past; tradition is strong, and resistance to change is greater than in metropolitan areas. In this climate, CETA, already suspect because it runs counter to community opinion about the causes of poverty, is apt to be regarded with doubt and distrust.

The majority of persons in many less populated areas were born in those communities or nearby, as were their parents. Within this relatively closed social structure, family stereotyping is frequent. Many citizens in small towns and rural areas can easily name a few "problem families" whose members have received welfare assistance, committed crimes, suffered unemployment, demonstrated job irresponsibility, or violated other community standards.

CETA personnel often have a difficult time persuading employers to hire or train members of such families. In La Salle County, for example, supervisors approached by CETA job developers have asked whether clients who would be placed in such slots are members of specific families. The prospects for placement are slim for clients who are members of these families, or close relatives. Even local government officials have refused to hire specific individuals because of their family backgrounds and histories.

The result is that the small segment of the population that requires the most sustained and intensive assistance does not get support or encouragement from the community. Whole families are written off as a "lost cause," and the stereotypes become self-fulfilling prophecies.

Job development in small towns and rural areas also may be impeded by labor market conditions. Many sparsely populated areas are losing their most talented young people to larger population centers and are unable to attract new industries or to offer a wide range of occupational opportunities. CETA program administrators thus face the task of trying to place clients in a labor market characterized by lack of growth and limited occupational choices.

The economic and social structures of small towns and rural areas sometimes create another barrier to manpower programs—government conservatism. Many smaller towns and villages harbor general suspicion of the federal dollar. In one such community, CETA job developers were told by government officials that the town did not need any federal help. The same officials refused even to take part in a CETA summer jobs program.

In some cases, local government officials' reluctance to participate in manpower programs stems partly from staff and budget considerations. Many local governments possess a full work staff, enjoy very low turnover rates, and consider staff expansion unnecessary. Moreover, local government budgets are often modest and are unlikely to expand. Only a few clients, at best, can be placed in locally funded public service jobs in these communities.

Value patterns complicate placement of clients in public service jobs funded under Title II of CETA. Many local officials do not understand the potential benefits of employing disadvantaged persons for civic works. When manpower planners suggest this idea, local officials tend to show hesitancy and doubt, common reactions to activities viewed as disruptive to the stability and habits of local government operations.

Unfortunate experiences with the Emergency Employment Act also prompt some local officials to resist CETA. At the termination of the emergency jobs program, many local government units "inherited" individuals who had been hired with federal funds but who were not covered by local budget allocations. Some officials who faced this situation suspect that governmental units may similary be "struck" with persons placed in public service jobs under Title II of CETA.

In response to common community beliefs about the nature of the disadvantaged and reactions toward manpower programs, CETA administrators must expend a great deal of time, energy, and sensitive effort to convince local government officials, employers, the general community, and potential clients of the worth of CETA programs. This task is especially difficult in the many nonurban areas where CETA is the first major manpower effort ever to be undertaken.

Small towns and rural areas without a history of manpower programs generally have few program resources. La Salle County has never had an Opportunities Industrialization Center, a Jobs for Progress organization, a chapter of the National Alliance of Businessmen, a Work Incentive Program, a Concentrated Employment Program, or a Neighborhood Youth Corps. Only one major subcontractor—a community college offering traditional vocational courses on a semester basis—is available to provide skill training.

CETA administrators must therefore work from the ground up. Lacking program resources and good data about the local community, the disadvantaged, and both current and projected local manpower needs, nonurban prime sponsors must conduct new and complex manpower planning with imprecise knowledge of the areas they must serve and with no history of local manpower programs to look back upon.

In all likelihood, such handicaps will cause nonurban prime sponsors to be slower than their urban counterparts in designing and implementing effective local programs. This time lag worries many shall prime sponsors who feel they are doing as much as they can under the circumstances but fear that federal evaluations of CETA programs will find their efforts inadequate.

This fear stems from the fact that CETA, while overtly a nationwide, decentralized program, seems biased toward the specialized problems of larger urban areas. For example, recent guidelines issued under Title II required prime sponsors to address the problems of innercity youth. Prime sponsors in nonurban areas are essentially in the position of having to justify lack of attention to a problem which does not exist.

Moreover, forms and regulations for prime sponsors tend to presume that every jurisdiction has had prior experience with categorical programs, a situation which simply

is not true in some less populated areas. For example, the forms for quarterly reports and proposals are set up to reflect previous types of program activities such as work experience and the Neighborhood Youth Corps. Besides creating reporting difficulties for jurisdictions where no such programs have existed, such forms may inhibit the development of innovative programs by prompting prime sponsors to keep thinking along the lines of programs mentioned in the forms.

The Regional Automated System (RAS) and regional assessment teams recently set up by the Federal Government to evaluate—and in the case of RAS to rank—prime sponsors are likely to create other structural problems for rural areas. Both assessment systems reflect an understandable and worthwhile effort to insure that CETA funds are effectively and efficiently used. Such assessment, however, will be based on performance standards established outside the rural prime sponsor's jurisdiction. Given CETA's bias toward urban areas, it seems likely that the standards used in these assessment programs will be better geared to urban prime sponsors than to those in nonurban areas. Should prime sponsors then abandon the performance standards set in their own localities in favor of national criteria? Do they risk losing CETA contracts by adhering to local standards? Such questions give nonurban program administrators additional headaches.

It is clear that the problems faced by prime sponsors in small towns and rural areas are not miniatures of those confronting urban prime sponsors; they are *qualitatively* different because the demographic, social and economic patterns in urban and nonurban areas are vastly different. Any attempt to overcome the obstacles unique to less populated areas will require imagination, ingenuity, dedication, and the clear understanding that manpower programs in minimum-sized jurisdictions cannot be planned, operated, implemented, or evaluated like those in metropolitan areas. This realization, as well as new support from the national CETA staff, is essential if nonurban CETA programs are to deliver effective manpower services to the millions of Americans living in rural and small town poverty.

SUPPLEMENTAL APPROPRIATIONS BILL, H.R. 13172

Mr. KENNEDY. Mr. President, the passage yesterday of the second supplemental appropriations bill, H.R. 13172, presents me with an opportunity to comment upon a program that many of my constituents are concerned about and which appears to be facing some funding difficulties. These money problems, as I am led to believe from local health agencies in my State, are due to problems caused by the Department of Agriculture's reluctance to part with funds authorized by the Congress.

The special supplemental food program for women, infants, and children, commonly called the WIC program, is one of the child-nutrition efforts I have supported because it provides high-nutrient, supplemental foods for pregnant and nursing women and young children who are in need of such nutrition assistance to protect their health. Local health agencies usually run this program in conjunction with a pre- and postnatal health clinic.

Applications are pending to serve over 30,000 low-income women and children from several health agencies in Massachusetts. These applications have been on file for several months, despite the fact that money is available. In fact, I understand that close to half of the money which was supposed to be spent this year by the Agriculture Department has yet to be assigned to WIC programs.

I would like to find out what the problem is with these unspent funds, and make sure that our spending dictates are respected. Since there are no funds in this supplemental appropriations bill for WIC program operations, new funds must be made available during the transition quarter for WIC. These new funds must be used from the pool of moneys set aside in the Child Nutrition Act of use when no regular appropriations are available.

This spending requirement is clear. The last time we considered the authorizing legislation for WIC, we wrote into the law the requirement that section 32 funds, from the act of August 24, 1935, must be used to fund WIC in fiscal 1976, the transition quarter, and fiscal 1977 in the amount of $250 million a year plus carryover if we did not fund WIC sufficiently out of regular appropriations.

As an example, since H.R. 13172 holds no funds for WIC in the transition quarter, section 32 must be used to provide a 3-month share of our yearly authorization for WIC to supplement the funds unspent in this fiscal year. Thus, for July, August, and September the Department of Agriculture must make available a new $62,500,000—one-fourth of the $250 million authorization level—plus the approximately $125 million which has been unspent so far this year in order to fund new WIC clinics or allow current programs to expand. If, as another example, we were to appropriate $100 million for WIC in fiscal 1977, then $150 million would be made available from section 32 for expenditure in that year, in addition to any unused funds from the transition quarter. This section 32 requirement, however, is not in effect for fiscal 1978, in which regular appropriations would be the only source of WIC operating moneys.

These requirements which we wrote into Public Law 94–105 last year were necessitated by both the need to assure continued funding so WIC could responsibly expand to meet the need, and to make sure the Agriculture Department knew at all times that WIC money would be forthcoming. I hope, therefore, that the applications of the clinics in my State, as well as those in all the States, soon receive the favorable action to which they are entitled.

THE DEATH OF LUKE HOPKINS

Mr BEALL. Mr. President, last Sunday one of Maryland's leading citizens, D. Luke Hopkins, died at the age of 77. Luke Hopkins was a successful businessman, a dedicated sportsman, an active churchman, and a public servant. During his long career he served as an Assistant Secretary General of NATO, as a member of the board of trustees of the Johns Hopkins University, chairman of the board of trustees of Baltimore's Walters Art Gallery, and a driving force in many charitable organizations.

Mr. President, I believe the true measure of a man is his ability and willingness to make sacrifices so that other less fortunate individuals can enjoy a better life. Luke Hopkins had that special sensitivity, that extra dimension of humanity that will be badly missed by all Marylanders. While those of us who knew him have suffered a deep personal lose, we are inspired by his record of service.

I ask unanimous consent, Mr. President, that an article entitled "D. Luke Hopkins, Civic Leader, Dies," from the Baltimore Sun of May 17, 1976, and an editorial tribute to "Luke Hopkins," which recently appeared in the Baltimore Sun be printed in the RECORD.

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

[From the Baltimore Sun, May 17, 1976]

D. LUKE HOPKINS, CIVIC LEADER, DIES

D. Luke Hopkins, retired chairman of the board of the Maryland National Bank, who had been active in civic and educational affairs, died yesterday afternoon at Greater Baltimore Medical Center following an apparent heart attack Saturday evening.

Mr. Hopkins, who was 77 and lived at Tyrconnell on Woodbrook lane, had been chairman of the bank board from 1964 until 1966 but had remained a member of the board until last year.

He also had served as chairman of the finance and trust committees of the bank.

He became a trustee of the Johns Hopkins University in 1933. His work with the university's Applied Physics Laboratory during World War II won him the Presidential Medal for Merit in 1946. A building bearing his name was dedicated at the laboratory last month.

Mr. Hopkins served in 1952 and 1953 as an assistant secretary general of the North Atlantic Treaty Organization.

A member of the Maryland Port Authority from 1956 until 1964, he served as its vice chairman for a time and was named to the Permanent International Association of Navigational Congresses.

Dr. Steven Muller, president of the Hopkins, described Mr. Hopkins as one of the institution's "most loyal and fervent supporters" who had served as a trustee longer than any present members of the board. "I personally will miss his friendship and wise counsel tremendously," he said.

Dr. George Finney, Sr., a college classmate and old friend, described him as "utterly respected" by every one who knew him and as a person who was "thinking of others all the time."

Mr. Hopkin's son, C. A. Porter Hopkins, is a Republican member of the Maryland Senate representing Baltimore county's Fifth district.

A man who played tennis throughout his life until the day before he died, the elder Mr. Hopkins was fond of duck hunting and salmon fishing as well.

A native of Baltimore, he was educated at the Jefferson and Marston schools and graduated from Princeton University in 1921, beginning his banking career in Baltimore with the Drovers and Mechanics National Bank the same year.

He had become a vice president and director of that bank by 1930 when it became part of the Maryland Trust Company and later held similar posts at the Mercantile Safe Deposit and Trust Company before joining the Fidelity Baltimore National Bank and Trust

Company, now Maryland National, where he became chairman of the finance committee in 1955.

Mr. Hopkins had served as a director and member of the executive committees of the Chesapeake and Potomac Telephone Company of Maryland, the Fidelity and Deposit Company of Maryland, the Savings Bank of Baltimore, the West Virginia Pulp and Paper Company—which was started after the Civil War by his mother's family—and the Loudon Park and Druid Ridge cemeteries.

He was also a member of the boards of the Baltimore Equitable Society and the Northeast Harbor Water Company, in the Maine community of Northeast Harbor, where he also maintained a home.

At the Hopkins, he had served as vice president of the board and had headed the Johns Hopkins Fund, as well as the committee on the Applied Physics Laboratory.

He had also served on the boards of the Johns Hopkins Hospital, the Harriet Lane Home for Invalid Children and the Evergreen House Foundation.

Chairman of the board of the Walters Art Gallery from 1963 until 1971, he was also a member of the board and chairman of the executive committee of the Greater Baltimore Medical Center. He was a trustee of the Gilman School and held an honorary doctorate from Goucher College.

Mr. Hopkins served as a member of the Atomic Energy Commission Security Survey Panel from 1950 until 1952.

He had been a director and vice president of the Family Welfare Association and was chairman of the Baltimore Emergency Relief Commission from 1933 until 1935.

In 1929, he also became a member of the executive committee of the Community Chest of Baltimore, serving as chairman in 1941 and as president from 1949 until 1952.

He served on the vestries of the Church of the Redeemer in Baltimore and St. Mary's Church by the Sea in Northeast Harbor and was a member of the chapter of the National Cathedral in Washington. He also served as a regional chairman for an American group raising funds for the restoration of St. Paul's Cathedral in London.

He was a member of the Bachelors Cotillion, the Elkridge Club, the Maryland Club and other clubs in New York and Washington.

Funeral services for Mr. Hopkins will be held at noon Wednesday at the Church of the Redeemer, at 5603 North Charles Street.

In addition to Senator Hopkins, he is survived by his wife, the former Katherine Disston Porter, another son, David L. Hopkins, Jr., of Mount Kisco, N.Y.; two daughters, Mrs. Charles A. Borda 3d, of Wayne, Pa., and Mrs. Charles H. Mellon 3d, of Far Hills, N.J.; a sister, Mrs. F. Barton Harvey, of Ruxton, and 16 grandchildren.

[From the Baltimore Sun]

LUKE HOPKINS

When he died suddenly Sunday Luke Hopkins was 77 years old, an age at which men's minds tend to narrow, to harden and to shrink. Luke Hopkin's mind did none of these things. He had his convictions and, under pressure, could defend them valiantly: the point is, here was a good mind to start with which, as it aged, turned mature and not closed. Luke Hopkins always kept an ear for a new idea, welcome or not. Only last week he was caught up personally in a vigorous discussion of national defense—whether, as he believed, it ought to be raised to the levels the Pentagon prefers or, as two anti-armaments experts argued, the Pentagon is already over-armed. Luke Hopkins listened intently, absorbing a fresh point of view he had not encountered before. To him, vitality of thought and a variety of interests gave life its savor.

It was this evergreen curiosity, and accompanying action, which made Luke Hopkins extraordinary as a Baltimore businessman. Essentially a banker, he rose to the chairmanship of the state's largest bank; he declined, however, to allow his activities to be hemmed in by the banking community. He drew immense satisfaction from his work and gifts at Johns Hopkins university, especially its breath-taking laboratory for applied physics. His concern for NATO, which he served as an official, was deep and prolonged. So with his attachment to the Maryland Port Authority, notably its navigational problems. Financially, Luke Hopkins could have settled for idle comfort and coupon-clipping. That he chose the broader, more challenging world, and that he applied himself to it so variously and so effectively, was the mark of this uncommonly creative man.

HUMANITARIAN NEEDS OF EARTHQUAKE VICTIMS IN ITALY

Mr. KENNEDY. Mr. President, yesterday the Subcommittee on Refugees, which I serve as chairman, heard a report, on the massive humanitarian problems resulting from the recent earthquake in Italy, from the Honorable Daniel A. Parker, the President's Special Coordinator for International Disaster Assistance and the Administrator of the Agency for International Development.

Mr. Parker returned from the field early this week and provided the subcommittee with a very useful assessment of conditions in the field and the various relief and rehabilitation efforts currently underway. He also discussed the allocation of $25,000,000 appropriated by Congress for relief purposes in Italy, and the additional efforts being made by America's voluntary agencies and other organizations in the private sector. In this connection, I want to pay a special tribute to the agencies and organizations in the private sector. Their efforts and concern for the earthquake victims in Italy deserves the full support of our Government and the American people.

Mr. President, in light of the widespread interest in the serious humanitarian problems confronting the people of Italy, I ask unanimous consent to have printed in the RECORD the text of my opening statement at yesterday's hearing, Mr. Parker's report to the President, and some current information on the agencies and organizations providing relief assistance to the distressed people in the Friuli region of northern Italy.

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

OPENING STATEMENT OF SENATOR EDWARD M. KENNEDY ON HUMANITARIAN PROBLEMS OF EARTHQUAKE VICTIMS IN ITALY, MAY 19, 1976

Nearly two weeks ago, one of the most destructive earthquakes to hit Central Europe struck the Friuli region of Northern Italy—leaving behind it an awesome trail of destruction and human misery, and great personal tragedy for thousands of Italian families.

Over 900 people lost their lives. At least 2,000 more were injured. And close to 100,000 persons are homeless.

Many towns and villages were leveled. Schools and churches and medical facilities were damaged and destroyed. And the important agricultural sector of the area's economy was severely disrupted, with a heavy loss of livestock and farm buildings.

Over the past several days the sturdy and spirited survivors of the earthquake have been assessing their plight, and taking their first steps on the long road of normalizing their lives. Emergency relief needs are generally being met, and the time for rehabilitation and reconstruction has begun.

A few days ago, the government of Italy approved a decree which will provide some $450,000,000 for relief and rehabilitation purposes in the Friuli region. Among other things, the decree will provide cash benefits to earthquake victims, and additional funds for the reconstruction of private housing and public buildings, such as schools and medical facilities.

The United States and at least a dozen other countries, as well as the European Economic Community and several private voluntary agencies, have been providing emergency relief assistance to the earthquake victims—and hopefully, this international humanitarian concern and support will continue in the weeks and months ahead.

As in the case of the Guatemalan earthquake earlier this year, our government responded immediately to human need in Italy. And last week Congress passed an emergency appropriation for $25,000,000 to assist the rehabilitation program of the Italian Government.

We will learn more today about the kinds of projects these funds will support. And if more is needed, I am confident that our country's response will fully reflect our strong friendship with Italy, and our traditional concern for people in need.

SPECIAL REPORT TO THE PRESIDENT ON THE EARTHQUAKE IN ITALY

(By Daniel Parker)

Mr. President: In response to your instructions, Vice President Rockefeller and I have completed our assessment of the tragic impact of the earthquake in northeastern Italy on May 6th. Based on our observation of the disaster area and our discussions with officials of the Government of Italy, this report will describe the magnitude of the disaster, the current situation and the general needs.

It is important to point out that the information collected to-date is far from definitive or complete. Thus, we are not in a position to fully describe projects of assistance at this time. To do so, we must quickly refine the statistical information base and together with the Italian Government, assertively design specific programs to meet the needs for relief and rehabilitation. To do this, I plan to send a team of experts to the field to assist in the project development process.

GENERAL SITUATION

The initial shock occurred at approximately 9:00 p.m. local time in northeast Italy, Thursday, May 6th. It registered 6.5 on the Richter Scale and 9 to 10 on the Mercalli Index, a magnitude sufficient for extensive damage. There have been more than 50 aftershocks since then, including a relatively severe one on May 9th. The quake also caused some damage in southwest Yugoslavia and minor damage in southern Austria.

The Provinces of Udine and Pordenone in the Friuli region, within which is the area affected, have a population of approximately 800,000. About 180,000 were in the most severely stricken zone. The official death toll is 903 and 1,742 are hospitalized. There are 80,000 to 100,000 homeless who are being sheltered in tents provided by Italy, the United States and other donor governments and organizations. Adequate food and medical care is being provided by the Italian Red Cross and military units. No contagious disease outbreaks have been reported. The

numerous aftershocks caused further damage to many structures. Geologic changes to the terrain have caused numerous landslides and have increased the likelihood of future slides unless engineering actions are taken. Heavy rains on May 13th hampered relief efforts and added to the misery of the homeless, and four towns had to be evacuated because of landslides caused by the rains.

The most severely stricken areas of Udine and Pordenone comprise about 200 square miles. The area consists of an alluvial plain with rugged foot hills and low mountains on the north, gradually ascending to the Carnic Alps.

The people are known for their "tough fiber," independent spirit and capacity for hard work. They have a traditional life style in which family solidarity and religious traditions are firmly rooted.

Primarily an agricultural area with vineyards, farming and livestock, there is some light industry and handicrafts, consisting of woodworking, metalworking and thread spinning. Although the full impact of the quake on what industry exists is not assessed fully, we saw efforts to rebuild a severely damaged kitchen cabinet factory.

Newly planted crops were virtually unaffected, although displacement of small landholders and agricultural workers could cause some disruption in the proper care of the crops and livestock.

I. ASSESSMENT OF DAMAGE

Damage assessment efforts are at best partial and at worst highly impressionistic, and are colored by the psychological impact of the earthquake. Data collection problems are handicapped by a lack of comparability stemming from the use of different statistical bases and the fact that reconstruction planning is just beginning.

Apart from problems with the reliability of the statistics, understanding the narrow focus of the earthquake is essential for interpreting the data. The most seriously affected area includes some 50 towns with 180,000 people. The destruction in this area was virtually total. A larger area characterized as having major damage includes an additional 100 towns with an additional population of 350,000 people. The Friuli-Venezia-Giulia region has a population of 1,300,000. There are no major cities located in the most seriously affected area, so an honest appreciation of the degree of suffering experienced by those in the area cannot be captured by this statistical summary.

A. Physical Damage—1. Housing and other building damage:

a. Housing patterns in the most affected area are predominantly single family dwellings of masonry with tile roof construction. Initial data indicate that approximately 11,000 dwellings were destroyed, and an additional 13,000 damaged (of which 8,000 were heavily damaged). Homeless number approximately 90,000, perhaps 23,000 family units. Damage patterns, of course, vary widely by community. The total number of homes which are uninhabitable may grow as a more definitive assessment is completed.

b. Twenty public buildings (except schools and medically-related facilities which will be discussed separately) were destroyed and an additional 25 severely damaged. (Fifteen more received some damage.) Normally, these buildings would house essential civic functions such as police and fire services, distribution of welfare benefits, registration of vital statistics, etc. Since these buildings were designed to house services for the existing population, reconstruction should be simultaneous with dwelling reconstruction. Some 60 churches were destroyed and another 70 were severely damaged. An additional 30 received some damage. The loss in this area is much more significant than the figure would indicate. Not only is the local church a center of religious life, but a focus of community activities and a civic symbol.

B. Agricultural Sector Disruption—

Most seriously affected is the local dairy industry, which accounts for approximately 60% of all agricultural production in the two affected provinces, partly due to loss of stock but more seriously, according to local authorities, through loss of and damage to farm buildings and other farm-related infrastructure. Dairy herds in the area numbered 20,000 head before the earthquake; thus, the reduction is on the order of 10% (see table below). The affected area suffered a major loss of hay and other feed storage facilities, and thus delays in reconstruction will be detrimental to the dairy industry.

Losses in the food processing sector were relatively light. Some wine storage and aging facilities were reportedly damaged, but wine production is not an important product of the immediate area (only 3% of the arable acreage is planted in grapes). In the important dairy product and cheese-making sector, some 60 small firms were reportedly destroyed or damaged severely.

Livestock damage:
Destroyed, 600.
Not producing, 1,500–2,000.
Farm buildings:
Destroyed, 8,000.
Damaged, 7,000.

C. Regional and Rural Services and Administration—

Despite the widespread destruction of public buildings in the areas most seriously affected, essential local services were restored almost immediately. Variations exist, of course, but police functions were not seriously disrupted (and were in any case immediately reinforced). Disruption of secondary administrative and public services was heavy in the seriously affected areas. Services aimed at maintaining a flow of welfare benefits to those affected have been restored and are reaching relocated people. Some measures enacted by the GOI have worked to reduce the burden on local and regional administrative services; for instance, extending the filing date on tax returns and suspending the bankruptcy provisions of the law.

Particular importance has been given to restoring postal and telegraph facilities.

D. Social Services—

Since emergency health services were provided to the earthquake victims, a complete assessment of damages or disruption in the provision of such services has not been made. Out of a total 9,000 hospital beds available in the affected Provinces of Udine and Pordenone, facilities containing 1,500 beds were moderately or severely damaged, and a 400-bed hospital under construction was also damaged. In the most affected rural areas, medical services are provided by doctors who have offices in their homes, and to a certain extent by pharmacies also located in homes. Disruption of these services is undoubtedly extreme in the areas most seriously affected since it is assumed that such homes were also destroyed.

Classroom destruction in the area is estimated at 500 to 600 units, affecting some 12,000 students which represents about 15% of the Udine provincial school population. The major damage is at the elementary school level since these schools are found in the small towns in the most devastated zone. The Ministry of Public Instruction in Rome has ended the school year and because of the disaster, the educational staff has been made available to the local communities to be used, as necessary, for emergency purposes. The GOI is considering providing pre-fabricated classrooms by October when the next school year begins. There is a three-month lead-time for provision of such prefabs.

E. Disruption to Industrial Base, Consequent Unemployment, etc.—

Principal industries (those employing more than 3,000 workers in all) are furniture manufacturers, textiles, construction, food processing and metalworking. Of approximately 14,000 firms employing some 70,000 persons in the affected area, the majority employ less than 25 persons and at least 50% employ less than 10 persons. Most of the buildings that house these small firms also serve as dwellings. Many retail outlets, hotels and restaurants also serve as residences for immediate or extended family members.

1. Estimated number of jobs lost due to the earthquake (not including employees in cottage industries):

a. Furniture/woodworking	1,600
b. Textiles	700
c. Construction	1,200
d. Metalworking	2,100
e. Food processing	500
f. Paper	1,200
g. Other	1,000
Total	8,300

2. Estimated number of firms destroyed or damaged:

Type, damaged or destroyed/Total in area

Industries: (over 10 employees), 240/-total unknown.

Commercial activities: (wholesale/retail), 2,200/3,500.

Cottage industry: (less than 10 employees), 2,800/4,900.

F. Economic Impact—

With an upturn in the fourth quarter of 1975, the Italian economy was beginning to recover from the 1973–75 recession. Unemployment and inflation are still serious. However, there are plans for long-term industrial development to reduce economic imbalance, which is an important factor in Italy's high rate of inflation.

The two provinces most heavily damaged, Pordenone and Udine, together contribute only slightly more than one percent to the overall national income. The disruption caused by the earthquake should have an imperceptible impact on Italy's balance of payments. There should be little effect on national prices since the region is not a major supplier of any high-demand product. The building industry in the region has considerable unutilized productive capacity available for reconstruction.

The work force of the two devastated provinces is approximately 300,000 out of a total population of 800,000. The Government's assistance program for the two provinces should blunt the national effects of increased unemployment while reconstruction of productive enterprises takes place.

Lost revenue plus the emergency relief expenditures would increase the national budget deficit by $588 million to $1.8 billion. The U.S. Embassy in Rome, therefore, feels that the impact of the disaster at the national level is manageable even under the present economic circumstances.

II. DISASTER RELIEF

A. Immediate Relief Efforts—

1. The Government of Italy deployed 5,000 troops immediately following first reports of the quake, and Italian Red Cross authorities in the northern provinces mobilized all available resources, including medical personnel and supplies. Forty-four helicopters and 7 C-130's from the Italian military forces were deployed for rescue, reconnaissance, and delivery of supplies. They have evacuated more than 600 victims. Eight engineer battalions and six separate engineer companies have been used to search for victims and to clear debris, with the assistance of local units of the Fire-Fighting Service. Elements of the Italian military forces are operating field kitchens, providing temporary shelter and helping victims with other problems such as potable water and sanitation facilities. The Italian Red Cross is supervising all medi-

cal and sanitation requirements, and the Italian police (Carabinieri) are directing all traffic.

2. The United States, through Ambassador Volpe, immediately provided six helicopters for medical evacuations, for aerial reconnaissance and for carrying supplies. They were deployed from the U.S. Air Force Base at Aviano, about 25 miles southwest of the earthquake area. Ambassador Volpe also ordered the U.S. Consul in Trieste into the area to make a more accurate assessment of deaths, injuries, and destruction, and to recommend U.S. assistance in response to requests from Italian officials.

3. Since the most urgent need was temporary shelter, 100 tents were supplied by the 40th Tactical Group at the U.S. Air Force Base in Aviano on May 7th. In addition, they provided a generator and temporary lighting system, a large quantity of ready-to-eat field rations, blankets and medicine. AID authorized the release of 120 six-person family tents the same day from its regional disaster relief stockpile at Camp Darby in Leghorn, Italy. On May 8th, an additional 500 family tents were dispatched by AID to the disaster area from Leghorn. These family tents were designed by AID disaster relief specialists and industry specifically for disaster situations and are stockpiled at various locations throughout the world.

4. Other donor responses to requests for assistance included a complete field hospital and 200 personnel from Canada, 90 four-man tents and the services of a reconnaissance plane from the United Kingdom and 150 tents from the Netherlands. The Federal Republic of Germany dispatched 250 tents and 25 personnel to erect them. Austria sent in 100 army trucks and men to aid in the relief escorts and the Danish Red Cross airlifted 26 tons of blankets, baby food, and dried milk to the area. Most of the above assistance was coordinated through NATO facilities using existing NATO communications links.

B. Post-Immediate Relief Phase—

1. Italian Efforts:

Following the immediate response to the disaster by Italian and United States agencies, as well as neighboring countries, the magnitude of the devastation and the needs of the victims became clearer. The Government of Italy appointed the Under Secretary of the Ministry of the Interior to coordinate all Italian and international efforts in the zone. He is now headquartered in Udine. Other nations and international organizations continue to offer additional assistance and contributions to the Italian Government.

On May 12th, the GOI Council of Ministers approved a Disaster Relief Decree which will provide approximately $450 million to be distributed in the following manner:

Approximately $236 million—Regional relief funds.

Approximately $118 million—Industrial reconstruction to be administered by Provinces of Udine and Pordenone.

Approximately $50 million—Central government.

Approximately $46 million—Ministry of Interior for direct relief assistance to quake victims.

Total—$450 million.

Italian press reports describe a broad range of reconstruction and relief activities announced in the Decree. These are the major points:

a. Cash benefits for wage supplements, increased unemployment payments, cash payments to pensioners, self-employed workers, and families who have members killed or injured and credits for grants for industrial reconstruction.

b. Funds will be provided later for reconstruction of private housing.

c. All public buildings such as schools and hospitals will be rebuilt.

d. Tax declarations have been postponed and military draft can be fulfilled by draftees who volunteer for civil service in Udine and Pordenone.

2. U.S. Efforts:

On the morning of May 9th, a U.S. Air Force convoy departed Aviano Air Base for Forgaria with 89 military personnel and heavy equipment from the 40th Tactical Group to assist in clearing debris and with the demolition of dangerous structures. They are continuing operations. The Engineer Platoon of the U.S. Army's 509th Infantry from the NATO Base at Vicenza has been operating since the morning of May 12th in the Osoppo area. Tents provided by the U.S. Government through AID and the U.S. military are currently housing about one-half the victims of Osoppo whose homes are destroyed or severely damaged. Total U.S. assistance to date is valued at $627,071 (See TAB A).

3. Other Donor Efforts:

Virtually all of the assistance from member countries of NATO was coordinated through NATO facilities, and most of the personnel and material was sent from their units stationed nearby. France, Canada, West Germany, Denmark and Greece all responded to requests from the Government of Italy with search teams, helicopters, water purification units, blankets, tents, heavy equipment and other urgently needed requirements (See TAB B).

Eighteen sister societies of the Italian Red Cross have donated almost $900,000 in cash and in-kind through the League of Red Cross Societies (LICROSS) and the European Economic Community has donated 150 metric tons of skimmed milk powder. Catholic Relief Services has contributed over $80,000 in supplies and cash. We are unaware of any UN relief efforts through the UN Disaster Relief Office or otherwise.

III. REHABILITATION AND CONSTRUCTION

A. Italian Efforts and Programs—

The Government of Italy perceives Rehabilitation and Reconstruction as being the last two phases of a three-phase program.

Phase I entails the provision of emergency relief. Tents, medical supplies and food are the prime elements of this phase.

Phase II amounts to relocating the homeless from tents into intermediate shelter. During this phase, which must be completed by Fall, the GOI intends to complete all planning for Phase III.

Phase III is the reconstruction effort which embraces the restoration and reconstruction of dwellings and returning destroyed communities to their pre-earthquake status.

The GOI expects all three phases to run over a two- to three-year period with costs ranging from $1.5 billion to $3 billion. This should provide permanent dwellings, schools, and health facilities to some 90,000 people whose lives have been adversely affected in varying degrees by the earthquake.

Phase III also includes repairing and reconstructing industrial and agricultural facilities which were affected by the earthquake. All in all, the GOI has two overriding objectives:

To quickly restore the communities to pre-quake normalcy.

To ensure that the affected population either returns to restored homes or is provided new dwellings in the communities in which they have lived. Relocation of the population to other, perhaps less earthquake-prone areas, is not being contemplated as the local populace has made it very clear that relocation is totally unacceptable.

B. Assistance from the United States—the $25 million—

Our overall strategy is to devise a package of programs which are both qualitative and quantitative in nature and which serve to catalyze certain aspects of the Italian and other donor assistance efforts. We see definite promise in the following areas:

Technical assistance to assess structural damage to determine which houses, factories, public buildings and cultural and historic structures can be saved for renovation and which must be razed.

Technical assistance in structural engineering, especially for building footings and foundations.

Provide small-scale technology concrete block production units to assist local populations to begin on-site reconstruction of dwellings.

Provide suitable roofing and structural support materials for the reconstruction of dwellings in a more earthquake-resistant manner.

Provide small tractors and wagons to community governments to be used for community efforts in removal of debris and in transportation of building materials and livestock feed.

Provide communications equipment for community use, to permit community leaders to exchange instructions and information with outlying smaller communities.

The use of a field computer terminal, hooked up to Washington and perhaps the capitals of other major donors, to accelerate the planning/logistical process.

The use of high altitude photography combined with LANDSAT imagery to develop a complete picture of the relationship of the communities to their environment. There is in the area a shortage of certain building materials and we may be able to identify both mineral and building resources which the local areas may not be aware of.

Extremely sophisticated geologic assessment to identify faults, major areas of sliding, areas prone to subsidence and slippage. Our goal is to prevent the construction of houses in those locales which might be extremely prone to damage resulting from the quake.

C. Coordination of U.S. Efforts—

In order to carry out this strategy, we plan to send in a small, highly specialized AID team to work with the Italians in the development of projects. With the help of this team, which can tap other U.S. Government agencies' capabilities, we plan to concentrate on the following areas:

1. Technology Resources:

In my meetings with Italian officials, I repeatedly made the point that the United States and Italy have a unique opportunity to combine their technological resources for the benefit of the earthquake victims. The United States is an earthquake-prone country which has had its own share of suffering in such disasters as the San Francisco earthquake and more recently the "Good Friday" Alaska earthquake. In responding to earthquakes affecting our country and other countries, such as Guatemala and Nicaragua, the United States has had the opportunity to develop highly specialized expertise—but we are also aware of shortcomings in the overall field of disaster prediction, preparedness and relief. With the earthquake in Italy, we have an opportunity to combine resources with an ally which can be of benefit not only to our countries, but also to NATO and the rest of the world.

In the fields of geology and structural engineering, the GOI has considerable expertise on-hand. Our hope is to be able to identify U.S. experts who have worked in applying geology, structural engineering, high resolution aerial photography, and satellite imagery to small areas. The challenge is to transfer high technology to meet fundamental needs. A member of the AID team which will soon arrive in-country will be experienced in science and technology. We have not yet identified all the technological resources which the GOI has on-hand. We should be

able to complement Italian scientific and technological expertise with U.S. experts to meet the needs of the effected population.

2. Social and Public Infrastructure Assistance and Planning Capability:

We should propose to offer planning resources and positive courses of action for the restoration of social/community services and their infrastructure, we can be of great assistance to not only the people of Italy, but to their government. At this point, our course of action is to:

Offer computer modeling services in the field of earthquake relief, rehabilitation and reconstruction.

Determine forms of shelter which might be acceptable to the affected population.

Identify a variety of transportation and construction equipment which can be used on a small scale to assist the people in their efforts to rebuild their homes and with their own hands. From my meetings, I am left with the definite impression that the people will not move away and definitely do want to erect structures similar to the ones they previously habitated. The challenge is thus not only to identify equipment to assist them in their self efforts, but also ensure that they are following sound structural practices—such as the use of pre-stressed and reinforced concrete. As much of the industry in the area is cottage industry, hopefully this equipment can be used in a variety of applications which might improve their own small-scale industrial base.

Mr. President, the Government and the people of Italy, especially those of the Friuli area, have responded to this calamity in a rapid and commendable fashion. We admire the public at large and as well, the private citizens and the victims themselves who all joined in relieving the suffering of their neighbors and countrymen. As in any disaster situation, there were initial problems of communication and coordination, but these were quickly overcome. We also wish to commend the units and personnel of NATO which provided invaluable support in coordinating and delivering relief personnel and supplies.

Officials of the Government of Italy and the Friuli area asked that we convey to you the thanks of their people and many of the citizens with whom we spoke expressed gratitude to the people of the United States.

The Decree which the Government passed on an emergency basis for the relief of the victims should alleviate the short-term economic problems of the affected populace and their long-term plans should expedite a return to normalcy in the area.

We wish to express our gratitude for the assistance of Ambassador Volpe and the U.S. Country Team, as well as the elements of the U.S. Armed Forces which provided us with necessary services. The people of the United States should be proud of the expeditious and professional response which was provided. As outlined above, we shall continue to provide assistance to the Government of Italy in concert with their wishes.

TABLE A. U.S. disaster relief assistance

Helicopter support and initial relief costs	$25,000
283 tents (U.S. Army and Air Force)	180,000
1,050 tents (AID stockpile—Camp Darby)	243,316
Foodstuffs (military field rations)	50,000
U.S. military earthmoving equipment—rubble removal and clean-up	70,000
Blankets, sheets, stretchers, medical supplies	13,000
TDY of U.S. foreign disaster relief specialists	13,755
Communications support	4,000
U.S. Army Engineer Unit (68 men)	25,000
Estimated total	627,071

TABLE B. *Other country donor assistance*

Austria: 131 man relief detachment, 54 trucks, 1,420 tents, 2,000 mattresses, 10,000 sheets, other supplies. Cash assistance of $240,000.

Australia: Cash donation of $45,000.

*Canada: Field hospital with medical support unit, 200 man engineer detachment, 3 helicopters, water purification units, other supplies.

*Denmark: 26 tons of baby food, blankets, 2 generators, 8 ambulances, 60 firemen.

*Federal Republic of Germany: 264 tents, 750 beds, 5,250 blankets, 1,500 air mattresses, laundry facilities, 26 technicians, one self-supporting battalion of engineers.

*France: 120 man search team, 29 vehicles, 2 generators, 8 ambulances, 60 firemen.

*Greece: 130 tents, foodstuffs other supplies.

*Luxembourg: Tents.

*The Netherlands: 1,900 beds, 145 tents.

Sweden: Cash donation of $240,000.

Switzerland: Helicopter support, surgical teams, search dogs, medicines, milk, and tents. Cash donations of $200,000. 100 tents, 100 beds, 2,000 blankets, plasma and foodstuffs.

*Turkey: 100 tents, 100 beds, 2,000 blankets, powdered milk, plasma and food.

*United Kingdom: 90 tents, 360 camp beds, 360 sheets, 720 blankets, 90 water purification units, RAF photo-reconnaissance plane, vaccines and other supplies.

Yugoslavia: Cash donation of $57,000.

League of Red Cross Societies (LICROSS) Geneva: Cash donation $886,000.

European Economic Community Financial Assistance: $112,000.

TABLE C.—*Voluntary agency assistance*

[As of May 15, 1976]

American National Red Cross	$25,000
Baptist World Alliance	2,000
Catholic Relief Services—Cash donation of $25,000 plus 10,000 blankets and other relief supplies valued at $55,000	80,000
The Salvation Army	10,000
Save the Children Federation	10,000
Seventh-day Adventist World Services relief supplies valued at	13,000
Total	140,000

[From the American Council of Voluntary Agencies for Foreign Service, Inc., New York City]

EARTHQUAKE IN ITALY—SITUATION REPORT No. 1—MAY 14, 1976

Disaster Response Efforts by U.S. Voluntary Agencies.

Information on U.S. voluntary agency activities has been received as follows:

American National Red Cross; Dorothy B. Taaffe, National Headquarters, Washington, D.C. 20006 (202/727-8300). The organization has donated $25,000 in cash for relief needs.

**Assemblies of God Foreign Service Committee;* Rev. Robert T. McGlasson, 1445 Boonville Avenue, Springfield, MO 65802 (417/862-2781). The agency has requested more information on relief needs from its Italian affiliate in Udine and from its U.S. representative in Rome. Assistance activities will then be considered.

**Baptist World Alliance;* Dr. Carl W. Tiller, 1628 16th Street, N.W., Washington, D.C. 20009 (202/265-5027). BWA has been in contact with a Baptist affiliate in Florence and has sent a token donation of $2000 for disaster aid. BWA has offered to supply more cash and supplies as soon as needs can be assessed by local Baptist organizations.

**Catholic Relief Services—United States Catholic Conference;* Mr. Anthony M. Foddai, 1011 First Avenue, New York, NY 10022 (212/838-4700). A special Italian Earthquake Victims' Fund has been established to channel aid coming from individuals, and from Catholic dioceses and other organizations. CRS has transmitted $25,000 to its Rome office to buy relief supplies locally and has sent 10,000 blankets valued at $35,000 in cooperation with Alitalia. The agency has consulted with its Trieste office to assess what action is needed.

* *Church World Service;* Mr. Richard Butler, 475 Riverside Drive, New York, NY 10027 (212/870-2200). CWS has informed the World Council of Churches/CICARWS Emergencies Officer that the agency is prepared to send material aid or funds if needed. Aid has not been requested for the present. CWS will probably be involved in reconstruction assistance later.

* *Mennonite Central Committee;* Mr. Paul Longacre, 21 South 12th Street, Akron, PA 17501 (717/859-1151). MCC has offered to provide material aid and personnel, as needed, through its European counterpart Mennonite organizations. The agency is waiting to receive requests from these groups.

* *The Salvation Army;* Col. George Nelting, 120 West 14th Street, New York, NY 10011 (212/243-8700). The Salvation Army's International Headquarters in London has sent relief personnel to the earthquake area, and the U.S. Salvation Army organization has dispatched $10,000 to support emergency operations.

* *Save the Children Federation;* Mr. David L. Guyer, 48 Wilton Road, Westport, CT 06880 (203/226-7272). SCF has begun an Italian Earthquake Emergency Fund for disaster victims. The agency will send aid through an SCF affiliate in Italy, Federazion Americana per la Protezione Dell' Infanzia. Assistance will be in the form of cash gifts, estimated at $5000 for the present, for the purchase of supplies for immediate relief and for rehabilitation projects.

* *Seventh-Day Adventist World Service;* Mr. Howard Burbank, 6840 Eastern Avenue, N.W., Washington, D.C. 20012 (202/723-0800). SAWS has sent $13,000 worth of relief supplies to Italy in response to a request from European officials. The aid is being channeled through the Italian Red Cross. SAWS representatives in Switzerland and Austria have played a role in coordinating agency assistance to Italy.

A number of other voluntary agencies have indicated they are prepared to respond to requests for assistance that may come in the near future.

[From the New York Times, May 16, 1976]

As relief operations went on in northern Italy for victims of the recent earthquake that killed more than 900 people, American organizations continued to accept donations for the relief effort. Among those organizations are:

Italian Charities of America, Inc., 83-20 Queens Boulevard, Elmhurst, Queens, 11373. Make check payable to "Italian Charities Emergency Earthquake Relief."

Italian Historical Society of America. Make check payable to the "American Relief Committee for Italy." Address it to the Brooklyn Savings Bank, 211 Montague Street, Brooklyn, N.Y. 11201.

Il Progresso Disaster Fund, Washington Bridge Post Office, New York, N.Y. 10033.

Friuli Earthquake Relief Fund, Famee Furlane, 73-16 Roosevelt Avenue, Jackson Heights, New York, N.Y. 11372.

Unico National, 72 Burroughs Place, Bloomfield, N.J. 07003. Make check payable to "Unico Earthquake Relief Fund."

Order of the Sons of Italy of America. Designate on bottom of check "Italian Disaster." P.O. Box 1748, F.D.R. Station, New York, N.Y. 10022.

*NATO Member.

* Member of ACVAFS.

Columbus Citizens Committee, Inc., 8 East 69th Street, New York, N.Y. 10021. Designate on check "For Italian Earthquake relief."

SILAS PEARMAN APPRECIATION DAY

Mr. HOLLINGS. Mr. President, a close friend of mine and one of South Carolina's truly distinguished public servants, Chief Highway Commissioner Silas N. Pearman, was honored recently on his approaching retirement after 50 years' service with the South Carolina Highway Department.

A news release relating the events of "Silas Pearman Appreciation Day," which took place May 6 in Anderson, S.C., was prepared for nationwide distribution, and I ask unanimous consent that the contents of this release be printed in the RECORD.

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

"SILAS PEARMAN APPERCIATION DAY

Messages of appreciation and good wishes poured into Anderson Thursday, honoring South Carolina's Chief Highway Commissioner Silas N. Pearman, native of Starr, in Anderson County, who is retiring soon, after rounding out fifty years with the South Carolina Highway Department.

Thursday was designated a "Pearman Appreciation Day" in Anderson by Mayor Darwin Wright in a proclamation. He presented a key to the City and the City Council's resolution and tributes to Chief Pearman.

High officials of the government, including Senators Fritz Hollings, Strom Thurmond, and Herman Talmadge, Governor Edwards and Representative Butler Derrick were joined by an avalanche of greetings and letters, which were part of a golden lettered "Book of Memories" for Chief Pearman.

"Si" Pearman, as he is affectionately called by thousands of South Carolinans, is a son of the late Honorable Ben Pearman and Mrs. Pearman. His sister, Mrs. Douglas McDougald and Ben Pearman, Jr., a brother, reside in Anderson. Mrs. Redding Hicks, a sister, lives in Elberton, Georgia.

David Wakefield was general chairman of the big event that drew a packed banquet hall at the Country Club. Committee members serving with him were David Simpson, W. L. Watkins, Jim Barton and John Sullivan. Jack Rogers, executive vice-president of the Chamber of Commerce, and his capable staff gave all-out cooperation to the project, which Mr. Rogers termed "One of the finest" occasions on the Chamber's agenda for the year.

The National D.A.R. honored the guest of honor with a special presentation made by Mrs. Marjorie Young, Andreson author, journalist and travel editor of WAIM-TV and Radio. This was in recognition of his great help in securing and erecting markers on the Cateechee Trail from Ninety Six, Northward. A beautiful engraved set of fishing rods were presented by the Chamber.

In a response to this great outpouring of honor, respect and love for the "Star" from Starr, Chief Pearman, was deeply touched by the tribute. He thanked all who were assembled or had sent messages, and also public officials at all levels of the state and federal government, city officials, the Anderson Chamber of Commerce, legislators, past and present Commissioners, and his co-workers from top to bottom of the tremendous highway department.

He sent flowers to Honorable J. H. (Doc) Saylors, a former district commissioner, and for two terms an outstanding chairman of the South Carolina Highway Commission, for his noteworthy leadership and achievements. Mr. Saylors was seriously injured in an automobile accident and has been in a nursing home for more than eight years. Kenneth Saylors, his son, also served as district commissioner for two years.

Chief Pearman expressed appreciation to Wilton E. Hall for the support he provided for 48 years as publisher of the Anderson Independent and Daily Mail, in highway programs of the state and area, including consistent work for highway safety by means of his newspapers and Radio Station WAIM for 41 years.

THE UNITED CHURCH OF CHRIST UPHOLDS THE U.N.

Mr. STEVENSON. Mr. President, the role of the United Nations is a matter of continued concern in the world. There are those who have criticized the U.N., and I, too, have been concerned about the growing tendency in the U.N. to pass resolutions which fly in the face of political realism and justice.

However, there is no other organization with the same potential for the solution of the world's most serious problems. As worldwide attention continues to focus on humankind's environmental problems, the U.N. is a promising area for cooperative efforts to preserve the air and water on which we all depend. Most important, the United Nations has provided a forum in which nations can talk about their differences, instead of fighting over them. Not all U.N. efforts at peaceful settlement of disputes have succeded, but surely the effort is worth making. We must increase our efforts to make the U.N. an effective instrument of world peace.

The United Church of Christ Executive Council has addressed to Ambassador Scranton materials which contribute to the debate over the U.N. The United Church seeks a renewed and strengthened U.N. Its resolution calls for a clear demonstration of U.S. respect for the United Nations, full observance of human rights in all nations, a just and humane world economic order, U.S. initiative in reducing armaments and a reorganization of the U.N. itself in order to increase its effectiveness. Mr. President, I ask unanimous consent that a resolution and a statement of the United Church of Christ on the U.N. be printed in the RECORD with the hope of contributing to the discussion of the U.N.

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

RESOLUTION: "THE U. S. AND THE UNITED NATIONS"

(The Executive Council of the United Church of Christ adopted the following Resolution on the U.S. and the United Nations on March 14, 1976, commending for study and appropriate action the accompanying Statement on "The United Nations We Seek.")

1. The U.S. Government should demonstrate clearly its serious respect for the United Nations by the way it prepares for discussion of the U. N. agenda, by the kind of delegates it sends, by the financial support it provides, and by entrusting to the U.N. more significant issues that require programs of joint action.

2. The U. S. Government should encourage the U. N. General Assembly and its Economic and Social Council to press for full observance of human rights in all countries and not, as at the present, in limited areas only.

3. The U. S. Government should further, by its full cooperation, the effort begun by the Seventh Special Session of the U. N. General Assembly to develop a just and humane world economic order.

4. The U. S. Government should take the initiative in reducing its nuclear strategic weapons to a minimum deterrent, and should support the convening of a world disarmament conference. Since disarmament requires the substitution of world security for national security, the U. S. should stimulate the establishment of a permanent U. N. peace-keeping force.

5. The U. S. Government should press for activation of the U. N. "Special Committee on the Charter" with the objective of reorganizing the complex system of U. N. organs so as to make its many parts effective centers for the negotiation of consensus decisions about action and for implementing those decisions.

THE UNITED NATIONS WE SEEK

(A statement by the United Church of Christ)

I

The United Nations has been prominent in the life of the world for a full generation. But today, public opinion looks upon this world organization with an uneasy mixture of admiration and disaffection, gratitude and resentment, trust and distrust, hope and despair. The United Church of Christ in the U.S.A. has a varied constituency which has a deep concern about this widespread ambivalence and which seeks a renewed and strengthened United Nations.

Throughout the bicentennial history of our Republic, prophetic elements in our church, as in all churches, have borne witness to the belief that worldwide community is the will of God for humanity. Already, in the American colonial period, one of our great theologians articulated our hope:

"There shall then be universal peace and a good understanding among the nations of the world instead of such confusion, wars and bloodshed as have hitherto been from one age to another . . . Then shall all the world be united in one amiable society. All nations, in all parts of the world, on every side of the globe, shall then be knit together in sweet harmony." [1]

In the 20th century, many Christian citizens and organizations are convinced that the growth of worldwide community requires both the protection and the stimulus of effective world political structures if it is to survive the threat of modern war and overcome the dangerous divisions of race and nation, bloc and class, sect and religion. Members of several faith traditions helped build the League of Nations two generations ago, and then, learning much from its failure, contributed to the construction in 1945 of a United Nations, a universal political organization rather than a mere extension of a victorious military alliance.

II

The broad goals of the United Nations as set forth in the Charter are today as imperative for the safety and progress of humanity as when they were formulated. This is equally true of the objectives defined for the specialized United Nations agencies—political, economic, social and technical—that have been established to help the nations move toward the Charter vision. But our present re-dedication to those goals must be linked to a realistic appraisal of the record of the United Nations as an instrument for their achievement:

1. "To maintain international peace and

[1] Jonathan Edwards, *A History of the Work of Redemption*, 1739.

security . . . and to bring about by peaceful means . . . settlement of international disputes. . . ."

No World War has broken out during the life of the United Nations, but a hundred limited wars have been fought, and have claimed millions of victims in sixty countries. The arms race now involves more countries and more weapons than ever before in history. Earth and sea have been seeded with enough thermonuclear charges to annihilate the human race.

2. "To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of people . . ."

The United Nations has become a forum in which 144 countries now regularly meet, almost all of the sovereign nation-states of the present era, some third of which were new-born in the vast decolonization that followed World War II. But many countries, old, new, great and small, have used this forum for propaganda and confrontation rather than genuine interchange and negotiated accommodation. Big Powers have refused to let their gravest conflicts be subjected to collective international examination but insisted that smaller countries accept the judgment of the Security Council in which the Big Powers have control. National sovereignty has often been invoked to prevent investigation of claims of unequal rights within nations.

3. "To achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character, and in promoting . . . respect for human rights and fundamental freedoms . . ."

The United Nations system of economic institutions has facilitated the unprecedented economic growth of many countries since World War II. United Nations cultural institutions have increased mutual knowledge and appreciation, United Nations technical and welfare institutions have improved communication and brought much relief. United Nations socio-ethical institutions have set high standards for human solidarity without discrimination as to race, sex, language or religion. But the gap between the rich and the poor—among and within nations—has widened, political conflict has warped important organizational decisions, and some of the most sensitive divisions between the nations have not been honestly faced but sorely aggravated through the loud sounding-board of General Assembly debates.

4. "To be a center for harmonizing the actions of nations in the attainment of these common ends."

During the first half of its life to date, the United Nations was prevented by the Cold War from effectively coordinating many weighty actions of the Great Powers. Postwar economic recovery, arms limitation, nation-building, and the implementation of human rights standards could not be harmonized by the United Nations because of deep division between East and West. During the second half of its existence, the United Nations has frequently been reduced to rhetoric without adequate action-programs by the fanning of conflict between the industrial and the less developed countries, between North and South.

We are grateful to God that, in spite of thirty years of crisis and ordeal, the United Nations survives, and is still *potentially* the organizing center indispensable to our human survival and to the nurture of a genuine and humane worldwide community.

III

We therefore call upon the churches to work, beginning in this year of the bicentennial and of a presidential election, for five essential reforms related to the whole United Nations complex, and especially the role played therein by our own United States Government.

1. The present distribution of power and responsibility in the whole web of United Nations institutions should be restructured so as to insure that the policies and programs adopted have at least the minimum level of member-state support that is essential for their implementation. The status of United States and international religious bodies as recognized Non-Governmental Organizations should be utilized to press for the activation of the United Nations' "Special Committee on the Charter of the United Nations and the Strengthening of the Role of the Organization." Likewise, religious groups should offer their testimony to the Secretary-General's "High Level Group of Experts" charged to develop "A New United Nations Structure for Global Economic Cooperation," in replacement of the current array of overlapping and unrelated organs working on various facets of the same problems. This religious witness should be based on the twin principles of national independence and international interdependence, not on any doctrinaire notion of a single world government or any imperial notion of capitalist or socialist or "Third World" hegemony. The objective should be so to reorganize the United Nations system as to make its many organs and agencies centers for the negotiation of "consensus decisions about action rather than voting about words." [2]

2. The increasingly dangerous stalemate in United Nations work on arms control, arms reduction, and general disarmament should be broken. Although the rim of the matter has been addressed in treaties on Outer Space, the Seabed, the Antarctic, and a Partial Test Ban, one or another of the Great Powers has over the years resisted successfully the preparation of any agreement limiting nuclear weapons, rolling back the arms race, or convening a world disarmament conference. The world is now spending annually more than $300 billion on armaments. With a deadlock in the SALT II negotiations, the United States must take the initiative in reducing its nuclear strategic weapons to a minimum deterrent. The United States should cease its opposition to the convening of a world disarmament conference by the United Nations. This would focus world opinion on disarmament and also establish a new negotiating forum in which France and China for the first time might participate. Since disarmament requires the substitution of world security for national security, the United States must stimulate the United Nations to establish peace-keeping machinery in the form of a permanent United Nations force. The religious community in the United States, in concert with the international ecumenical community, should inaugurate a campaign to press both national governments and the United Nations toward binding, controllable agreements that damp down the current multiple dangers of general war.

3. The rising demand for a "new" international economic order," expressed everywhere in the less developed countries and heard by many people of conscience in the richer nations, must be met head on. The United Nations is the only place where *all* parties to the required changes in worldwide capital transfer, productivity, income distribution, price and tax policies can express their concerns and contribute their ideas. The future allocation of food, of energy, of all raw materials, but also the defense and enhancement of our planetary environment, cannot possibly be determined fairly and will never be accepted universally unless the representatives of all of humanity participate in the great decisions that must be made. The religious groups of the United States should urge the United States Government and private United States corporations, whether transnational or engaged in the import export business, to participate creatively, rather than defensively, in the construction of that more just and humane world network of economic activity whose time has now come. The Seventh Special Session of the United Nations General Assembly in 1975 began the indispensable process of joint action, by the rich and the poor, to develop a pluralist world economic order in which the special values of free market and planning are united, and other notions about viable economic patterns are tested. Religious groups must vigilantly and vigorously labor to see that there is delivery on the promises made in the historic United Nations session.

4. The United Nations General Assembly and its Economic and Social Council, with strong support from the United States Government, must develop the courage to press for full respect for human rights in all parts of the world. The United Nations has thus far selectively pointed to violations of human rights in such countries as South Africa, Rhodesia, Chile, and the occupied Arab territories. But the United Nations has not been able, politically, to send missions to investigate, or to cite; violations in such countries as Korea, the Philippines, Indonesia, Iran, Syria, Uganda, Czechoslovakia, and the Soviet Union. While the United Nations has adopted the historic Universal Declaration of Human Rights and drafted a series of individual declarations and conventions in many specific areas, the machinery has been lacking to enforce these rights. New United Nations structures are needed and the United States must work for such initiatives.

5. The United States Government must lay much greater weight of the United Nations and its recommendations in the shaping of American foreign policy. While every country's foreign policy must be essentially determined by its vital national interests, the United States Government should provide a consistent example of a country that does not presume to know what its ultimate national interests really are without factoring into their formulation the best judgment of the United Nations. To enable the United Nations institutions and agencies to contribute to human survival, the United States must clearly demonstrate its respect for the opinion of the United Nations and all its member-states. By the way it prepares for discussion of the United Nations agenda, it must communicate its will to join in the negotiation of a consensus rather than convey the impression that it regards United Nations debates as a threat or a nuisance. By the kind of delegates it sends and financial contributions it votes, a Great Power reveals whether the United Nations organs are central or peripheral to its own policy decisions. The American Administration should make excellent, compassion and openness the standards for all forms of United States participation in the work of the world body. The United States Government should join other member governments in seeking to make the United Nations more operational by entrusting to it more significant areas of joint action, thereby achieving increasing functional integration on a world scale. United Nations membership must be all-embracing, whatever the political ideologies of the diverse lands. This struggling world body can indeed be improved, through the diligent labors of all who believe that worldwide community, not self-destruction, is the destiny of the human race.

[2] Cleveland, Harlan—"The Peace of Mutation," *The Inter-Dependence*, July–August, 1975.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 12:20 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:20 p.m.

There being no objection, the Senate, at 12:01 p.m., recessed until 12:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

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

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

ORDER FOR RECOGNITION OF SENATOR CURTIS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the leadership has been recognized tomorrow morning, the distinguished Senator from Nebraska (Mr. CURTIS) be recognized for not to exceed 15 minutes.

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

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976–77

Mr. ALLEN. Mr. President, the pending business and the unfinished business is S. 3439, a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

The PRESIDING OFFICER (Mr. CULVER). If the Senator from Alabama will yield, the Chair wishes to advise the Senator that there is no business pending at the moment. The unfinished business will not be laid before the Senate until 1 o'clock, in the absence of a unanimous consent agreement to the contrary.

Mr. MANSFIELD. Mr. President, just to clear the record, and I do not intend to pursue the matter, I ask unanimous consent that the unfinished business be laid before the Senate at this time, because I intend to move to lay it aside temporarily in a short while.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 3439) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ALLEN. Mr. President, as I say, S. 3439, the bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act is the unfinished business and at present the pending business. The majority leader has stated that in a short time, possibly at 1 o'clock, he is going to lay the pending business aside to take up the military construction bill.

This bill or a similar bill has already passed the House of Representatives and the Senate and was vetoed by the President. The present bill is supposed to be a composition of the differences that may have existed as to the propriety, the necessity, and the advisability of some of the appropriation authorizations made by the bill. As I understand it, it was to cut down on the amount of the authorization, to make it more compatible with the President's wishes.

Whatever the shape the bill ends up in, the Senator from Alabama will vote against it, because he objects to spending multiple billions of dollars overseas to bolster the economies and the military capacity of nations many of which are not the friends of the United States and the people of the United States.

But in addition, this bill injects an entirely new area of appropriation, and an area pronouncing a new foreign policy on the part of the United States. It would authorize the appropriation of $25 million in support of Secretary Kissinger's so-called new African policy.

Reading from the committee report which accompanied the pending bill, reading from page 58 of the report, as to title V:

Subsection (b) authorizes the appropriation of $25,000,000 for fiscal year 1977 for supporting assistance and economic assistance for countries in southern Africa other than Zaire and Zambia, affected by the crisis in that region, to carry out the proposals made by the Secretary of State in Lusaka, Zambia, on April 27, 1976.

Mr. President, this is something entirely new that has never been discussed here in the Senate. It was made the subject of a resolution by the distinguished Senator from Illinois (Mr. PERCY), which calls on the Senate to approve Secretary Kissinger's pronouncements in this speech. For some reason, that resolution has not been called up in the Senate. If it were, it would give rise, I am sure, to a debate, not necessarily an extended debate, as that term is sometimes used, but a high level debate on the advisability of the implementation of a new African policy.

The Senate saw fit to turn back the request of the President for funds to aid factions in Angola that were believed to be friendly to the United States. But here provision is sought to be made to provide $25 million—and that would just be the start of it—for implementing Secretary Kissinger's new African policy.

Now, what is that policy? It is a policy to grant economic aid to all those countries in South Africa that will join against the Government of Rhodesia, and in effect, Mr. President, seeks to topple that regime as it now exists.

It would seem to the Senator from Alabama that that is a most revolutionary concept. Why would we aid countries in opposition to a stable regime? And when I speak of a stable regime, that is contradistinction to most of the regimes in Africa—a stable regime in Rhodesia. For the Senate to be called on to approve such a revolutionary policy and a change of policy on the part of the U.S. Government is a departure that I do not feel that we should resort to when it is just stuck in, in a few lines in a tremendous bill authorizing the appropriation of multiple billions of dollars.

I understand, too, that the distinguished chairman of the Budget Committee (Mr. MUSKIE) has misgivings about this authorization. I do not know how he feels about the philosophical question involved and the propriety of that action, but on a budgetary concept, he objects, as I understand it, to the inclusion of a new $25 million that was not contemplated by any of the budget proposals.

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

Mr. ALLEN. Yes, I yield to the distinguished Senator.

Mr. MORGAN. I wonder if the Senator is willing to yield to me about 5 minutes to call up and consider a conference report.

Mr. ALLEN. Will it take that long?

Mr. MORGAN. I do not believe it will.

Mr. ALLEN. I will yield not to exceed 5 minutes, with the understanding that I do not lose my right to the floor

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SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT—CONFERENCE REPORT

Mr. MORGAN. Mr. President, I submit a report of the committee of conference on S. 2498 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CULVER). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2498) to amend the Small Business Act to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of May 10, 1976, beginning at page 13153.)

Mr. MORGAN. Mr. President, last December 12 the Senate passed S. 2498 by a vote of 69 to 5.

S. 2498, as adopted by the Senate, has three main focal points. First, S. 2498 would provide an alternative and more economical means of helping small business enterprises to obtain the equipment needed to meet Government pollution control standards. Second, the bill would establish a National Comission on Small Business. The Commission would have the charge of making a comprehensive and coordinated study of all factors affecting small business, and to make a report to the President and Congress on its findings and legislative recommendations. And, third, S. 2498 would amend and perfect several provisions of the Small Business and Small Business Investment Acts to make these acts more

useful and viable into today's economy and marketplace.

Last October the House passed H.R. 9056. S. 2498 and H.R. 9056 contain similar provisions on the new pollution control financing program and the eligibility of small farmers and ranchers for loans under the Small Business Act. In addition, H.R. 9056 includes a provision to establish a uniform interest rate on the Small Business Administration's share of any disaster loan.

On December 17 of last year, the House struck all after the enacting clause of S. 2498 and inserted the provisions of H.R. 9056.

The Senate disagreed to the amendments of the House and requested a conference.

After three meetings, the conferees resolved the remaining differences in S. 2498 on May 6.

Mr. President, I ask unanimous consent that the joint explanatory statement of the House and Senate conferees on S. 2498 be printed in the RECORD.

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

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 amendment of the House to the bill (S. 2498) to amend the Small Business Act and the Small Business Investment Act, 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 struck out all of 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, and 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.

1. STUDY OF DISASTER RELIEF AUTHORITY

The Senate bill provides for the President to undertake a comprehensive review of all Federal disaster loan authorities and make a report to Congress, not later than April 30, 1976. The report is to contain such recommendation and legislative proposals, including possible consolidation of Federal disaster loan authorities, as may be demonstrated as necessary and appropriate to assure the most effective and efficient delivery of disaster relief.

The study shall give particular emphasis to alleviating any extraordinary burden the management of Federal disaster loan programs may impose on an agency.

The House bill does not contain any comparable provision.

The Conference substitute adopts the Senate provision but extends the date by which the report shall be submitted to December 1, 1976.

2. FINANCING OF POLLUTION CONTROL FACILITIES

The Senate bill expands SBA's existing lease guarantee program to make it possible for small business to finance the leasing of pollution control equipment through the use of tax exempt industrial revenue bonds as authorized by the Internal Revenue Code. The bill authorizes an additional $15 million as capital for the program which would be self-sustaining through the collection of a lease guarantee fee.

The House amendment establishes a similar new financing method but does so by setting up a separate program which would not be a part of SBA's existing real estate lease guarantee program. The House amendment also authorizes the guarantee of other qualified contracts, such as a conditional sales contract, and expressly provides that the guarantee may be issued when the property is acquired through proceeds from the sale of industrial revenue bonds which provide the holders interest which is exempt from federal income tax. The House amendment also limits the guarantee fee to a maximum of 3.5% of the annual rental or payments on the equipment and establishes a new fund in the Treasury, with $15 million initial capital, and provides additional restrictions on the operation of the program which corresponds with the restrictions on SBA's existing real estate lease guarantee program.

The conference substitute adopts the House amendment but includes a Senate provision which authorizes the SBA guarantee only if the small business would not be able to obtain financing through the use of industrial revenue bonds unless such an SBA guarantee of the lease on the property was given.

3. SMALL BUSINESS INVESTMENT COMPANY LEVERAGE

The Senate bill increases the amount of financial assistance small business investment companies (SBIC's) may obtain from the Government from 200 to 300 percent of the SBIC's private capital It also increases the amount of financial assistance which venture capital SBIC's (i.e., those SBIC's which provide at least 65 percent of the financing which they make available to small businesses in the form of venture caiptal rather than loans) may obtain from the Government from 300 to 400 percent of the SBIC's private capital. It also extends these leverage increases to Minority Enterprise Small Business Investment Companies (i.e., those SBIC's which provide assistance solely to small business concerns which are owned by persons who are hampered because of social or economic disadvantages) and eliminates the maximum leverage ceilings for all SBIC's.

The House bill does not contain any comparable provision.

The Conference substitute adopts the Senate provision but establishes a maximum leverage ceiling for an SBIC of $35 million.

4. SMALL BUSINESS INVESTMENT COMPANY GUARANTEES

The Senate bill increases an SBIC's ability to guarantee a small business' monetary obligations from 90 percent of the total obligation to 100 percent.

The House amendment does not contain any comparable provision.

The Conference substitute adopts the Senate provision.

5. LICENSING OF NONCORPORATE SMALL BUSINESS INVESTMENT COMPANIES

The Senate bill authorizes unincorporated entities to be licensed by SBA as small business investment companies.

The House amendment does not contain any comparable provision.

The Conference substitute authorizes limited partnerships with a corporate general partner to be licensd by SBA as small business investment companies.

6. REPEAL OF PERCENTAGE LIMITATION ON BANK INVESTMENT IN SBIC'S

The Senate bill increases the amount of SBIC voting common stock that a bank may own from 49 percent to 100 percent.

The House amendment does not contain any comparable provision.

The conference substitute adopts the Senate provision.

7. LOANS FOR PLANT ACQUISITION

The Senate bill authorizes SBA to make loans to state and local development companies for the acquisition of existing plant facilities. It also extends the term of maturity of a regular business loan which is used for acquisition or construction from 15 to 20 years, plus such additional time as is necessary for construction.

The House amendment does not contain any comparable provision.

The Conference substitute adopts the Senate provision.

8. ECONOMIC OPPORTUNITY LOAN LIMIT

The Senate bill increases the maximum amount of an economic opportunity loan from $50,000 to $100,000 per borrower.

The House amendment does not contain any comparable provision.

The Conference substitute adopts the Senate provision but also requires an equitable distribution of such loans between the urban and rural areas.

9. DEVELOPMENT COMPANY LOAN LIMIT

The Senate bill increases the maximum amount of financial assistance to a state or local development company from $350,000 to $500,000.

The House amendment does not contain any comparable provision.

The conference substitute adopts the Senate provision.

In raising the maximum amount of local development company loans from $350,000 to $500,000 the Conferees are recognizing the impact of inflation upon loans since the original figure was adopted. However, it is the primary purpose of SBA loan programs to supply financing to small businesses which could not otherwise obtain financing, and the Conferees intend that SBA shall continue to primarily make loans below $100,000 and that although statutory provision should be made for those few situations where an applicant needs up to $500,000, loans of that size should be regarded as an exceptional situation and not a general practice.

10. REGULAR BUSINESS LOAN LIMIT

The Senate bill increases the maximum amount of regular business loans from $350,000 to $500,000 per borrower.

The House amendment does not contain any comparable provision.

The conference substitute increases the maximum amount of a regular business loan which is made by a financial institution and guaranteed by SBA from $350,000 to $500,000 per borrower but retains the present limit of $350,000 for direct loans and immediate participation loans (i.e., those loans made partly by a financial institution and partly by SBA).

In raising the maximum amount of regular business loans from $350,000 to $500,000, the Conferees are recognizing the impact of inflation upon loans since the original figure was adopted. However, it is the primary purpose of SBA loan programs to supply financing to small businesses which could not otherwise obtain financing. The Conferees intend that SBA shall continue to primarily make loans below $100,000 and that although statutory provision should be made for those few situations where an applicant needs up to $500,000, loans of that size should be regarded as an exceptional situation and not a general practice.

11. FARMING AND AGRICULTURE RELATED INDUSTRIES

The Senate bill makes it clear that it is the policy of Congress that the Small Business Administration shall provide management and financial assistance to agricultural enterprises which are small business

concerns, providing financial assistance is not otherwise available on reasonable terms from non-federal sources. It also excludes agricultural enterprises from a provision in the Small Business Act which states that SBA shall not duplicate the work or activity of any other agency of the United States.

The House amendment contains an identical provision which was accepted by the Conference substitute.

At the present time, SBA does not consider applications for financial assistance made by farmers. This position is taken by the Agency on the basis of the statutory prohibition against duplication by SBA of other federal programs. While Section 112(b) of the bill establishes that this is no longer to be the case, the Conference Committee wishes to make clear the intent of this provision.

Under no circumstances is the bill to be construed so as to permit the Department of Agriculture to diminish its efforts to meet the needs of small farmers for credit or other assistance. In fact, the Committee is hopeful that USDA will more aggressively pursue programs that serve small farmers. By doing so, the Department could eliminate much of the need for assistance from SBA.

Individuals who are applicants for the amounts within the maximum provided by Farmers Home Administration and who would be eligible to use FmHA should do so; however, if satisfactory financial assistance is not available due to lack of FmHA funding or for any other reason, such small businesses shall not be excluded from assistance by SBA on the excuse that they are agricultural enterprises.

12. SURETY BOND PROVISIONS

The Senate bill expresses the intent that in the event a surety company defaults on its payment to an obligee due to insolvency or any other reason, the Small Business Administration shall pay to the obligee whatever sum would otherwise have been payable to the surety. It also authorizes an additional $21.5 million to be appropriated for the Surety Bond Guarantees Fund.

The House amendment does not contain any comparable provision.

The conference substitute adopts that part of the Senate provision which authorizes an additional $21.5 million to be appropriated for the Surety Bond Guarantees Fund.

13. STUDY OF SMALL BUSINESS

The Senate bill creates a National Commission on Small Business in America, to be composed of 11 members appointed by the President. It is directed to submit a report and legislative recommendations to the President and Congress no later than two years after the enactment of the title. The bill authorizes the appropriation of such sums as would be necessary. The Commission's study is to include legislative and nonlegislative proposals on the following subjects:

1) The past, present, and potential contributions of small business to the well-being of the economy;

2) The effectiveness and desirability of existing federal subsidy and assistance programs for small business;

3) The costs and other effects of government regulation on small business;

4) The impact of the tax structure on small business;

5) The ability of financial markets and institutions to meet small business credit needs and the impact of government demands for credit on small business;

6) The qualities necessary in an environment in which small business can compete and expand to full potential; and

7) The desirability of developing a set of criteria to define small businesses.

The House bill does not contain any comparable provision.

The conference substitute adopts the Senate provision but gives the responsibility for the small business study to the Chief Counsel for Advocacy of the Small Business Administration instead of to a commission. In consequence, section 5(e) of the Small Business Act defining the Advocate's duties is revised to make the advocate role initially secondary to that of director of the small business study. According to the new language, the Advocate is to be appointed from civilian life by the President, by and with the advice and consent of the Senate.

Upon enactment of the legislation, the Advocate's primary responsibility is to complete the small business study. Upon completion of that study, his concentration is to shift to the role of small business advocate as defined in the original section 5(e) language.

In addition to the requirements in the Senate bill, the Advocate is also directed to study the role of minority business in the economy and to offer proposals and legislative recommendations for its betterment. Under the amendment, the Advocate is also directed to use the services of the National Advisory Council established pursuant to the provisions of section 8(b)(13) of the Small Business Act.

The conferees shortened the amount of time allowed for the study to one year and limited the appropriation to one million dollars. The conference substitute also directs the Advocate to deliver the final study to the Congress, the President and the Administration at the same time. The study is not to be submitted to the Office of Management and Budget or any other body prior to its transmittal to the Congress and the President.

14. NATURAL DISASTER LOAN INTEREST RATES

The House amendment establishes in the Small Business Act, with a narrow exception, a uniform interest rate on the Small Business Administration's share of any disaster loan. The exception permits disaster loans covering physical damage caused by natural disasters, economic injury caused by natural disasters, and product disasters to be made at an interest rate which does not exceed the rate of interest, according to the standard cost of money formula, in effect at the time of the occurrence of the disaster.

The Senate bill does not contain any comparable provision.

The Conference substitute adopts the House provision.

Mr. MORGAN. Mr. President, last Thursday, the House agreed to the conference report on S. 2498 by a vote of 392 to 0. Mr. President, I believe this is a very good indication that this issue has bipartisan support and is noncontroversial.

I urge our colleagues to adopt the conference report on S. 2498.

Mr. GARN. Mr. President, I wish to comment before the conference report is agreed to. I find myself in a peculiar position, having been an original cosponsor of this bill with Senator MORGAN, as the chairman and ranking minority member of the Small Business Subcommittee. Amendments were made in the Chamber which I agreed with primarily, including farmers under the loan program. I do not object to what was attempted to be done for the farmers, by including them in the small business program.

However, the appropriations have not been increased, and I think we are doing a disservice to the small businessmen who are currently under the SBA, by diluting the amount of funds available. We just have a one sized pie. Now we have divided it into a lot more pieces, and I am not sure we are going to help either the farmer or the small businessman.

I had originally intended to call for a rollcall vote to express my opposition; however, in the interest of time of the Senate and the fact the conference report will be overwhelmingly agreed to, I express my opposition to this bill. I am sorry it was amended and more consideration was not given to the appropriation process, the amount of money available for these loans. Although we are going to agree to the report by voice vote or unanimous consent, I wish to be shown that had we had a rollcall, I would have voted against this conference report.

Mr. MORGAN. Mr. President, I add that I concur with the thoughts of the distinguished Senator from Utah. This is a bill that he and I jointly introduced but the House of Representatives would not recede from its position, and we felt there were too many other provisions to lose.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

HOUSE CONCURRENT RESOLUTION 635—CORRECTION IN THE ENROLLMENT OF S. 2498

Mr. MORGAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 635.

The PRESIDING OFFICER (Mr. CULVER). The House concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 635) directing the Secretary of the Senate to make a correction in the enrollment of S. 2498.

The PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MORGAN. Mr. President, I call up an amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes an amendment.

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

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

The amendment is as follows:

Before the colon, strike out "correction" and insert in lieu thereof "corrections".

At the end of the resolution, add the following:

In the fifth sentence of proposed section 405 of the Small Business Investment Act of 1958 (in section 102 of the bill), insert "the" before "Treasury as miscellaneous receipts".

At the end of section 104(b) of the bill, strike out "; and" and insert in lieu thereof a period.

At the end of section 104(c)(1) of the bill, insert "and".

In section 106(a) of the bill, strike out "clause 7" and insert in lieu thereof "clause (7)".

In section 106(f)(1) of the bill, immediately after "shareholders" insert close quote.

In section 206 of the bill, strike "section 204" and insert in lieu thereof "section 202".

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

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution (H. Con. Res. 635), as amended, was agreed to.

Mr. MORGAN. Mr. President, I thank our distinguished colleague from Utah and distinguished colleague from Alabama for yielding the time.

Mr. ALLEN. I was delighted to accommodate the Senator from North Carolina.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORTS CONTROL ACT OF 1976–77

The Senate continued with the consideration of the bill (S. 3439) to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

Mr. ALLEN. Mr. President, as I say, this bill, or a similar bill, passed both Houses of Congress, was vetoed by the President, and comes back for trimming down to accommodate the President's views on budgetary accommodation. When it goes through the committee, it comes out with a brand new concept in the area of giving support to a new policy of the United States in Africa, a policy which has not been debated in the U.S. Senate. So far as I know it was not recommended to the Secretary by the President. As far as I know it was not recommended to the Secretary by the Committee on Foreign Relations of the Senate. But yet a new policy is announced that would give support to African nations that join in the battle or conflict with the existing government in Rhodesia, and I assume that part of Africa which would become South Africa. They exclude Zaire and Zambia from the countries that receive this assistance. That would leave Mozambique which is certainly Communist controlled.

So here we would be giving economic assistance to nations in Africa, particularly, I assume, Mozambique, to persuade them to join in the battle against the stable government in Rhodesia.

Already there are guerrillas attacking the armies and forces of that government. And what does this mean? Does this mean that we are going to outfit an expedition? What does it mean? No one knows. But this authorization is here.

Mr. President, I serve notice that I disapprove of bringing in a novel concept of this sort at this late date when the proposals under the budget law require that they be out of committee by the 15th of May. I do not know when this new concept came in. It was May 14. It probably came right under the deadline, but the trouble is that it was not in the budget resolution setting the suggested ceiling on expenditures.

And I feel sure that the chairman of the Budget Committee, Mr. MUSKIE, will raise a question about this. So if this provision remains in the bill, the bill is going to be subjected to extended debate. It will pass eventually, I assume, but not before full debate has taken place with respect to this change suggested by Mr. Kissinger in the policy of the United States with regard to South Africa, or the continent of South Africa. I do not have reference to the country of South Africa. I refer to the southern portion of the African continent.

It is something that should not be in this authorization. The entire matter should be discussed on the floor of the Senate with respect to the policy, up and down, and whether one man has the right to change the foreign policy of the United States. If he can change this policy, perhaps he can have a realinement of allies. I do not know. What are the limits that are placed upon one person announcing what the foreign policy of the United States is?

We refused to send economic or military assistance to a faction supporting the United States in Angola. Yet, we are giving assistance to anybody who will take a stand against Rhodesia and who will join in the battle against Rhodesia. It is something that requires full discussion, not by tossing four or five lines in a complex bill.

The distinguished Senator from Illinois (Mr. PERCY) has a resolution that has been on the Calendar for some 2 weeks. I feel that before an appropriation of this sort is made, that resolution should be brought out and there should be a full discussion on that.

Mr. President, I merely wish to state that I oppose the inclusion of an authorization of $25 million for all nations that will line up against Rhodesia. This particular phase of the bill will be discussed at length when this matter comes up for consideration in the Senate. It is the pending bill at this time; it is the unfinished business at this time; but I understand that the majority leader is going to ask that this matter be laid aside in order that the military construction bill can be brought up.

However, when the appropriation bill comes up again, if this provision is still in the bill, it is going to be discussed at length. I serve notice to that effect, and I serve notice that I object to the setting of any time limitation on discussion of this bill. It must be subjected to full and searching debate.

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

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

AMENDMENT NO. 658

Mr. ALLLEN. Mr. President, I call up my amendment and ask that it be stated and that it become the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment. On page 81—Strike all of Section (b)—that is all of lines 3 through 10.

Mr. ALLEN. Mr. President, I shall not press this to a vote at this time, because I understand that the entire bill is to be laid aside in order that the military construction bill may come up. This amendment does strike from the bill the $25 million authorization for the assistance to those nations in the southern part of Africa that rallied to the opposition of the government in Rhodesia. Specifically, it speaks of using this money to implement the proposals of Secretary Kissinger in his speech in Lusaka, Zambia, on April 27, 1976. This amendment would knock that $25 million provision from the bill, but I do not press it for a vote at this time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1977

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate turn to the consideration of Calendar No. 834, H.R. 12438, and that it be laid before the Senate and made the pending business.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12438) to authorize appropriations during fiscal year 1977 for the procurement of aircraft, missiles, naval vessels, and so forth, and for other purposes.

The Senate proceeded to consider the bill, H.R. 12438, to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes. which had been reported from the Committee on Armed Services, with an

amendment to strike out all after the enacting clause and insert:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $547,200,000; for the Navy and Marine Corps, $2,995,800,000; for the Air Force, $6,196,300,000.

MISSILES

For missiles: for the Army, $477,400,000; for the Navy, $1,902,200,000; for the Marine Corps, $71,900,000; for the Air Force, $1,883,100,000, of which $317,000,000 shall be used only for the procurement of Minuteman III missiles.

NAVAL VESSELS

For naval vessels: for the Navy, $5,976,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,030,700,000; for the Marine Corps, $29,700,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $228,600,000.

OTHER WEAPONS

For other weapons: for the Army, $57,300,000; for the Navy, $73,000,000; for the Marine Corps, $3,500,000; for the Air Force, $400,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army $2,284,948,000, except that none of the funds authorized by this or any other Act may be used to initiate engineering development on the 30 millimeter gun for the Advance Attack Helicopter until (1) the Secretary of the Army has selected the ammunition for such gun and notified the Committees on Armed Services of the Senate and the House of Representatives of such selection, and (2) 60 days have expired following the day on which such committees received such notification.

For the Navy (including the Marine Corps), $3,718,790,000;

For the Air Force, $3,773,430,000; and

For the Defense Agencies, $700,180,000, of which $30,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 787,100;

(2) The Navy, 533,700;

(3) The Marine Corps, 190,000;

(4) The Air Force, 570,000.

SEC. 302. Paragraph (3) of section 138(c) of title 10, United States Code, is amended by adding at the end thereof a new sentence as follows: "Such report shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities, and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure.".

SEC. 303. (a) Clause (3) of section 1009 (b) of title 37, United States Code, is amended by inserting "subject to the provisions of subsection (c)," after "(3)".

(b) Section 1009 of such title is further amended by adding at the end thereof the following new subsections:

"(c) Whenever the President determines such action to be in the best interest of the Government, he is authorized to allocate the overall average percentage of any increase described in subsection (b)(3) among the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis; however, the percentage allocated to the element of monthly basic pay may not be less than 75 per centum of the amount that would have been allocated to the element of basic pay under subsection (b)(3).

"(d) Whenever the President plans to exercise his authority under subsection (c) with respect to any anticipated increase in the compensation of members of the uniformed services, he shall advise the Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase among the different elements of compensation.

"(e) The allocations of increases made under this section among the three elements of compensation shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008 (b), and a full report made to the Congress summarizing the objectives and results of those allocations.".

SEC. 304. (a) Subsection (a) of section 501 of title 37, United States Code, is amended by (1) striking out "In subsections (b)–(f) of this section—

"(1) 'discharge' means—"

and inserting in lieu thereof "In this section 'discharge' means—"; (2) redesignating subclauses (A), (B), and (C) of clause (1) as subclauses (1), (2), and (3), respectively; and (3) striking out the semicolon at the end of clause (3), as redesignated, and inserting in lieu thereof a period.

(b) Subsection (a) of such section is further amended by striking out clauses (2), (3), and (4).

(c) Subsection (b) of such section is amended to read as follows:

"(b)(1) A member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration, who has accrued leave to his credit at the time of his discharge, is entitled to be paid in cash or by a check on the Treasurer of the United States for such leave on the basis of the basic pay to which he was entitled on the date of discharge.

"(2) Payment may not be made under this subsection to a member who is discharged for the purpose of accepting an appointment or a warrant, or entering into an enlistment, in any uniformed service.

"(3) Payment may not be made to a member for any leave he elects to have carried over to a new enlistment in any uniformed service on the day after the date of his discharge; but payment may be made to a member for any leave he elects not to carry over to a new enlistment. However, the number of days of leave for which payment is made may not exceed sixty, less the number of days for which payment was previously made under this section after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted.

"(4) A member to whom a payment may not be made under this subsection, or a member who reverts from officer to enlisted status, carries the accrued leave standing to his credit from the one status to the other within any uniformed service.".

(d) The last sentence of subsection (d) of such section is amended to read as follows: "However, the number of days upon which payment is based is subject to subsection (f).".

(e) Subsection (e) of such section is amended by striking out "Environmental Science Services Administration" and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(f) Subsection (f) is amended to read as follows:

"(f) The number of days upon which payment under subsection (b), (d), or (g) is based may not exceed sixty, less the number of days for which payment has been previously made under such subsections after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted. For the purposes of this subsection, the number of days upon which payment may be based shall be determined without regard to any break in service or change in status in the uniformed services.".

(g) The second sentence of subsection (g) is amended to read as follows: "However, the number of days upon which the lumpsum payment is based is subject to subsection (f).".

(h) Notwithstanding the provisions of section 501(b)(1) of title 37, United States Code, as amended by subsection (c) of this section, and subject to the limitations prescribed in section 501(b)(3) of such section, as amended by subsection (c) of this section, any leave accrued to any member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration prior to the first day of the second calendar month following the month in which this section is enacted shall, at the option of such member, be paid for on the same basis such leave would have been paid for under the provisions of section 501 (b) of title 37, United States Code, on the day prior to the first day of the second calendar month following the month in which this section is enacted.

SEC. 305. (a) Except as provided in subsection (c), none of the funds authorized to be appropriated by this or any other Act may be used on and after October 1, 1978, to meet in whole or in part—

(1) the cost of purchasing or maintaining equipment or supplies for the operation of any commissary store under the Department of Defense.

(2) the cost of any utilities furnished by the United States in connection with the operation of any such store,

(3) any loss incurred by any such store as the result of shrinkage, spoilage, or pilferage of merchandise under the control of any such store, or

(4) any other direct cost incurred in the operation of any such store other than transportation costs outside the United States.

(b)(1) Except as provided in subsection (c) and paragraph (2) of this subsection, none of the funds authorized to be appropriated by this or any other Act may be used by any military department to meet in whole or in part any cost or loss referred to in subsection (a) in any amount in excess of 66⅔ per centum of any such cost or loss incurred by the commissary stores of such military department in the fiscal year beginning October 1, 1976, or in any amount in excess of 33⅓ per centum of any such cost or loss incurred in the fiscal year beginning October 1, 1977.

(2) Any utilities furnished by the United States to commissary stores outside the continental United States shall be furnished to such stores during the fiscal year beginning October 1, 1976, at not less than 33⅓ per centum of the cost of such utilities to the United States, and during the fiscal year beginning October 1, 1977, at not less than 66⅔ per centum of the cost of such utilities to the United States.

(c) Notwithstanding any other provision

of law, the Secretary of any military department is authorized, in accordance with such regulations as the Secretary of Defense may prescribe, to utilize appropriated funds to aid in financing the operations of commissary stores in any fiscal year, but any amounts utilized for such purpose shall be repaid the United States by such commissary stores and the sales price of merchandise sold in such stores shall be adjusted to the extent necessary to permit repayment of such amount to the United States. The amount required to be repaid for any such assistance during the fiscal year beginning October 1, 1976, or the fiscal year beginning October 1, 1977, shall be the amount in excess of the amount referred to in subsection (b). Any amount repaid the United States under this subsection shall be credited to the appropriate account of the military department concerned.

SEC. 306. The second sentence of section 2 of Public Law 93-274 (88 Stat. 94) is amended by striking out that portion preceding "authority for" and inserting in lieu thereof "The".

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 390,000;

(2) The Army Reserve, 212,400;

(3) The Naval Reserve, 79,500;

(4) The Marine Corps Reserve, 33,500;

(5) The Air National Guard of the United States, 93,300;

(6) The Air Force Reserve, 52,000;

(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 402. (a) Section 309 of title 37, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 5 of such title is amended by striking out

"309. Reserves; members of National Guard: additional pay for performance of administrative duty.".

(c) The amendments made by this section shall become effective on the first day of the first month following the month in which this section is enacted.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 373,500;

(2) The Department of the Navy, including the Marine Corps, 318,400;

(3) The Department of the Air Force, 256,600;

(4) Activities and agencies of the Department of Defense (other than the military departments), 79,200.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section, but such additional number may not exceed one-half of one per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 81,429;

(2) The Navy, 66,914;

(3) The Marine Corps, 25,501;

(4) The Air Force, 49,610.

(5) The Army National Guard of the United States, 12,804;

(6) The Army Reserve, 7,023;

(7) The Naval Reserve, 1,257;

(8) The Marine Corps Reserve, 3,562;

(9) The Air National Guard of the United States, 2,232; and

(10) The Air Force Reserve, 1,107.

(b) The average military training student loads for the Army, the Navy, the Marines Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the fiscal year ending September 30, 1977, shall be adjusted consistent with the manpower strengths provided in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

SEC. 602. Chapter 901 of title 10, United States Code, is amended by adding the following new section and inserting a corresponding item in the analysis:

"§ 9315. Community College of the Air Force: associate degrees

"(a) There is in the Air Force a Community College of the Air Force. It shall be the function of such college, in cooperation with civilian colleges and universities, to—

"(1) prescribe programs of higher education for enlisted members of the armed forces designed to improve the technical managerial, and related skills of such members and prepare such members for military jobs which require the utilization of such skills; and

"(2) monitor on a continuing basis the progress of members pursuing such programs.

"(b) Subject to subsection (c), the commander of the Air Training Command of the Air Force may confer an academic degree at the level of associate upon any enlisted member who has completed the program prescribed by the Community College of the Air Force.

"(c) No degree may be conferred upon any enlisted member under this section unless (1) the Air Force Community College of the Air Force certifies to the commander of the Air Force Training Command that such member has satisfied all the requirements prescribed for the degree, and (2) the Commissioner of Education of the Department of Health, Education, and Welfare determines that the standards for the award of academic degrees in agencies of the United States have been met.".

TITLE VII—SUPPLEMENTAL AUTHORIZATION OF FUNDS FOR THE NAVY FOR FISCAL YEAR 1976

SEC. 701. In addition to the funds authorized to be appropriated by the Department of Defense Appropriation Authorization Act, 1976, there is authorized to be appropriated to the Navy during the fiscal year 1976 (1) for the procurement of naval vessels, the sum of $213,000,000; and (2) for research, development, test, and evaluation, the sum of $8,000,000.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. (a) The second sentence of section 1401a(b) of title 10 United States Code, is amended by striking out "the per centum obtained by adding 1 per centum and".

(b) The second sentence of paragraph (2) of section 291(a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended by striking out "1 per centum plus".

(c) The amendment made by subsections (a) and (b) shall not become effective unless legislation is enacted repealing the so-called 1 per centum add-on provision applicable to annuities paid under chapter 83 of title 5, United States Code. In the event such legislation is enacted, the amendments made by subsections (a) and (b) of this section shall become effective with respect to the retired and retainer pay of members and former members of the Armed Forces and to persons receiving annuities under the Central Intelligence Agency Act of 1964 for Certain Employees at the same time the repeal of such 1 per centum add-on provision becomes effective with respect to persons entitled to annuities under such chapter 83.

SEC. 802. Section 814(a) of the Department of Defense Appropriation Authorization Act, 1976 (89 Stat. 544), is amended to read as follows:

"(a)(1) It is the policy of the United States that equipment procured for the use of personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or at least interoperable with equipment of other members of the North Atlantic Treaty Organization. In carrying out such policy the Secretary of Defense shall, to the maximum feasible extent, initiate and carry out procurement procedures that provide for the acquisition of equipment which is standardized or interoperable with equipment of other members of the North Atlantic Treaty Organization whenever such equipment is to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty.

"(2) Whenever the Secretary of Defense

determines that it is necessary, in order to carry out the policy expressed in paragraph (1) of this subsection, to procure equipment manufactured outside the United States, he is authorized to determine, for the purposes of section 2 of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), that the acquisition of such equipment manufactured in the United States is inconsistent with the public interest.

"(3) In any case in which the Secretary of Defense proposes not to carry out the policy expressed in subsection (a) of this section regarding the procurement of standardized or interoperable equipment, he shall report that fact to the Congress coincident with submission of the annual budget and include in his report a description of the equipment to be procured and the reasons for noncompliance with such policy.".

SEC. 803. (a) It is the sense of Congress that weapons systems being developed wholly or primarily for employment in the North Atlantic Treaty Organization theater shall conform to a common North Atlantic Treaty Organization requirement in order to proceed toward joint doctrine and planning and to facilitate maximum feasible standardization and interoperability of equipment. A common North Atlantic Treaty Organization requirement shall be understood to include a common definition of the military threat to the North Atlantic Treaty Organization countries. The Secretary of Defense shall, in the reports required by section 302(c) of Public Law 93-365, as amended, identify those programs in research and development for United States forces in Europe and the common North Atlantic Treaty Organization requirements which such programs support. In the absence of such common requirement, the Secretary shall include a discussion of the actions taken within the North Atlantic Alliance in pursuit of a common requirement and the justification for continuing a program for which there is no common requirement. The Secretary of Defense shall also report on efforts to establish a regular procedure and mechanism within North Atlantic Treaty Organization for determining common military requirements.

(b) It is the sense of the Congress that progress toward the realization of the objectives of standardization and interoperability would be enhanced by expanded inter-Allied procurement of arms and equipment within the North Atlantic Treaty Organization. It is further the sense of the Congress that expanded inter-Allied procurement would be facilitated by greater reliance on licensing and coproduction agreements among the signatories of the North Atlantic Treaty. It is the Congress' considered judgment that such agreements, if properly constructed so as to preserve the efficiencies associated with economies of scale, could not only minimize potential economic hardship to parties to such agreements but also increase the survivability, in time of war, of the Alliance's armaments production base by dispersing manufacturing facilities. Accordingly, the Secretary of Defense, in conjunction with appropriate representatives of other members of the Alliance, shall attempt to the maximum extent feasible (1) to identify areas for such cooperative arrangements and (2) to negotiate such agreements pursuant to these ends. The Secretary of Defense shall include in the report to the Congress required by section 302(c) of Public Law 93-365, as amended, a discussion of the specific assessments made under the above provisions and the results achieved with the North Atlantic Treaty Organization allies.

(c) It is the sense of the Congress that standardization of weapons and equipment within the North Atlantic Alliance on the basis of a "two-way street" concept of cooperation in defense procurement between Europe and North America could only work in a realistic sense if the European nations operated on a united and collective basis. Accordingly, the Congress encourages the governments of Europe to accelerate their present efforts to achieve European armaments collaboration among all European members of the Alliance.

SEC. 804. No funds authorized by this or any other Act may be expended for the purpose of paying any taxes to the national government of any country which is a member of the North Atlantic Treaty Organization in which any military unit of Armed Forces of the United States is regularly stationed if such taxes are imposed, directly or indirectly, on such unit, the members thereof, or on the property or equipment used by such unit; and no such funds may be expended for the purpose of paying any taxes to any regional or local subdivision government of any such country, if such taxes are imposed, directly or indirectly, on such unit, the members thereof, or on the property or equipment used by such unit, unless the United States is to be fully reimbursed for the payment of such taxes by the national government of such country.

SEC. 805. (a) Section 2 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251) is amended by inserting after the third sentence thereof a new sentence as follows: "The Congress recognizes that the organizational structure established jointly by the Federal Government and the several States and their political subdivisions for civil defense purposes can be effectively utilized, without adversely affecting the basic civil defense objectives of this Act, to provide relief and assistance to people in areas of the United States struck by other than enemy-caused disasters; it is, therefore, further declared to be the policy and intent of the Congress that the needs of the States and their political subdivisions with respect to preparations for other than enemy-caused disasters be taken into account in providing Federal assistance under this Act.".

(b) The first sentence of section 408 of such Act (50 U.S.C. App. 2260) is amended to read as follows: "No funds may be appropriated for any fiscal year beginning after September 30, 1977, for carrying out the purpose of this Act, unless such funds have been authorized for such purpose by legislation enacted after the date of enactment of the Department of Defense Appropriations Authorization Act, 1977.".

(c) Section 201 of such Act (50 U.S.C. App. 2281) is amended—

(1) by striking out in subsection (e) "*Provided further*, That the authority to pay travel and per diem expenses of students as authorized by this subsection shall terminate on June 30, 1976."; and

(2) by striking out in the fourth proviso of subsection (h) "until June 30, 1976,".

(d) Subsection (h) of section 205 of such Act (50 U.S.C. App. 2286(h)) is amended to read as follows:

"(h) Funds made available to the States under this Act may be used, to the extent and under such terms and conditions as shall be prescribed by the Administrator, for providing emergency assistance in any area of the United States which suffers a disaster other than an enemy-caused disaster.".

SEC. 806. Title VIII of the Department of Defense Appropriations Authorization Act, 1975 (88 Stat. 408) is repealed.

SEC. 807. The Secretary of Defense is authorized and directed to request from retiring military officers personnel and civilian personnel, of a grade GS-13 or above, who are employed in military procurement, suggestions for methods to improve procurement policies, including ideas for improving competitive bidding and eliminating any inequities that may exist. The result shall be made of personnel during their last month of employment and they shall be allowed reasonable time during working hours during the last month to complete their voluntary report to be submitted upon retirement. The Secretary or his designate shall quarterly furnish the Armed Services Committees of the House of Representatives and Senate a copy of all such recommendations and the response of the Department of Defense.

SEC. 808. (a) Prior to March 1, 1977, the Committees on Armed Services of the House of Representatives and the Senate shall jointly conduct and complete a comprehensive study and investigation of the past and projected costs and effectiveness of attack aircraft carriers and their task forces. This investigation shall include consideration of possible alternatives to attack aircraft carriers and their escorts. The result of this comprehensive study shall be considered prior to any authorization or appropriation for the production or procurement of additional attack aircraft carriers.

(b) In carrying out such study and investigation, the Committees on Armed Services of the House of Representatives and the Senate are authorized to call on all Government agencies and such outside consultants as such committees may deem necessary.

SEC. 809. That this Act may be cited as the "Department of Defense Appropriations Authorization Act, 1977".

Mr. CULVER. Mr. President, will the Senator yield for a point of order?

Mr. MANSFIELD. Yes.

Mr. CULVER. I wonder whether or not there has been a time agreement arrived at on this particular bill and amendments thereto?

Mr. MANSFIELD. None, and none seems to be in sight.

Mr. CULVER. It is the concern of the Senator from Iowa that there be, if at all possible, some understanding, particularly with regard to the amendments on the B-1 bomber.

It seems, given the importance of that measure, that maximum attendance be possible, and I wondered if the chairman of the committee could possibly give me any indications of the timetable he foresaw in consideration of this bill.

Mr. STENNIS. Well, Mr. President, I will defer to the leader if he would like to answer first.

Mr. MANSFIELD. The question was raised if there was a time limitation, and the answer was in the negative; and, furthermore, that at the moment there was no prospect in sight for a time agreement, because of various objections which have been brought to my attention. But as to how long this would take, I am sure that both the Senator from Iowa and the Senator from Mississippi, the manager of the bill, can answer it far better than I.

Mr. STENNIS. Mr. President, if I may answer further, the leader, of course, is correct, there has been no attempt to get a time agreement yet. In fact, the bill is being called up a little ahead of what was expected because of something that happened to another bill.

So far as the chairman can see, we could have some debate this afternoon, get started on it. I am very glad for the bill to get its place on the calendar and to be the pending matter with all dispatch possible.

It is understood that the military construction authorization bill will have an interlude this afternoon for it. Presumptively it will pass rather readily. Tomor-

row, of course, there would be further time for debate. I do not know what the leader's plans are for tomorrow exactly, but I think the Senator from Iowa and I could recommend a time agreement without any difficulty after we have talked it over. I want him to have all the time he needs and all to have time. I consider it a very important amendment. But I am particularly anxious for the Senate to get a chance to pass this bill next week, and I think the Senator from Iowa wishes so to do.

Mr. CULVER. Yes, sir. The Senator from Iowa has no intention of attempting to delay this bill although I am concerned that the time circumstances here do require us to take it up in the absence of all the Senators even being currently in possession of a committee report, so certainly it seems to me objection would be appropriate along those lines.

If there is any possibility that the amendment on the B–1 bomber would be called in order or scheduled for tomorrow or Monday, given the anticipated absence of Members who have a direct interest and concern in this particular amendment, I would be constrained to request that the vote occur today on that amendment, if necessary.

Could I have the assurance from the chairman that a vote on that B–1 amendment would not occur until next Tuesday?

Mr. STENNIS. Well, my only hesitancy is, of course, we have to make a start, and I consider that an important amendment. We can get some other things out of the way that would suit the Chairman better. I mean the general presentation of the bill. We have three or four subcommittee chairmen, and we have the ranking members of that group, and I hope they will take the floor. I do not know just what other amendments there will be. But may I ask the leader, is there something else to come on Tuesday under the present plan, some other matter to be up on Tuesday next?

Mr. MANSFIELD. at the moment the answer is in the negative—oh, yes, there is, the antitrust bill, which has been agreed to by the Senate to be taken up some time Tuesday next. I had forgotten that.

Mr. STENNIS. Is there controlled time on that yet?

Mr. MANSFIELD. No.

Mr. STENNIS. You see that takes care of Tuesday, and there are many things we can be doing tomorrow and Monday.

My firm request is though that we get back on this bill and pass it, if at all possible, next week before we go out.

Mr. CULVER. Mr. President, I think I have made clear my concern, and in the absence of any assurance that there will be no votes occurring with regard to the B–1 amendments prior to Tuesday—the votes could occur on that day—but in the absence of such assurance, I would be constrained to object to the consideration of the legislation today or I would offer that the B–1 amendments be voted on today, but in the absence of such assurance, I think there are many reasons why the bill should not be taken up at all now.

Mr. MANSFIELD. Mr. President, if the Senator will yield there, the leadership made a commitment that if at all possible this bill would be taken up today, and the leadership does not give its word lightly. Because of a situation over which we had no control relative to the military arms sales, we find ourselves in a box whereby we have to take up this bill, and while the taking up is debatable—Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

H.R. 12438, a bill to authorize appropriations during the fiscal year 1977, and for other purposes.

Mr. CULVER. Excuse me, Mr. President, point of inquiry. Has that motion been ruled on by the Chair? Because I was reserving the right to object while I posed my point of order or my inquiry to the Chair with regard to what, if any, agreements were understood.

The PRESIDING OFFICER. The bill is before the Senate.

Mr. MANSFIELD. What was the ruling of the Chair?

The PRESIDING OFFICER. The bill is before the Senate.

Mr. STENNIS. Mr. President, will the Senator yield to me? I think it will serve the purpose of all if we can have an agreed time on the B–1 amendments for Wednesday.

Mr. CULVER. For Wednesday?

Mr. STENNIS. Yes.

Mr. CULVER. I thank the chairman.

Mr. STENNIS. There are two amendments, as I understand, on the B–1. The Senator has an amendment himself, and I anticipate the Senator from South Dakota's amendment will be to strike it all out. Maybe we could get together and have an agreement as to both of those amendments at the same time on a time limitation.

Mr. CULVER. I would certainly like the opportunity to confer with the chairman on it.

Mr. STENNIS. And that we proceed with all other parts of the bill, Mr. Leader, the best we can on time agreements, but we would work out a time agreement this afternoon on the B–1 bomber. Is that satisfactory?

Mr. CULVER. I appreciate the consideration of the chairman.

Mr. STENNIS. The Senator from Arizona is here and I would like for him to take the floor.

Mr. GOLDWATER. Mr. President, if the Senator will yield, the minority leader has indicated that yesterday he obtained unanimous consent tc take up the antitrust bill on Tuesday. I think the majority leader knows that bill is not going to be finished in 1 day.

Mr. MANSFIELD. That is correct.

Mr. GOLDWATER. In all probability it will take a lot of discussion.

The chairman of my committee indicates that voting on the B–1 on Wednesday would be all right with him. It would also be all right with me. But are we going to be certain we can vote on it on Wednesday or are we going to be faced with a filibuster type situation where we will be precluded from deciding what to me is the only major amendment that will be offered against this bill, the amendment of the Senator from Iowa?

Mr. MANSFIELD. If the Senator will yield, I would be prepared to make a unanimous-consent request that the pending business on Wednesday, which will be the antitrust proposal, be laid aside temporarily, and that at that time there be an hour on the McGovern amendment, an hour on the Culver amendment if the McGovern amendment fails, and that at the conclusion of that period of time, if the Senate finds it satisfactory, there would be votes at the end of that time period on each amendment.

Mr. GOLDWATER. Could we consider a time certain?

Mr. MANSFIELD. Yes.

Mr. GOLDWATER. I say that because putting this vote off until Wednesday does raise problems with a number of Senators on our side, probably involving cancellation of many graduation speeches out in the Far West, which we are happy to do, but if we could have a time certain where we could consider the amendment—do we not have another amendment coming up, I say to my friend from Iowa?

Mr. CULVER. I am sorry?

Mr. GOLDWATER. The McGovern amendment, is Senator HART going to offer an amendment on the B–1?

Mr. CULVER. I just do not know.

Mr. GOLDWATER. I thank the Senator.

Mr. CULVER. I am not aware of any others than those two.

Mr. GOLDWATER. The McGovern amendment would strike all consideration of the B–1. The Senator's amendment would merely be the one to postpone the decision.

Mr. CULVER. That is correct.

Mr. GOLDWATER. I have no objection to voting then, providing we are certain that—and I want to have the majority leader hear this—so that we are certain some time Wednesday we know we are going to vote on the B–1 amendments, whatever they might be.

We can argue about them in between. For example, I do not care to say any more about the B–1, except possibly a little dialog with my friend. I discussed it with Senator PROXMIRE at great, great length, not that anybody is going to read it.

I think I speak for the Tactical Air Subcommittee. We have had no differences on the Tactical Air Subcommittee.

So I do not think there is going to be a lot said about this bill after the Senator from Mississippi has made the introduction. I think the bill could pass very quickly.

Mr. MANSFIELD. If my colleagues will allow me, I would like to suggest the absence of a quorum to see if we can reach an agreement, but before I do so, I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I ask

unanimous consent that Douglas Racine of my staff be granted privilege of the floor during all debate and votes today.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

GUARD AND RESERVES FORCES FACILITIES AUTHORIZATION ACT, 1977

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside for the time being and that the Senate turn to the consideration of Calendar No. 814 (S. 3434).

The PRESIDING OFFICER. The bill will be stated by title. The assistant legislative clerk read as follows:

A bill (S. 3434) to authorize certain construction at military installations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, the Senate will proceed to its immediate consideration.

Mr. MANSFIELD. Mr. President, the purpose of bringing this up at this time, which was anticipated at a somewhat later period, is to see if some agreements can be worked out between the contending groups vis-a-vis the B–1 bomber.

Mr. SYMINGTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. SYMINGTON. Mr. President, the bill before the Senate provides for construction and other related authority for the military departments and defense agencies within and outside the United States, including authority for all costs of military family housing and the construction of facilities for the Reserve forces.

The administration's request this year was conservative—$3,368,215,000—down nearly one-half billion dollars from the $3,853,705,000 authorized last year.

After careful consideration, the Armed Services Committee reduced the administration's request by $78,430,000. The bill before you provides $3,289,785,000 in new authority. During its deliberations the committee denied or deferred projects of questionable validity or low priority and the bill before you contains those projects that the committee considers necessary to provide for the most essential construction needs of the Department of Defense.

A major portion of the bill provides authority to operate and maintain the military family housing inventory. Over one-third of the total authority in the bill is required to pay military family housing utility bills and to perform essential maintenance to keep the housing inventory from deteriorating. The requirement for new family housing has been drastically reduced, as the Department of Defense and the Department of Housing and Urban Development have cooperated to encourage the private housing industry to provide off-base quarters for the military. This bill authorizes just over 1,000 new units of family housing, primarily for locations experiencing a buildup of forces which the local community cannot accommodate.

Mr. President, I would like to take just a few moments to highlight major projects that are included in this bill.

The largest facility ever authorized in a single military construction bill is contained in this bill—the aeropropulsion systems test facility. This facility, at a cost of $437,000,000, is designed to be able to test the next generation of jet engines which will operate at speeds and altitudes that exceed the capabilities of our current test facilities. The Arnold Engineering Development Center, Tullahoma, Tenn., which is the current center of jet engine technology in this country, will be the site of the proposed facility. The committee examined this request in great depth and found complete support for the proposal from the Department of Defense, NASA, the National Science Foundation, and the aircraft industry. I might comment that both our allies, the French, and our adversaries, the Soviets, have jet engine test facilities that far exceed the capabilities of the current United States facilities. The committee endorses this project without qualification.

For the second year, the Department of Defense has requested authority to upgrade the physical security of our nuclear weapons storage sites. The committee remains concerned with this effort because of the incomprehensible consequences of some dissident element getting their hands on a nuclear device. This year's bill contains nearly $120 million in authority for this purpose and the committee, in its report on the bill, has again included strong language to cause the Department of Defense to give this effort top priority.

Finally, Mr. President, a brief comment on the committee's base realinement provision, section 612. It is extremely important that the record be clear on what this provision is and what it will do. Essentially, the provision puts into law the procedures now followed by the Department of Defense in effecting base closures and significant reductions. The committee feels strongly that decisions regarding base closures and reductions are properly made by the Department of Defense, and that each such decision should not be contingent on approval or disapproval by Congress.

On the other hand, the tremendous impact of these decisions on the lives of the people affected make it incumbent on the Congress to insure that the decisionmaking process is open and thorough, and, above all, that the decision, when rendered, is justified. I am well aware that in 1965 President Johnson vetoed a military construction bill because it contained a very restrictive base closure provision. This section 612 does not usurp the prerogatives of the executive branch of our Government; it merely formalizes a procedure and a schedule into law. I ask unanimous consent that a list of recently announced candidate base closures and reductions that would be affected by this provision be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. SYMINGTON. Mr. President, if this provision is enacted for the first time the Department of Defense, the Congress, and the people affected will know exactly where they stand regarding potential base realinements.

Mr. President, I believe I have covered the salient features of the bill before you. The committee feels that this bill provides for the highest priority construction needs of the Department of Defense.

EXHIBIT 1

Recently announced candidate actions that would be affected by S. 3434, section 612

Post	*Civilians reduced*
Army:	
Ft. Ord, Cal	506
Rock Island Arsenal, Ill	320
Savanna Army Depot, Ill	413
Jefferson Proving Ground, Ind	438
Aberdeen Proving Ground, Md	741
Fort Devens, Mass	846
Picatinny Arsenal, N.J	280
Forts Hamilton and Totten, N.Y	604
Fort Indiantown Gap, Pa	819
New Cumberland Army Depot, Pa	1,418
Fort Buchanan, Puerto Rico	466
Arlington Hall Station, Va	588
Vint Hill Farms, Va	448
Hary Diamond Development Center, Adelphi, Md	775
Troop Support Command and Aviation Systems Command, St. Louis	414
Navy:	
Naval Electronics Center	370
Key West Naval Air Station, Fla	638
Naval Ship Repair Facility, Guam	330
Naval Weapons Support Center, Crane, Ind	445
Navy Logistics Control Office, Bayonne, N.J	370
Navy Resale Systems Office, Brooklyn, N.Y	734
Naval Air Station, Corpus Christi, Tex	877
Safeguard, Grand Forks, N.D	290
Bolling Headquarters Command	250
Selfridge Air Force Base, Mich	235
Air Force:	
Craig Air Force Base, Ala	550
Loring Air Force Base, Maine	465
Kincheloe Air Force Base, Mich	467
Richards-Gebaur Air Force Base, Mo	1,677
Webb Air Force Base, Tex	700
Defense:	
Defense Clothing Plant, Philadelphia, Pa	1,600

The PRESIDING OFFICER. Who seeks recognition?

Mr. JAVITS. Mr. President, if I may, I would like to have a word with the manager of the bill, if he is through with his presentation. Has the Senator completed?

Mr. SYMINGTON. May I say to my able friend from New York, there has been a little juggling around today between three different bills. I am trying to cooperate with the leadership on the least controversial of these bills.

I am glad to see the able Senator from South Carolina in the Chamber. To the

best of our knowledge, there is no problem incident to the bill and, therefore, we took it up at this time because the leadership wanted to expedite the various matters of the Senate.

Mr. JAVITS. I thank my colleague. I have a question I would like to put to him.

Mr. SYMINGTON. I would be very glad to attempt to answer it.

Mr. JAVITS. We have a big problem in New York with Fort Drum, where some 80,000 Army active and Reserves train each year. I have been there and the facilities are terribly run down. The House has provided an estimated $8.4 million to deal primarily with new medical and barracks facilities. The Senate has omitted it from the bill. I wrote to Senator STENNIS under date of May 10 and asked if he would be kind enough to look into the matter, but it has been omitted.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter to which I referred, dated May 10, 1976, addressed to the Honorable JOHN C. STENNIS, chairman, Senate Armed Services Committee, and included therein are the attachments which are referred to in the letter.

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

U.S. SENATE,
Washington, D.C., May 10, 1976.

Hon. JOHN C. STENNIS,
Chairman, Armed Service Committee, U.S. Senate, Russell Building, Washington, D.C.

DEAR JOHN: On March 11 I wrote to you concerning the proposed expenditure of sums, now estimated at $8.4 million, for new medical and barracks facilities at Fort Drum, New York where as many as 80,000 Army active and reserve soldiers train each year. As you may know, the House Armed Services Committee has included this amount in its version of the Military Construction Authorization bill.

The upgrading of the Army facilities at Fort Drum has attracted considerable attention throughout the Northeast as units from states throughout the area train there. To provide you with documentation of this widely felt concern, I enclose letters from five governors and seven adjutant generals, all expressing their support for the improvement of some of the facilities at Fort Drum.

I very much hope that in its consideration of the Military Construction Authorization, the Senate Armed Services Committee will look very closely at this matter and give the proposed new medical and barracks facilities at Fort Drum its favorable consideration.

Thank you for your consideration.

With best regards,

Sincerely,

JACOB K. JAVITS.

SEPTEMBER 9, 1975.

Hon. MARTIN R. HOFFMAN,
Secretary of the Army, Department of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: On August 7th, eighty-two members of the House of Representatives co-signed a letter to you, in which they recommended the following: That Fort Drum be properly funded and maintained for year-round training of Reserve Components; that concurrent with upgrading of facilities, at least on Active Army armored or mechanized brigade, and an engineer construction unit be permanently assigned at Fort Drum; and that Fort Dix continue to be used for the conduct of basic combat and advanced individual training.

I support this Congressional request and urge you to implement the proposals expressed in their letter.

The imbalance in the number of Department of Army installations located in the Northeast compared with other sections of the country continues to grow. The implementation of these proposals will not only reverse this trend but will enhance National Guard and Reserve training.

Sincerely,

HUGH L. CAREY.

STATE OF VERMONT,
Montpelier, Vt., September 19, 1975.

Hon. HUGH L. CAREY,
Governor of New York, Executive Chamber, Albany, N.Y.

DEAR GOVERNOR: On August 29, 1975, I wrote to the Honorable Martin R. Hoffman, Secretary of the Army, in Washington, D.C., personally endorsing the improvement of facilities in Fort Drum, New York.

I fully support your initiatives in this respect, since Fort Drum is the main training facility for the Vermont National Guard.

Yours very truly,

THOMAS P. SALMON.

STATE OF NEW HAMPSHIRE,
Concord, N.H.

Hon. HUGH L. CAREY,
The Governor of New York, State Capitol, Albany, N.Y.

DEAR GOVERNOR CAREY: You will recall that last month I wrote to the Department of the Army at your suggestion concerning their plans for Fort Drum and Fort Dix. I have received the enclosed reply from them which may be of interest to you or your staff.

If there is anything else you feel I should do in this matter, please let me know.

Warm personal regards,

Sincerely,

MELDRIM THOMSON.

Enclosure.

CONCORD, N.H.
September 29, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: I would strongly urge you to take demonstrable action regarding the rehabilitation of Fort Drum, the stationing of significant combat units of the Active Army in the Northeast, and the retention of Fort Dix as a Combat and Advanced Individual Training Center.

Like other Governors, I am deeply concerned over the lack of major Active Army Combat Troop Units in the Northeast and the deteriorating conditions of training facilities for our Army National Guard and the United States Army Reserve Units at Fort Drum, and the contemplated deactivation of Fort Dix as the United States Army Basic Combat and Advanced Individual Training Center.

As Governor, I have visited our National Guard Units, at Fort Drum on several occasions and am cognizant of the imbalance in the number of defense installations located in the Northeastern part of the United States compared with other sections of the country.

I hope you will reassess your position on this matter.

Sincerely,

MELDRIM THOMSON, Jr.

PROVIDENCE, R.I.,
September 18, 1975.

Hon. HUGH L. CAREY,
Governor of New York, Executive Chamber, Albany, N.Y.

DEAR GOVERNOR CAREY: This is in reply to your letter of September 12, 1975 in which you expressed your concern over the contemplated deactivation of Fort Dix and the deteriorating training facilities at Fort Drum.

Enclosed is a copy of a letter which I have forwarded to the Secretary of Defense expressing my concern with regard to the affect that these contemplated actions could have on our state.

I wish to thank you for bringing this to my attention and I trust that a favorable response will be received from the Secretary of Defense.

Sincerely,

PHILIP W. NOEL,
Governor.

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, Mass., October 7, 1975.

Hon. HUGH L. CAREY,
Governor of the State of New York, Executive Chamber, Albany, N.Y.

DEAR GOVERNOR CAREY: I appreciate your letter requesting my support for the rehabilitation of Fort Drum, the location for training of significant units of the Active Army and National Guard in the Northeast, and the retention of Fort Dix as an active training center.

Recently, the Boston Globe carried a release indicating that the Secretary of the Army had ruled that Fort Dix will remain open at its present level of operation. This action is most welcome and significant. I strongly support the efforts to rehabilitate Fort Drum and to locate major active Army units in the Northeast.

As you may know, the Massachusetts Army National Guard annually sends the major portion of its unit to Fort Drum. Although we are increasing our utilization of Camp Edwards on Cape Cod, I have not as yet visited Fort Drum. However, I have been advised that considerable upgrading of its facilities must be made to increase its training, housing, and recreational facilities.

Additionally, I strongly support the location of major active Army units in the Northeast, particularly in Fort Devens. Such action would provide direct association with counterpart National Guard units and would provide significant impact on the economic situation of our region.

I have forwarded a copy of this letter to the Secretary of Defense and the Secretary of the Army.

Sincerely,

MICHAEL S. DUKAKIS.

OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., October 9, 1975.

Hon. HUGH L. CAREY,
Governor of New York, Albany, N.Y.

DEAR GOVERNOR CAREY: This responds to your letters of 9 September 1975 to the Secretary of Defense and the Secretary of the Army concerning stationing of Active Army units in the Northeastern United States, particularly at Fort Drum, New York; funding, rehabilitation and maintenance of facilities at Fort Drum; and the retention of Fort Dix, New Jersey as a major US Army Training Center.

The problem of upgrading facilities at Fort Drum is equally true of many other Army installations. The Army National Guard initiated a program in FY 1969 to rehabilitate facilities at Fort Drum. The program in past years has ranged from $1.0–$2.5 million annually for upgrading troop facilities and training areas there. The projected funding for FY 1976 is approximately $2.8 million. The expenditures for maintenance and repair work to the existing facilities at Fort Drum increased approximately 25 percent from FY 1974 to FY 1975 and we would expect further increases in FY 1976.

The Army recognizes that the field training facilities at Fort Drum could support increased utilization. There was a substan-

tial increase at Fort Drum in both Active Army and Reserve Component training from the period 1974 to 1975. Active Army battalion level training there increased from one to five battalions. Reserve training at Fort Drum increased from 56,000 to 76,000 personnel from 1974 to 1975. The 1976 Army training program is yet to be published, but it is tentatively planned to program the same level of activity at Fort Drum as in 1975. The Army is also studying the possibility of stationing various types of Active Army units at Fort Drum on a permanent basis in terms of benefits to the Army and costs associated with construction of permanent facilities.

Fort Dix has been built up over the years to accommodate a training mission. The total investment there is approximately $200 million. However, as the Army completes its drawdown from the Vietnam era peak of 1.57 million to a strength of 785,000 military personnel with the necessary new programs to produce better soldiers faster through One Station Training, adjustments to the training base must be made.

The Army is currently conducting a study to determine the future mission of Fort Dix, with the goal of minimizing personnel turbulence and the economic impact on the surrounding area. The Army recognizes the value of keeping and continuing to make use of facilities already available at Fort Dix.

I can assure you that the Army is maintaining an open mind on Fort Dix and Fort Drum. The Army understands and fully appreciates your concern for the future of these installations and for the future of an Army presence in the Northeastern United States.

Sincerely,

HAROLD L. BROWNMAN,
Assistant Secretary of the Army, (Installations and Logistics).

DEPARTMENT OF MILITARY AFFAIRS,
Annville, Pa., March 26, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCEWEN: Major General Greenlief has indicated to me that you have taken action to improve the facilities at Fort Drum, New York for use by National Guard and Reserve Troops. Since the Pennsylvania National Guard sends a large contingent of troops each year to Fort Drum, I commend you on the initiative you have taken to upgrade the facilities at that training site.

To be very frank with you, I must tell you that I am even more concerned with the deteriorating conditions of our facilities here at Fort Indiantown Gap, Pennsylvania. I solicit your support in our effort to move the Department of Defense to invest more of their budget in this very excellent National Guard and Reserve training site. Further, since Pennsylvania sends a large number of troops into New York each year to train, I suggest that New York reciprocate by sending troops to Fort Indiantown Gap in Pennsylvania. Your considerable influence in this area would be very helpful.

Again, thanks for the strong support you have given to the construction program at Fort Drum.

Sincerely,

HARRY J. MIER, Jr.,
Major General,
The Adjutant General.

CAMP KEYES,
Augusta, Maine, March 26, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCEWEN: I have recently learned of your very much appreciated stand for improvement of funding and utilization of Fort Drum, New York.

From what I have heard of the hearing on March 11 by the military construction Subcommittee of the House Appropriations Committee, your presentation should be most helpful in a reevaluation of the rightful part Fort Drum should play in the Army training program.

The Maine Army National Guard has trained many years at Fort Drum and we have first hand knowledge of the potential offered by Fort Drum if given its appropriate share of the Army training site support dollar.

Thank you for your help.

Sincerely,

PAUL R. DAY,
Major General, MeNG,
The Adjutant General.

STATE OF NEW JERSEY,
DEPARTMENT OF DEFENSE,
Trenton, N.J., March 25, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCEWEN: I have been advised of your recent representations to the Military Construction Subcommittee about construction programs at Fort Drum. My advice is that you strongly supported the improvement of facilities at Fort Drum for the use of the National Guard and Army Reserve. Our Armored Division in New Jersey stands to gain a great deal to any improvement of facilities at Fort Drum and we are deeply indebted to you for your strong support of such a program.

Sincerely,

WILFRED C. MENARD, Jr.,
Major General, NJARNG,
The Chief of Staff.

STATE OF NEW YORK,
DIVISION OF MILITARY AFFAIRS,
Albany, N.Y., March 24, 1976.

Hon. ROBERT C. MCEWEN, *U.S. House of Representatives, Washington, D.C.*

DEAR MR. MCEWEN: Thank you for your continued presonal support for the construction program at Fort Drum. I was informed of your extensive participation during the military construction Subcommittee hearing of the House Appropriations Committee on March 11.

In my former role as Acting Commissioner of Commerce and now as the Chief of Staff to the Governor I concur that Fort Drum must continue as a viable training site for both active and reserve forces.

For your information, I have had numerous discussions with my counterparts in Washington to insure that Fort Drum does, in fact, get its proper share of Active Army, National Guard and Reserve appropriations.

I look forward to meeting with you at your convenience to discuss ways to accomplish our mutual objective; that is the enhancement of the entire Fort Drum facility.

Sincerely,

VITO J. CASTELLANO,
Major General,
Chief of Staff to the Governor,

THE COMMONWEALTH OF MASSACHUSETTS, MILITARY DIVISION,
Boston, Mass., March 22, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MCEWEN: I have been advised of your keen interest in the improvement of facilities at Fort Drum particularly during the recent hearings of the military construction subcommittee of the House Appropriations Committee.

As you know, a majority of the Massachusetts Army National Guard conducts its annual training at Fort Drum and on its behalf I would like to extend my thanks for your interest and concern in this matter.

The improvement of Fort Drum facilities is of utmost importance to the National Guard and Army Reserve particularly if the Reserve Components are to continue improving their readiness.

Again, thank you for your support.

Sincerely,

VAHAN VARTANIAN,
Major General, MassARNG,
The Adjutant General.

THE STATE OF NEW HAMPSHIRE,
Concord, N.H., March 19, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MCEWEN: I have recently been apprised of your efforts in support of Fort Drum and of your strong support for developing and improving this facility.

New Hampshire has been sending National Guard troops to Fort Drum since 1951 and we wholeheartedly support and appreciate your desire to upgrade this installation.

As the only sizeable training area in the northeast suitable for division level training, I feel it extremely important to our National Defense needs to maintain and develop Fort Drum for year round use.

Again, thank you for your support.

Sincerely,

JOHN BLATSOS,
Major General, AGC, NHNG,
The Adjutant General.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
Providence, R.I., March 18, 1976.

Hon. ROBERT C. MCEWEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCEWEN: I have learned from Major General (Ret.) Francis S. Greenlief, Executive Vice President of the National Guard Association of the United States, that you voiced your strong support for the improvement of facilities at Fort Drum, New York, at a House Appropriations Committee hearing held on 11 March 1976.

As you probably know, Rhode Island Army National Guard units have used Fort Drum for many years, and it has been particularly vital for our Artillery units. We have in Rhode Island an Artillery Group and two artillery battalions comprising nearly 1000 officers and enlisted men. Because of the severe restrictions imposed on our artillery units at Camp Edwards, Massachusetts, the nearest suitable facility available for artillery training is Fort Drum.

I wish to thank you for your support and should you desire any additional information, please do not hesitate to contact me.

Sincerely,

LEONARD HOLLAND,
Major General,
Commanding.

TESTIMONY OF THE HONORABLE ROBERT C. MCEWEN BEFORE THE SUBCOMMITTEE ON MILITARY CONSTRUCTION AUTHORIZATION OF THE SENATE COMMITTEE ON ARMED SERVICES

Mr. Chairman, I appreciate the opportunity to appear before this Committee on two items which I consider to be of extreme urgency. Both pertain to Fort Drum, New York, where upwards of 80,000 Reserve Component citizen soldiers (including four of the U.S. Army's total of eight National Guard Divisions) conduct Annual Training; where Reserve Component units from the Northeast conduct weekend drills throughout the fall, winter and spring months; and where active duty units of all services conduct winter training.

First, I will discuss the desperate need for a new medical dispensary. This project is essential to replace an outmoded, 35 year old, temporary medical facility and to restore the X-ray and surgery capability lost as a result of a fire in March, 1972. At present, there is no surgery capability and the

only X-ray capability comes from a portable machine set up in an over-crowded physical examination room. Of the sprawling mass of 46 one-story old wooden buildings, only six are heated—including one area where a potbelly stove is the only source of heat. It is a fire hazard, as was demonstrated by the fire in 1972. It is a maintenance burden. The emergency room can accommodate only two persons at a time. I could go on and on, but these pictures, which I am leaving for your examination, show the problem better than I can describe it. After seeing these, I am certain that you will agree that this is a deplorable facility for providing medical care to any human being, and is totally inadequate to serve the medical and dental needs of a military community whose population often exceeds 10,000. I think you will also agree that it would be a waste of money to attempt to restore this facility to a barely acceptable standard.

This medical facility serves a full-time patient population of over 5,000 active military, retired military and dependents. From May through September, there is an average of 10,000 Reserve Component and Active duty military personnel at Fort Drum. During peak periods there are as many as 15,000 present at one time. Active Army units come to Fort Drum from other Posts for winter training. During February alone, there was an average of 1,164 Army, Marine Corps and Navy Construction (Seabee) units in training there. While the facility is inadequate to handle routine care for this large number of troops, it would be disastrous should a mass casualty situation ever occur—easily resulting in untold loss of life and limb. Ironically, some of the finest doctors—specialists and surgeons—in the Nation are assigned to Reserve Component units which train at Fort Drum. Their abilities would be restricted to First Aid and field expedients should such a situation occur. Two local civilian hospitals in Watertown, 10 miles away, are seriously overcrowded. The nearest military installation with modern medical facilities is Griffiss Air Force Base, 80 miles away.

Further, this facility is inadequate in meeting training requirements of Reserve Component medical units which come to train there. It would be completely unsatisfactory in meeting Fort Drum's mobilization responsibility for a 50-bed hospital.

I am not asking that this hospital be replaced by a new hospital. But, to meet minimum medical needs, I am asking that this Committee authorize the construction of a permanent health complex, to include a 10 chair dental clinic and a 20 bed (expandable to 50 beds) dispensary with emergency room, out-patient clinic, pharmacy, laboratory and other necessities. This would replace what is presently being used in this totally inadequate facility and would restore the surgery and full X-ray capability. The estimated cost is $3.3 million. Certainly, this is a modest sum when we consider that the health and welfare—and even the very lives—of so many Reserve Component, active military, retired military and dependents are at stake. The Army has recognized that the existing health clinic is in need of replacement and has programmed this for FY 79. I do not believe we can afford to wait that long when the need is so apparent and immediate.

Next, I would like to discuss the need for an improved barracks facility to accommodate active military and Reserve Component troops of all services which train at Fort Drum during the winter and for active Army troops which are on temporary duty there for long periods during the summer. The 10th Special Forces conducted winter training at Fort Drum for one month this winter. 1,200 Marines spent almost a month in winter training there. A battalion of the 82nd Airborne Division was flown up there for training. Two Naval Construction (Seabees) battalions trained there this winter. While admittedly these troops are there for winter training, their training periods are of such duration that they spend time in garrison and they deserve to live in suitable quarters. Additionally, from April through September each year, about 500–600 active Army troops are sent to Fort Drum to support Reserve Component training.

These men on TDY, who leave modern permanent facilities at other Posts, deserve to live in decent accommodations while performing this important mission. In fact, the Secretary of the Army announced recently that an engineer company would be sent TDY to Fort Drum from March until November. These men, who will be there during this extended period, deserve decent living conditions, and the Reserve Component units which come to Fort Drum on weekends during cold winter months could use these better facilities. Certainly, then, an improved set of buildings would be well utilized and are fully justified.

The National Guard has been engaged in a cantonment renovation project at Fort Drum for several years and are still at it, but this should not be confused with what I am proposing. They are putting on steel siding and providing for automatic hot water, but not renovating the interior of the buildings. Here is a picture of the exterior before renovation. Here is a picture of the renovated exterior. After renovation, they are colorful and quite attractive from the outside. But here are pictures of the interior of these same buildings, which are unfinished, have holes in the walls, outmoded latrines and lighting, etc. While this preserves these structures and enhances their outside appearance, it in no way changes the deplorable and unlivable interiors which presently exist. Further, they are still heated by coal fired furnaces. Supply rooms have pot belly stoves. Firing these furnaces and stoves takes away valuable training time during winter exercises.

In recognition of this dire need, I had proposed that a set of wooden buildings be rehabilitated. Senators Javits and Buckley have supported me on this. However, the Army has indicated that it would prefer construction of a permanent type building which would be more economical. The permanent barracks would accommodate 300 personnel. The cost would include a 600 man mess hall which would be utilized by other support personnel as well as barracks occupants. More importantly, it would provide a more economical single mess hall (rather than the construction and operation of 2 mess halls) should another barracks be constructed at a later date. This will cost $5.1 million. They have programmed this for FY 78. While I defer to their judgment that a permanent facility be constructed rather than rehabilitating the World War II wooden buildings, I believe that the need is of such urgency that it should be included in the FY 77 budget. With this the Army now agrees.

Again, I thank you for the opportunity of appearing before this Committee. I would appreciate thoughtful consideration and approval of these worthwhile and necessary projects.

U.S. SENATE,
Washington, D.C.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense.

DEAR MR. SECRETARY: We are writing to you in conjunction with the letters of August 7 sent to you and Secretary of the Army Designate Hoffman signed by 82 members of the House of Representatives regarding the underuse of Department of Defense facilities in the nine Northeastern states. We share fully the concerns expressed in those letters.

We have witnessed with increasing concern the ever growing list of Department of Defense facilities in the Northeast that have either been closed or substantially reduced in their activities with a commensurate economic loss to the area. While it is understandable that closings and reductions must be made in the interests of efficiency and consolidation to meet the needs of a cost effective national defense, we are quite disturbed by the apparent pattern of base reorganizations that brings closings and reductions in the Northeast and consolidations and expanded or new facilities in other areas of the country.

A most compelling example in this regard is that in the fiscal year 1976 Department of Defense Military Construction Authorization request, the Department sought $800 million for twelve Southern states and $448 million for three Pacific states but only $54 million for the nine Northeastern states. In view of the availability of defense facilities in the Northeast that are now not used to their full potential, this disproportionate allocation of Military Construction funds seems incomprehensible. As pointed out to you in the correspondence that you have received from the 82 members of the House of Representatives, Fort Drum, New York and Fort Dix, New Jersey are two excellent examples of facilities in the Northeast that are much underused and which, given the proper support from the Department of Defense, would help to provide the Northeast with its "fair share" of defense oriented facilities.

We look forward to working with you in a spirit of cooperation in an effort to redress this imbalance that deeply concerns us, and we would be most interested to hear what proposals the Department of Defense would be willing to make in this regard.

Sincerely,

Signed by Senators Javits, Buckley, Case, Williams, H. Scott, Schweiker, Ribicoff, Kennedy, Brooke, Leahy, Stafford, McIntyre, Durkin, Muskie, Hathaway, Pell, and Pastore.

Mr. JAVITS. My point is this: I understand that there may well be support for this particular matter from the Department. I am sorry that apparently is not available today when the matter is being debated, but it is not. What I wanted to do, if I may, rather than jeopardize the whole thing by an amendment which the committee would probably be compelled to oppose in the absence of any advice actually in hand from the Department, is to spread off record our need and express the feeling that the committee might give it prayerful consideration in conference.

Mr. SYMINGTON. May I say to the able Senator, this matter is included in the House bill.

Mr. JAVITS. That is right.

Mr. SYMINGTON. One of the reasons it was left out of this bill is that it was not requested by the administration, by OMB. I will assure the Senator that we will recognize his interest in conference, and perhaps we can leave it that way at this time.

Mr. JAVITS. I understand perfectly. I was just going to add the additional fact I understand a communication is coming forward from the Department which will support our request.

Mr. SYMINGTON. May I ask the Senator if he would be good enough to see that we get that information before we go into conference with the House, if he would like to have us know about it and prevent it.

Mr. JAVITS. I thank my colleague very much.

Mr. SYMINGTON. I thank the Senator.

Mr. MUSKIE. Mr. President, I speak today in support of the military construction authorization bill that the Committee on Armed Services has reported.

First, I want to extend my appreciation to my friend, the distinguished Senator from Missouri (Mr. SYMINGTON), for the effort he has devoted to this important legislative measure. He has brought his last construction bill before the Senate; it is a good bill; it is below the administration's request.

S. 3434 proposes an authorization level of $3.29 billion in budget authority, a figure $84 million less than the amended budget request of $3.37 billion. Outlays resulting from the Senate Committee proposal are roughly $3.19 billion including outlays for this authorization bill and prior year budget authority. This outlay total is only $3 to $4 million less than the original estimate because of the slow spendout rate associated with military construction starts.

The effect of this bill, when combined with the military procurement authorization bill, is to place the national defense total potentially within the functional target set by Congress in the first budget resolution.

Mr. CASE. Mr. President, I strongly support Senator JAVITS in his effort to obtain improved facilities for Fort Drum, N.Y. where 80,000 Army National Guard and Reserve component citizen soldiers from Pennsylvania, New York, the six New England States, and the 50th Armored Division from my own State of New Jersey conduct annual training each summer and weekend drills during the winter. Our New Jersey adjutant general, Maj. Gen. Wilfred C. Menard, Jr., has long urged improved facilities at Fort Drum.

While I can appreciate the priority given to active Army needs, our Reserve component troops, which form the backbone of our national defense, deserve to live and train in adequate facilities, too. They have backed this Nation in every war, but have too often been neglected in peacetime. Approval of even this small request would show our concern and enhance the morale and welfare of these important members of our national defense team.

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

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

The yeas and nays were ordered.

Mr. SYMINGTON. Mr. President, I yield to the able Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Thank you, Mr. President.

Mr. President, for several years the security of our tactical nuclear weapons developed throughout the world against a terrorist threat has been of great concern to all Americans. Senator SYMINGTON, chairman of the Military Construction Subcommittee of the Armed Services Committee, has over the years made every effort to assure the Department of Defense of adequate funding to upgrade security at our numerous nuclear weapons storage sites. In 1973 Senator PASTORE, chairman of the Joint Committee on Atomic Energy, and Senator BAKER visited several nuclear storage sites in Europe. In large part because of their observations, efforts to upgrade the security of those sites were made.

However, the Armed Services Committee concluded last year that the process of upgrading the security of our nuclear weapons storage sites had not been proceeding as rapidly as possible. Consequently, the following language was added in the report on the military construction authorization bill for the fiscal year 1976:

> The Committee's main concern is that the Department is not moving fast enough in this area. The Committee feels that it has taken too long to develop plans and criteria and that definitive action is long overdue. . . . The Committee will watch this program closely and insists that it be given top priority in execution.

Mr. President, I recently visited a number of our nuclear weapons storage sites in Europe and held lengthy discussions with our NATO commanders on our ability to withstand terrorist attacks on those installations. Last month, I chaired a special executive session of the Military Construction Subcommittee to further investigate the progress being made. While it is very clear that security has been improved substantially in the past few years—largely through the efforts of Senators SYMINGTON, BAKER and PASTORE—there is still a great deal that must be done.

Last year the Congress approved the full amount requested by the Department of Defense for site improvements. This year the Armed Services Committee has again approved the full amount requested, and had added $7.4 million to accelerate the Navy's nuclear weapons security program. I urge my colleagues to support the committee's recommendation.

Because there are indications that the entire upgrading program has not gone as fast as Congress has intended, the following language has been added in this year's report which will enable the committee to closely monitor the program:

> In order to permit the Congress to stay abreast of the progress of this program, beginning immediately, the Department of Defense is directed to report to the Armed Services Committee of the Senate and House of Representatives on a bi-monthly basis for the next two years the following information, as a minimum, on each site in the nuclear weapons storage site upgrade program:
>
> 1. Estimated cost (current working estimate)
> 2. Design start date (actual or estimated)
> 3. Construction contract award date (actual or estimated)
> 4. Completion date (actual or estimated)
> 5. Remarks (Include the reason for any changes from the previous report and other comments as appropriate.)

Mr. President, the committee has also found that there is a need to improve the security at storage sites for our chemical warfare agents. The reporting requirements in the committee report will allow the committee to closely monitor the progress of this new program and to assure that no delays will occur in the efforts to protect these sites from terrorist attack.

I thank the distinguished Senator from Missouri and yield the floor back to him.

Mr. SYMINGTON. Mr. President, may I respectfully congratulate the able Senator from Vermont on his interest in what is clearly a serious problem which, unless we do something about it, will become steadily more serious. I would hope it is just one of many efforts to recognize the tremendous changes in our entire defense posture incident to the development, location and the possible utilization of nuclear weapons. I congratulate him for his work on this which has been an outstanding effort in this particular aspect of our national defense. I appreciate his comments today.

Mr. LEAHY. I thank my distinguished chairman.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GOLDWATER. Will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my able colleague.

Mr. GOLDWATER. I rise to commend the Senator from Missouri for his usual very fine job in a field that is not easy. He has gotten through this with a minimum of trouble. The bill is easily understood; the report is well done. As one who serves with him but never actually does him any good as helper, I want to thank him for a very fine job. I know I express the opinion of my colleagues.

Mr. SYMINGTON. Mr. President, I deeply appreciate the comments of my friend, the able Senator from Arizona. He and I came to the Senate on the same day a great many years ago and we have seen many changes and watched many developments in our national defense posture.

Much of our success in the military field has been due to his constant efforts in this area. I deeply appreciate his remarks.

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMINGTON. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SYMINGTON. Mr. President, I yield to the able and distinguished junior Senator from Alabama.

Mr. ALLEN. I thank the distinguished floor manager of the bill, the Senator from Missouri (Mr. SYMINGTON) for yielding to me at this time.

Mr. President, I am very much interested in the respective provisions in the House bill and in the Senate bill with regard to the procedure that is required for the closing of military bases in the various States, whether arbitrary closings should be made or to prevent arbitrary closing. Both the House and the

Senate have inserted constructive provisions making provision for the procedure to be followed in such cases.

I ask unanimous consent that the language of the House amendment, appearing starting on page 12971 of the RECORD of May 7, 1976, an amendment by Mr. O'NEILL, be printed in the RECORD at this point.

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

Amendment offered by Mr. O'NEILL: Page 40 after line 24 insert the following:

SEC. 612. (a) None of the funds authorized to be appropriated by this Act may be used in any manner to effect, or implement—

(1) any closure of any military installation;

(2) any reduction in the level of civilian personnel at any military installation, if such reduction would reduce by more than 50 percent the level of such personnel employed as of March 1, 1976, at such installation; or

(3) any construction, conversion, or rehabilitation at any other military installation (whether or not such installation is a military installation as defined in subsection (b) of this section) which will, or may be, incurred as a result of the relocation of civilian personnel to such other installation by reason of any closure or reduction to which this section applies; before—

(A) The close of a one-year period beginning on the date on which the Secretary of the military department notifies the Congress in writing that such military installation is a candidate for such closure or reduction;

(B) The Secretary concerned submits to the Committees on Armed Services of the House of Representatives and the Senate the detailed justification of the proposed closure or reduction together with the estimated fiscal, economic, budgetary, environmental, and operational effects of the proposed closure or reduction, including, but not limited to, estimates of—

(I) the amount of unemployment compensation which will be paid to persons who are unemployed as a result of such closure or reduction;

(II) the amount of manpower retraining and relocation expenses which will be expended for persons so unemployed; and

(III) the military construction and rehabilitation costs (including housing) which will be incurred at other military installations in order to accommodate personnel transferred thereto as a result of such closure or reduction; and

(C) Each such Committee has had at least three months from the date on which the report referred to in subparagraph (B) is submitted to the Committees to assess the proposed closure or reduction and report to its respective body any disagreement with the proposed closure or reduction prior to expiration of the one-year period specified in subparagraph (A).

(b) For purposes of this section, the term "military installation" means any camp, post, station, base, yard, or other activity under the authority of the Department of Defense—

(1) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(2) at which is employed not less than 500 civilian personnel.

(c) This section shall not apply to any closure or reduction if the President certifies to the Congress that such closure or reduction must be implemented for reasons of any military emergency or national security or if such notification referred to in subparagraph (A) occurred prior to January 1, 1976.

Mr. ALLEN. I also ask unanimous consent that a quotation from the report of the Senate Committee on Armed Services on this measure, starting on page 5 of the report with the heading "Base Realinements," and ending at the top of page 7, be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 94–856) was ordered to be printed in the RECORD, as follows:

BASE REALINEMENTS

The committee is concerned that current procedures used by the Department of Defense to effect base closures or significant reductions are not adequately defined. Nearly every base closure announcement made in recent years has been the subject of litigation that is costly and time consuming. The committee, in adding Section 612 to the bill, is seeking, not to unnecessarily limit the flexibility of the Department to realign its base structure, but to put into law the base realignment procedures essentially as they are now accomplished by the Department of Defense. The committee feels that Section 612 will have the following beneficial effects: (1) it sets a specific time table so that everyone affected by a potential action can plan accordingly, (2) it insures that all parties concerned with such a proposed action will have the opportunity to be heard and to contribute to the decisionmaking process, and (3) it affords the opportunity for the Congress to influence the decision if there is inadequate justification. The committee emphasizes that Section 612 is not a means for the Congress to approve or disapprove of every base closure or significant reduction; to the contrary, the committee feels strongly that decisions on base realignments are properly made by the Department of Defense. Section 612 simply formalizes the decision-making process insuring that the Congress has the opportunity to exercise its Constitutional obligation with regard to "raising and supporting" the armed forces.

The provision first places a prohibition on (1) any base closure, (2) any significant reduction, defined as a reduction of more than 250 civilian employees or 50 percent of the civilian force employed as of the end of the fiscal year preceding the year in which Congress is notified that such action is a "candidate", and (3) any construction in support of such a closure or significant reduction, until certain actions are taken.

There are four sequential actions required. First, the Secretary of the military department concerned must notify the Congress of a "candidate" action. Notification to Congress includes public notice, notice to the Armed Services Committees, and notice to affected Congressional delegations, as well as formal notification to the Speaker of the House and the President Pro Tem of the Senate. The notification should include the rationale for the action being selected as a "candidate", and the estimated personnel and economic impacts to the extent that they can be determined without detailed study.

A period of at least nine months must then expire during which time the decisionmaking process is pursued. During this period the Department is to cooperate fully with affected parties. The committee recognizes that "full cooperation" is not a readily definable term and that the test of "reasonableness" will have to be applied. The committee expects the Department of Defense to respond to every reasonable request for information that can be accommodated within the time frame specified. The requirement for "full cooperation" must not delay the base realignment process. The provisions of the National Environmental Policy Act will pertain during this period and the committee expects each potential action to be assessed in accordance with the Act and that Environmental Impact Statements will be prepared, when required. The committee considers that the candidate base closure and reduction actions announced in late March and early April of 1976 are now in the nine-month study period and that preliminary notification has been accomplished.

The decision of the Secretary of the military department concerned will follow the aforementioned study period. The decision, together with supporting documentation and estimates of the consequences of the decision will be furnished to the same parties that received notice of the candidate action.

Finally, a 90-day period must expire before the decision may be implemented. This waiting period is to give the Congress the opportunity to remedy the decision, if warranted; and, more importantly, to permit those people affected by the decision to make provisions to accommodate the decision.

The committee recognized that such a deliberate process, while appropriate during time of peace, was not tolerable in time of national emergency and has given the President the authority to override the provisions, if he deems it necessary.

Mr. ALLEN. There are differences between these two procedures. I ask the floor manager of the bill, the distinguished senior Senator from Missouri (Mr. SYMINGTON), if he will explain and comment on the differences between the provisions of the two bills.

Mr. SYMINGTON. Mr. President, I am glad to respond to the request of my able friend from Alabama.

There are three important differences between section 612 of the Senate bill and section 612 of the House bill pertaining to base closures.

First, the House version is a 1-year embargo on the use of funds authorized to be appropriated in the fiscal year 1977 military construction bill. As such, I am not sure it has any meaning because the military construction bill does not authorize funds that are used to close bases or effect reductions. The Senate version is permanent legislation.

Second, the thresholds of applicability are different. The House version applies to closures or reductions in excess of 50 percent at installations of 500 civilians or more. Under the House version an installation of 10,000 civilians could be reduced by 4,500 people and the provision would not apply. The Senate version applies to closures or reductions in excess of 250 people or reductions in excess of 50 percent at installations of 250 civilians or more. Applying the different thresholds to the announcements made by the Department of Defense so far in 1976, the House version affects 12 candidate actions and the Senate version affects 31 candidate actions.

Finally, and most importantly, the House version requires that the Department of Defense submit justification for any proposed action and implies that decisions on base closures or reductions will be made by the Congress. Serious reservations have been expresed that this may be interpreted as preempting the power of the executive branch and cause the bill to be subject to veto. The Senate version recognizes that decisions on base closures and reductions should rightfully be made by the executive branch but establishes a schedule for the deci-

sionmaking process with a 90-day waiting period following the decision during which time the Congress can remedy any decision that is not adequately justified.

Mr. ALLEN. I thank the distinguished Senator for the explanation. In other words, as I understand, the Senate version is permanent legislation, whereas the House version would apply only to the current fiscal year?

Mr. SYMINGTON. That is correct.

Mr. ALLEN. And the House version may really not be applicable attached to this bill in this fashion; is that correct?

Mr. SYMINGTON. That is correct.

Mr. ALLEN. But it would seem also that the Senate bill would give protection to more bases; some 31 candidate actions would be covered by this Senate provision, whereas only 12 would be covered by the House provision.

Mr. SYMINGTON. That is correct.

Mr. ALLEN. Both versions will be in conference, and I feel sure that the conference committee, the conferees on the part of the House and of the Senate both, would be interested in seeing that bases were not closed in an indiscriminate fashion, and that an opportunity be given for interested citizens to offer their reasons why the bases should not be closed, to protect the communities involved.

Mr. SYMINGTON. Let me say to the able Senator that in his usual prescient manner he has gotten to the core of what this problem is.

It is very easy to shut bases by signing a piece paper in a building around this town, but it has a very serious effect on the people, the citizens, and representatives of the Government, who are the taxpayers who support the military establishment, on their lives, their future—I will not say on their honor—but certainly on their lives and their future.

The Senator has put his finger on exactly why we thought this legislation was merited.

And may I say that when we go to conference, my distinguished colleague from Missouri, Congressman ICHORD, is the chairman of the subcommittee in the House of Representatives on military construction, and I am confident that we will reach an agreement which will satisfy the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Missouri.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. THURMOND. I ask unanimous consent that Miss Marie Dickinson and Mr. Edward Kenney of the staff of the Committee on Armed Services be accorded the privilege of the floor during consideration of the military construction bill.

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

Mr. THURMOND. Mr. President, I rise in support of S. 3434, the fiscal year 1977 military construction authorization bill, as reported from the Committee on Armed Services. This bill provides $3.3 billion for construction of facilities for the Active and Reserve military services.

The total amount approved is $78.4 million less than that requested by the administration.

Mr. President, there are several key items in the bill which deserve attention.

NAVAL SHIPYARD CONSTRUCTION

In recognition of the need to improve maintenance and overhaul of our current ships, the committee approved and strongly endorsed the $55.5 million requested by Navy for shipyard modernization. This is one of our most important programs and the building of these ships needs to be continued at a rapid rate, in view of the fact the Soviets have deployed over 10 DELTA submarines in the last 2 years.

NUCLEAR WEAPONS SECURITY

The subcommittee should be commended for giving special consideration to upgrading the security for nuclear weapons. Extensive hearings were held to examine the complexity and problems associated with the development and implementation of new methods of security storage sites for these weapons.

The committee authorized $120 million toward this effort, which included an added funding authorization of $7.4 million to accelerate the Navy's nuclear weapons security program. Also, strong language was written into the bill and the report to encourage the Department of Defense to use every reasonable resource to expedite this program.

MILITARY FAMILY HOUSING

Over one-third of the total authority in this bill is provided for the operation and maintenance of family housing. It is essential that funds be budgeted to insure adequate housing for our military personnel if we are to maintain a high quality military force.

BASE CLOSURES

This bill also contains a provision relative to prior notice of base closures. The committee felt that the communities affected by a potential base realinement should have an opportunity to be heard and participate in the decisionmaking process.

The committee, however, stressed that the final authority in such matters must rest with the Department of Defense and the Chief Executive, although consultation with the effected communities should help ease any resultant economic problems.

Mr. President, in closing let me say that this is an important bill and deserves careful consideration by this body. The Military Construction Subcommittee, chaired by the distinguished Senior Senator from Missouri (Mr. SYMINGTON), conducted extensive hearings on all elements of this bill. In this committee effort he was ably assisted by the distinguished Senior Senator from Texas (Mr. TOWER) who is the ranking minority member of the Military Construction Subcommittee.

Mr. President, the chairman of this subcommittee, the distinguished Senator from Missouri (Mr. SYMINGTON), went thoroughly into these matters and extra consideration has been given to the various questions raised, and Senator SYMINGTON was always courteous and assisted in every way the members of the subcommittee to obtain information to arrive at sound conclusions. I commend the able Senator from Missouri for his fine service on this subcommittee as chairman and also for the excellent service he rendered in this particular matter.

Also, I think we should recognize our able staff, and Mr. James C. Smith, who held overall responsibility for the military construction authorization bill and his very competent secretary, Mrs. Jeanie Killgore, have worked hard in bringing this bill in a proper form to the Senate Floor.

Mr. President, I urge the Senate give this legislation prompt attention and approval.

Mr. McINTYRE. Mr. President, I call the attention of our colleagues to a small but significant part of this year's military construction bill. $12,173,000 is included for modernization of the Portsmouth Naval Shipyard at Portsmouth, N.H., and Kittery, Maine.

After nearly 10 years of uncertainty as to whether it would remain open, the Portsmouth Shipyard has been firmly established as a needed, functioning, efficient, and competitive shipyard. Since the Department of Defense decided 4 years ago that the Portsmouth Shipyard would become the Navy's chief overhaul and conversion facility in the North Atlantic region for the new SSN-688 class submarine, we have worked for a much-needed program of modernization to maintain and improve the quality of this facility.

In the past 3 years, some improvements have been made in the crane rail system and in the steam plant. The funds included in this year's bill would permit the shipyard to undertake a carefully planned, step-by-step modernization program. The last increment of this program would be completed in fiscal year 1981.

This has been possible only with the strong support and encouragement of my Senate colleague, JOHN DURKIN, from Congressman D'AMOURS, the Appropriations Committee, and the Armed Services Committee, especially from the distinguished senior Senator from Missouri, the chairman of the Armed Services Subcommittee on Military Construction.

We are all confident that with the help of these funds the Portsmouth Naval Shipyard will be the most modern and efficient Navy shipyard in the United States. New Hampshire is proud to have this shipyard play such an important role in the defense of our country.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. 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. MANSFIELD. Mr. President, I anticipate that very shortly we will finish with the pending business.

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

Mr. MANSFIELD. I yield.

Mr. TOWER. The pending business, as I understand it, is the military construction bill.

Mr. MANSFIELD. That is correct.

Mr. TOWER. Which was laid aside temporarily.

Mr. MANSFIELD. The military procurement bill was laid aside temporarily.

Mr. TOWER. I mean the procurement bill. The agreement addresses itself to the procurement bill. Is that correct?

Mr. MANSFIELD. Exactly.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I think this has been cleared all around with the parties most interested on the Committee on Armed Services and the leadership on both sides.

I ask unanimous consent that with the disposition of the pending business, the Senate then return to the consideration of Calendar No. 834, H.R. 12438. I ask unanimous consent that at that time there be an hour limitation on the McGovern amendment, having to do with the B–1 bomber, the time to be equally divided between the manager of the bill and the sponsor of the amendment; that following the disposition of the McGovern amendment, the Senate then proceed to the consideration of the Culver amendment; that there be a like time limitation, under the same circumstances, and that it be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. CULVER. Reserving the right to object, I do believe that the procedural step will involve a vote on the Culver amendment first and the McGovern amendment by way of a substitute.

Mr. MANSFIELD. I change the order.

Mr. GOLDWATER. Reserving the right to object, I think it should be the way the leader suggested, because if the McGovern amendment passes, there is nothing left of the B–1.

Mr. CULVER. If the Senator will yield, the vote would still occur first on the substitute.

Mr. TOWER. The McGovern amendment is in the form of a substitute of the Culver amendment.

Mr. MANSFIELD. I change my unanimous-consent request accordingly.

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

Mr. MANSFIELD. I thank the distinguished Senator from Texas.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1977

The Senate continued with the consideration of the bill (S. 3434) to authorize certain construction at military installations, and for other purposes.

Mr. STENNIS. I believe the majority leader said we contemplate just a very short time on the military construction bill.

Mr. MANSFIELD. Yes.

Mr. STENNIS. I thought the notices should go out to that effect.

Mr. TOWER. I intend to offer an amendment on the military construction bill, on which I intend to ask for a rollcall vote. I serve notice to Senators that they can expect a rollcall vote twice on military construction, one on my amendment and one on passage, before we get back on the procurement bill.

Mr. MANSFIELD. The Senator is correct. It would appear that somewhere between 3 and 3:30 p.m., probably close to 3:30, we shall be able to dispose of this bill and then immediately go to the military procurement bill.

Mr. TOWER. I think the distinguished leader is correct and I am prepared to agree to a controlled time on military construction, but I should like to consult with the Senator from Missouri, the chairman of the Military Construction Subcommittee. Therefore, 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. SYMINGTON. 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. SYMINGTON. Mr. President, before proceeding with this bill, I want to thank very much the able senior Senator from South Carolina and the able senior Senator from Texas, as well as my chairman, the Senator from Mississippi, for all their help and cooperation and understanding with respect to the amendments that are characteristic of the bill and the bill itself.

I say to my able friend from Florida that on the amendment which he has incident to prohibition and consolidation of helicopter flying training programs, it is our understanding that it is in the House bill. We shall be glad to take it to conference if that meets with his approval. I think it would be the better way to handle it, because one of the excellent subcommittees of our committee in the Senate was involved with this.

Mr. STONE. Will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. STONE. Mr. President, I should like to call up the amendment briefly in behalf of the senior Senator from Florida and myself and describe it and discuss it for the benefit of the other Senators and of the conferees to be, if that will meet with his approval. I shall be brief.

Mr. TOWER. Will the Senator yield?

Mr. SYMINGTON. Yes.

Mr. TOWER. I wonder if we might have a quorum call and discuss this for a moment and work out a time agreement.

Mr. STONE. The Senator from Florida is talking about 10 minutes.

Mr. TOWER. I am sorry, but the quorum call was rescinded while I was off the floor. Therefore, I had no opportunity to converse with the Senator from Missouri. Therefore, if the Senator will indulge me——

Mr. SYMINGTON. Inasmuch as the distinguished Senator from Texas is the ranking member of the committee, I shall deeply appreciate it if the Senator from Florida will yield time at this point.

Mr. STONE. I yield.

Mr. TOWER. Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SYMINGTON. 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. SYMINGTON. Mr. President, I yield to my able colleague from Missouri (Mr. EAGLETON).

Mr. EAGLETON. Mr. President, I thank my distinguished colleague. I have a couple of questions I would like to ask him pertaining to a military matter in our own State of Missouri.

I ask the distinguished manager of this bill, my colleague (Mr. SYMINGTON), about the provision on base realinement adopted in the House version of the bill. This provision, which was authored by the majority leader of the House, Mr. O'NEILL, states that Congress must be notified at least 1 year in advance of any reduction greater than 50 percent in the level of civilian personnel of any military installation employing 500 civilians.

As my colleague knows, the Air Force has proposed massive reductions at the Richards-Gebaur Base in Missouri, just east of Kansas City. The civilian employee population of Richards-Gebaur is 1,714, and the proposed reduction which was announced by the Air Force on March 10, 1976, is 1,680.

Based on these facts, I would like to ask the distinguished manager of the bill if it is his view that were the House provision to become law, it would apply to the proposed Richards-Gebaur reduction?

Mr. SYMINGTON. Yes, it would apply. We checked it out.

Mr. EAGLETON. That is my understanding as well, but I wanted to get the answer from the manager of the bill.

Mr. SYMINGTON. May I say I have the same interest in this particular problem.

Mr. EAGLETON. If I may, I have one other question along the same line. I would like to ask the distinguished manager of the bill with respect to the modification to this provision that is in the Senate version of the bill—Would the Senator please describe the impact of section 612 on the proposed Richards-Gebaur reduction.

Mr. SYMINGTON. Well, in reply to my colleague I would say that this Richards-Gebaur action is in a 9-month study period. There can be no decision before December 1976, and after any decision is made, before any implementation of said decision is carried out, there is a 90-day waiting period in which Congress can review the justification of the decision with respect to the withdrawal or removal of the base or reduction of the base.

Mr. EAGLETON. So I take it that section 612 in the Senate bill further strengthens the position that was adopted at the suggestion of the majority leader in the House, and it, too, is specifically applicable to the Richards-Gebaur situation?

Mr. SYMINGTON. That is exactly correct.

Mr. EAGLETON. I thank my distinguished colleague.

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

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from North Dakota.

Mr. YOUNG. I thank my friend, the distinguished Senator from Missouri (Mr. SYMINGTON), for a very important provision in the bill that affects North Dakota. This will not involve a large amount of money, but it is very important to assist these cooperatives, because of the very costly investments they had to make to serve the ABM system.

I will not be here to vote on final passage, but, if I were here, I would vote for the bill.

Mr. SYMINGTON. Mr. President, I appreciate those words from the distinguished senior Senator from North Dakota.

May I say that we examined carefully his request incident to the base in North Dakota and we agree with him without reservation.

Mr. STONE and Mr. TOWER addressed the Chair.

Mr. SYMINGTON. Mr. President, I believe the able Senator from Florida has the floor and has been yielding to me, and I yield back.

Mr. TOWER. Mr. President, will the Senator from Florida yield? I think, if we can get a time agreement on all the amendments and the bill, we can expedite the business here, and it will then give us an idea as to when we can vote on procurement and return to the B–1 situation. Therefore, I would like to propose to my good friend from Missouri, the chairman of the subcommittee, that we have an hour on the bill and 30 minutes on every amendment thereto, equally divided.

Mr. STENNIS. Mr. President, if that is a request—is that a request?

Mr. TOWER. It is simply a suggestion.

Mr. SYMINGTON. I was just hoping we could reduce those times. The Senator from Florida says he needs 10 minutes.

Mr. TOWER. I would anticipate the time would be yielded back and we would not require that much time.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, will the Senator yield further? There seems to be great anxiety to get to a vote on the procurement bill, and I wonder if it would not be proper to set aside the military construction bill and proceed to vote on that. I did have an amendment that I conceive to be important to the military construction bill, and I keep getting hurry up signals here and, therefore, I wonder if it would not be wiser to pull this bill out——

Mr. SYMINGTON. Mr. President, let me assure my able colleague from Texas, who is the ranking member of the Military Construction Subcommittee, that I want to do it exactly the way he would like to have it done because he is well within his rights to not only put in an amendment but spend all the time he needs to discuss it. So I would yield to the Senator for his amendment.

Mr. TOWER. I do not think it will require a great deal of time. I was trying to fix the outer parameters of time so that we would know that it would not go at least beyond that.

Mr. SYMINGTON. The Senator from Florida has stated roughly the time he would need. As a matter of fact, he was specific that he wanted about 10 minutes, so I would ask unanimous consent that the Senator for Florida agree to yield to the Senator from Texas at this time.

Mr. STONE. The Senator from Florida yields to the Senator from Texas.

Mr. TOWER. Perhaps no time agreement is necessary. Let us yield to the Senator from Florida and then let us see what happens.

Mr. STONE. I thank the Senators.

I call up my amendment to this bill.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) for himself and Mr. CHILES proposes an amendment:

On page 44, between lines 2 and 3, insert the following:

PROHIBITION ON CONSOLIDATION OF HELICOPTER FLYING TRAINING PROGRAMS

SEC. 614. None of the funds authorized for appropriations in this Act shall be available for the planning or implementation of any consolidation of helicopter flying training programs of the Navy or Marine Corps with flying training programs of any other military service.

On page 44, line 4, strike out "SEC. 613" and insert in lieu thereof "SEC. 614".

Mr. STONE. Mr. President, the senior Senator from Florida (Mr. CHILES) and I are submitting an amendment to S. 3434 which will insert into this bill a new section 613 which is identical to section 611 of the House-passed military construction authorization bill—H.R. 12384.

This section prohibits any funds authorized in this bill to be available for the planning or implementation of any consolidation of helicopter flying-training programs of the Navy or Marines with flying training programs of any other military service.

This language is necessary to prevent the proposed consolidation of Navy and Marine helicopter training into Army helicopter training. The reason given for this proposed move is based largely on alleged cost savings. However, the senior Senator from Florida and myself have serious reservations as to whether there has been a proper conclusion made as to whether or not the Army helicopter training proposed for student naval helicopter pilots satisfies the Navy's mission. Quite properly, the Army trains its helicopter pilots to perform flights applicable to the mission of the Army.

For example, the new student arriving for Army helicopter training is exposed from his first day in ground school to the recognition of Soviet tanks, self-propelled vehicles, artillery, and the like. The Army can also and does place less emphasis on instrument flight than does the Navy. The Navy's flight syllabus is more heavily oriented toward bad-weather flights, open-water navigation. nighttime operations, ship-to-shore and ship-to-ship operations which necessarily involve instrument flights.

Another outstanding difference of Army helicopter training is that it does not satisfy naval officer training requirements. The young student arriving in Pensacola presently begins his naval officer training concurrent with his flight training, and in the process of learning to fly and winning his wings over a 13-month period, he is also inculcated into the service of his choice, namely the U.S. Navy, and learns of its heritage, traditions, customs, and esprit de corps. Under the proposed transfer, the student helicopter pilot will not receive his Navy officer training until several months have passed.

The U.S. Marine Corps has concrete evidence that the training of 492 Marine Corps pilots by the U.S. Army—which was done during the last 3 years of the Vietnam war—was an expensive method of training U.S. Marine aviators. Not only were the Marine Corps missions not satisfied, but the corps discovered that its pilots needed much additional trainning. Since the Marines have always utilized Navy training for their helicopter pilots, and since the Navy training includes fixed wing as well as helicopter training, a Navy-trained Marine Corps pilot could later be assigned into fixed-wing flight activities after his initial helicopter tour. During the Vietnam war the 492 Marine Corps pilots who received Army training found themselves out of the mainstream of career competition with their contemporaries, because they had received only helicopter training.

Mr. President, this situation becomes crucial when we consider that the Soviets are greatly increasing their naval capabilities and have expanded their conventional defense systems. The proposed consolidation of helicopter flying training programs would constitute a contraction of our capabilities and would be a very inappropriate action.

I add only one incident. Last year, the subject came up shortly before the end of our Vietnamese participation and the Senator from Florida appeared before the appropriate subcommittee of the Senate Armed Services Committee and set up a hypothetical. He said:

Just suppose that in a matter of a few weeks from now we would have to evacuate Americans and dependents from the land to ships. What would happen if the helicopter pilots called on for that mission had not received naval helicopter training?

Within just a few weeks after that, that situation exactly took place. Everybody who watched television in this country was exposed to two vivid examples.

No. 1, that the naval helicopter-trained

pilots successfully accomplished the mission of the evacuation from the embassy and from other land points to ships; and No. 2, we saw army-trained helicopter pilots falling into the sea in difficult weather conditions, difficult sea conditions, because they had not been trained to perform that mission.

In the name of the mission, in the name of the safety of the helicopter pilots and those who are required to perform, the Senator from Florida urges the adoption of this amendment.

The Senator from Florida yields to the senior Senator from Florida.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Florida for yielding to me and I will try not to go over the ground he has covered. I think he has made a very sound argument on this.

I think that the services have agreed, and we certainly do not take issue with the agreement they have made, that there should be consolidation of training and that it does make sense where it will meet the individual service requirement, where it can show it meets that, where it can show that the quality of instruction could be improved, and where it can show cost could be reduced.

So we have sort of the three tests we need to meet. It is our feeling that that test has been met in some instances.

In fact, now we see a consolidation of some of the air navigation training, a phase in which the Navy and Air Force are consolidating some of the training. It seems to be working out very well. They seem to be getting better training.

I have talked to some of our Navy personnel in Florida and they say that is true. But they do point out, and I think they have a good argument, that here we are talking about a different type mission.

We are talking about, really, sort of a different career mission that the Army has and the Navy has.

The Army is training warrant officers for a very single specific mission of operating the helicopter service that they want to operate at that time, and that is battlefield observance and some evacuation. It is all land training, but it is a very narrow sort of career pattern.

On the other hand, as the distinguished Senator from Florida has pointed out, the Navy is talking about career training.

The Navy pilots are not warrant officers, to start with. They are graduates, or they are going through flight training. Some are Academy graduates. They are being trained for what could be a career in helicopter service. All the way through this can be a career pattern for them.

So, in addition to that, of course, is the fact that their missions can be so different.

With those two things in mind, we really get to the third: Are we going to save any cost?

I think that has to be answered "No," because whatever they go through in that joint training, then the Navy is going to have to go out and retrain and additionally train, and when we add that factor to it, and that is a factor that has been added into the quotient or the equation to date, that is not going to save us some funds.

So we are really talking about what should be the overall criteria and whether it meets these three things.

Mr. TOWER. Will the Senator yield?

Mr. CHILES. I yield to the Senator.

Mr. TOWER. I think the points have been extremely well made by the two Senators from Florida.

I might note that Admiral Houser, the immediate former deputy CNO for air combat, has testified that, in his personal opinion, the Army helicopter training was unsuited and inadequate for Navy purposes. Really, this business of the different missions is something we could go into for hours and hours to point up the sharp contrast, very often, in the missions of the two.

For example, one thing that has not been touched on here is the fact that the Navy has to train its pilots for hover capability, for air-sea rescue, and the Navy has to train its pilots for ASW work.

There is a lot of difference between ground support activity on the part of the Army and antisubmarine warfare on the other. There is a chasm of difference.

The Navy helicopter pilot has to drop a sonar rig into the water trying to spot an enemy sub and be able to evacuate, and have the ability to bring about destruction of that sub. These are things the Army does not even deal with.

The fact of the matter is that some bureaucrat over at DOD dreamed this up, and I do not think the cost analysis figure would bear up under scrutiny.

Mr. CHILES. As the Senator points out, they have not included these missions. I think he has pointed out very graphically that there is such a vast difference in the mission that this does not seem to fit the parameters on that training. We cannot consolidate where we are going to be able to give the same problem training to each, that they are even going to be able to give it better, where we can consolidate some ways of training at a lower cost. It just would not pan out.

I thank the Senator from Texas.

Mr. STONE. Will the Senator yield to me?

Mr. CHILES. Yes.

Mr. STONE. Mr. President, out of respect for the committee system and in deference not only to the difficulties of legislating a technical question like this on the floor and in view of the assurances that the distinguished Senator from Missouri and the distinguished ranking Republican Member from Texas have given the Senators from Florida, and particularly evidencing their awareness of the difference of mission, the Senator from Florida would withdraw his amendment at this time, hoping that on the House side, since this language is present in the bill, the conferees will really give it some serious consideration.

Mr. GOLDWATER. Will the Senator withhold his request?

Mr. STONE. The Senator from Florida will withhold his request.

Mr. GOLDWATER. For a few comments on this.

Mr. President, I realize fully well what the three Senators have said in defense of Navy training. I think, though, we are overlooking one important point.

I have been interested in this joint training procedure for many, many years.

I have not seen any sense in having naval training—fixed-wing aircraft now—Navy, Army and Marine training. I also feel that the instruction between the Army and Air Force helicopter pilots has been cost saving and it has produced a better grade of pilot than the Air Force could have produced on its own.

My argument stops at the learning-to-fly level. The fixed-wing pilot who learned how to take an airplane off and take it down, fly on instruments, and became a qualified pilot, would then, if he is assigned to the Navy, receive a special type training the Navy gives for carrier landing. Being a land-based pilot, I will say that I would be the last one to ever try to land on a flattop unless it was about 2 miles long and half a mile wide.

But I do not see anything wrong with conducting combined helicopter training at the level that I am talking about. In other words, teaching the men how to get the helicopter up and get it down and to qualify him as a man who can fly a helicopter. I think that can be done in the present Army school at Fort Rucker. Then when he has graduated, he goes to some naval specialized school, as the fixed-wing pilot does, to learn carrier landings. There he is instructed in the difference between landing on shipboard, which is very different, with all the constant high wind, and the precariousness of the angle of the deck.

I think what we are talking about here basically is merely what we call today the primary training. It used to be primary, basic and advanced. Now we create an airman capable of flying a helicopter. I am convinced, though I was not for a long time, that the three services could do it cheaper than one. I am convinced now that the Army can train the helicopter pilot up to a point.

When the Air Force gets a helicopter pilot trained by the Army, we have to teach him the tricks of our trade, which is mostly carrying material and personnel. The Army itself has to go into maneuvers that they are not necessarily taught at Rucker, though most of them are.

I am very glad the Senator has decided to withdraw this amendment. I would hate to oppose it.

I understand the Navy's determination on this. They fight a pretty hard fight. I have been arguing with them for about 18 or 20 years on letting us put the whole thing in one ball of wax. We are the only country in the world that enjoys four different grades of pilot training. The others do it from one source and then spread out.

Mr. STONE. The Senator from Florida will, in about 1 minute, withdraw the amendment. But in answer to the arguments of the distinguished Senator from Arizona, it is not simply a question of primary training; it is a question of the entire training that starts from the mo-

ment the training begins. The Navy trains instrument pilots. It trains fixed-wing and helicopter pilots.

Every example given from the primary training through the advanced training has to do with the types of inclement weather, fogs, sea conditions, ship-to-ship conditions, ship-to-land conditions, land-to-ship conditions, and it is not strictly a question of learning to take a helicopter off and landing it. It is an entirely different philosophy based on the mission. It starts the first day. To separate it into primary training of one sort and then advanced training of another sort would require not merely advanced training costs, which have not been figured into the alleged cost-saving equation, but would mean unlearning some things that are relevant in the process.

The Senator from Florida took enough time to go through this situation in great detail at the Whiting Field area, not once but twice. It really is not a question of some primary training and then some advanced training. It is the question of the kinds of pilot you turn out for the kind of mission you have. Respectfully, if this is not done, it will cost the taxpayers more, turn out an inferior product, and not be productive of the kind of readiness and capability that I know the Senator from Arizona is the champion of.

Mr. GOLDWATER. The Senator makes a very good case, and I would agree with his case past a point. I do not care whether one is learning to fly a fixed-wing airplane, a helicopter or a balloon. One has to be taught how to get it up and get it down. Before that Navy-trained pilot ever sees weather or ever sees the ocean he learns to fly from land.

I would say if he is the kind of capable man I assume, he would have a program of about 100 hours at least behind him. Then the Navy would start training him about the hazards of flying over open water, hovering over open water, dropping or controlling the devices he has to. I am talking about the fundamentals of teaching every man who flies. They are all the same, believe me. I think I have flown everything that has ever been in the air. If you can get it up and get it down, then you can go into the intricate problems of how to fly from carriers, how to fly from land over sea, how to return, so forth and so on.

I have watched Navy helicopter pilots. I have flown with them. I think they are exceedingly good and they have an exceedingly hazardous task. I am merely arguing that at the ground level we can save money. At Fort Rucker now I believe the first 20 hours are given in simulators where one can actually come close to flying before he is taken out to the field.

Mr. TOWER. Will the Senator from Florida yield?

Mr. STONE. I yield.

Mr. TOWER. As much as I respect the distinguished Senator from Arizona, and he knows I respect him on his announcements on virtually every field of human endeavor, I must note that he is a retired major general in the Air Force and may be reflecting some rather simplistic thinking on the part of the Air Force. The basic thing you learn is how you get it up and how you get it down. The Navy is very much concerned with what you do with it after you get it up and before you get it down, and what roles and missions you must perform while you are in the air. These are vastly different.

Mr. GOLDWATER. I might say, Mr. President, that my good friend from Texas, and I thank him for his compliments, is also a chief bosun mate in the Navy Reserve, and I suspect he speaks from a little prejudice, too. Bosuns spend most of their time under deck and have little opportunity to observe the operation of aircraft.

Mr. TOWER. On the deck.

Mr. NUNN. Will the Senator yield for 2 minutes?

Mr. STONE. I yield.

Mr. NUNN. I have a great deal of respect both for General GOLDWATER and Bosun Mate TOWER and their comments on this subject. I might add that the Senator from Arizona, I am sure, would be gratified to know, based on his great admiration of the General Accounting Office and their superb and capabilities to analyze intricate military matters, that GAO initiated this very consolidation back in 1974 by a report. That was where the actual action started, rather than from some bureaucrat in the Pentagon. I knew the Senator from Arizona would be delighted to hear that he was on the same side as the General Accounting Office on this issue.

Mr. GOLDWATER. I might say to my friend that report was made at the request of Senator PROXMIRE and Senator GOLDWATER, and that is a "helluva" combination.

Mr. NUNN. The Senator from Georgia agrees.

Mr. STONE. The Senator from Florida withdraws the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. SYMINGTON. Mr. President, first I would like to thank the able Senator from Florida for withdrawing his amendment so we could move on. I might say with great respect to both my good friends from that great State that perhaps training in helicopters should be on a procurement bill as against a construction bill. I merely mention that in case we run into any problems about it in conference.

Mr. President, as I understand it, the able Senator from Texas will now introduce my amendment. Am I correct?

Mr. TOWER. That is correct. I have an amendment which will take not too long. I am pleased for anyone to participate. I do intend to ask for the yeas and nays on the amendment. Senators should be advised there will be a rollcall vote.

Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment.

At the appropriate place in the bill insert a new section as follows:

SEC. 614. The provisions of the Davis-Bacon Act (40 U.S.C. 276a–276a–5) shall not apply to the wages paid to laborers and mechanics for any work or service performed under any contract for the construction of any project authorized by this or any other military construction authorization Act if such contract is entered into on or after the date of enactment of this Act.

Mr. TOWER. Mr. President, this amendment would waive the provisions of the Davis-Bacon Act on U.S. military construction projects. The bill before us today would authorize over $3.3 billion in military construction for fiscal year 1977. It is my view that a considerable portion of this large sum of the taxpayer's money could be saved were the Department of Defense not required to meet the artificial wage rates which the Davis-Bacon Act requires.

Davis-Bacon was enacted on March 3, 1931. for the purpose of protecting local wage rates on Federal construction from the competition of lower wage, nonlocal labor. Specifically, the act requires payment of "prevailing" wages and fringe benefits to workers on Federal Government contracts for the construction of public buildings or public works. The required wage rates are those determined by the Secretary of Labor.

There can be no question but that Davis-Bacon generally serves to spread artificially high wages to various geographic areas, irrespective of the local, prevailing wage rates. This serves only to contribute to inflation and unemployment and sustain construction costs at a considerably higher level than actual market conditions would warrant. In 1971, 5 years ago, GAO concluded that Davis-Bacon wage determinations increased the cost of Federal construction projects up to 15 percent. I would observe for the benefit of my colleagues that 15 percent of the $3.3 billion in this bill amounts to over $490 million. At my request, GAO is preparing a new report relative to the cost of Davis-Bacon which is not yet completed.

Within the broad range of federally assisted construction projects for highways, airports, housing, hospitals, schools, and Government buildings, I believe that waiving Davis-Bacon for military construction would offer an ideal opportunity to show our taxpaying constituents how much can be saved in this single area alone.

The Senate is currently to take up a defense bill reported by the Committee on Armed Services which will recommend procurement, research and development, and manpower programs for each of the services for the coming fiscal year. I understand that some of our colleagues will be proposing amendments to reduce spending levels in certain programs. While I may not agree with the specific nature of these proposals, I certainly share the interests held, I believe, by all Members of this body to allocate our limited defense dollar in the most efficient and productive manner possible.

Mr. President, the pressing need cited so often on this floor to reduce, wherever possible, questionable or unjustified defense expenditures is precisely the reason why I feel that my amendment should be adopted by this body. I earnestly solicit the support of my colleagues for this proposal. I cannot perceive why the Senate would not gladly accept a pro-

vision offering significant savings in our defense budget without causing one iota's degradation in our military strength. To those Senators who are of the persuasion that proposed defense spending levels are too high, I say, "Here is an opportunity to cut out needless fat in the defense budget." To those Senators who believe that today's defense dollar is too constrained, I say, "here is an opportunity to eliminate an unnecessary expense that serves no military purpose whatsoever."

Mr. President, having given this matter considerable thought, I cannot help but wonder why such an obviously beneficial provision as this amendment, offering great potential savings to the American taxpayer, should not receive the virtually unanimous support of the Senate on both sides of the aisle. I strongly urge its approval.

Let me reemphasize, Mr. President; This is one way to save money on defense without cutting the return we get from our dollar. It merely cuts out unnecessary expenditures by knocking out the provision that requires that we pay the highest rates going in any area for military construction—higher, usually, than is the average in the private sector.

This does not reduce construction by one grid or one board. It does not reduce it at all. It simply reduces the cost of construction.

There are people who would come in here and move to reduce cost by cutting out weapons systems. What a foolish waste, when we could reduce it simply by cutting our expenses and getting more for our money.

I urge Senators to support this proposal, and I intend to ask for the yeas and nays when there are enough Senators on the floor.

Mr. THURMOND. Mr. President, I rise in support of the amendment of the able and distinguished Senator from Texas (Mr. TOWER).

We have in the Senate today an opportunity to save, as the distinguished Senator from Texas says, more than $490 million in this one piece of legislation, $490 million—almost half a billion dollars.

Mr. President, people back home are asking how we can cut expenses or what we can do to stop some of the big spending. Here is an opportunity we have on this occasion, right on this very bill, where we can save nearly $.5 billion. I hope the amendment of the Senator from Texas will be agreed to.

Mr. SYMINGTON. Mr. President, I am somewhat surprised, to be frank, about this amendment coming up at this time, as it is my recollection that after offering this amendment in committee, the able Senator from Texas withdrew it, and I did not know until this afternoon that he planned to introduce it on the floor at this time.

But inasmuch as he has done so, it will be simply a question of whether you are for or against the Davis-Bacon Act.

By way of reply, Senator JACKSON brought out the fact that in his opinion it would increase costs in his State at this time.

I think the best thing to do now is to ask for the yeas and nays, if necessary have a quorum call, and dispose of the matter one way or the other.

Mr. TOWER. 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. TOWER. 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. TOWER. 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.

Mr. TOWER. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise in support of the amendment of the Senator from Texas. I think we have to recognize that at the time of passage of the Davis-Bacon Act, there was a real need for it. This country was in a depression. People needed work, and at that time in our history labor was the underdog at the bargaining table. Management held nearly all the cards, and labor held practically none.

With the passage of the Wagner Act in 1934, though, this situation began to change, until today the situation is about the opposite. The working man, with his right to strike—and we defined that—organized into unions, and now has the dominant position at the bargaining table. They have the power to get done what the Davis-Bacon Act has built automatically into any legislation referring to construction at military bases.

Mr. President, let us look at what could happen under this measure. In my State, there is one of the larger Army bases called Fort Huachuca—this may have changed in the last year, though I do not believe it has—where labor can be paid as high as $100 an hour, because the nearest union is at Tucson, over 70 miles away.

The same situation existed up at West Point for many years and still does to some extent, where the Davis-Bacon Act applies and the worker has to come from union sources in New York City, over 60 miles away.

The answer to this, in my estimation, is to do away with the Davis-Bacon Act protection and insist that the unions, the craft unions mostly, allow locals to be opened in or near the building sites that employ labor constantly.

For example, in my State military spending every year entails five different military sites. Three of them are adjacent to available labor. One is not. And the other one, the Yuma Marine Grounds, is nearer labor to some extent.

I would like to see Davis-Bacon Act protection dropped, Mr. President, because as the Senator from Texas has indicated, it probably adds $2 billion to the cost figures that we spend every year to update, upgrade, and modernize the military bases of this country. I think it has grown to be a very unfair burden on the American taxpayer, and I do not believe that it is any longer high on the list of demands that would be made by organized labor because I believe organized labor has the power and the organizing ability to put their people together into locals adjacent to the building sites and eliminate the need for paying these overly high wages where we can build for a lesser amount at no harm to the worker.

I thank my friend.

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

Mr. GOLDWATER. I yield.

Mr. SYMINGTON. What would my friend from Arizona consider an overly high hourly wage,

Mr. GOLDWATER. $100 an hour.

Mr. SYMINGTON. How much?

Mr. GOLDWATER. $100, $25, $20.

Mr. SYMINGTON. Does he say that under the Davis-Bacon Act that we have people who are earning $100 an hour because of that act?

Mr. GOLDWATER. Not necessarily.

Mr. SYMINGTON. Not necessarily is not quite the answer. Is there any case of which he knows where anyone, because of the Davis-Bacon Act, is making $100 an hour?

Mr. GOLDWATER. The Senator is well aware of the situation we put up with at West Point for many years. It only lessened when we got the cooperation of labor leaders to see that we could get labor up there at a price that we could afford to pay.

Mr. SYMINGTON. Was anyone paid $100 an hour at West Point?

Mr. GOLDWATER. Not that high, but I know at Fort Huachuca that high a wage has been paid portal to portal which is part of it, and that is the trouble.

I would solve the thing by putting a local near West Point, a local near Huachuca, and a local near any base where there is constant building. In almost every case, looking through the report, the Senator will see that we supply money year after year to the same old bases.

Mr. SYMINGTON. Mr. President, I yield back the remainder of my time on this side of the aisle. I believe the yeas and nays have been ordered.

The PRESIDING OFFICER. There is no time limit. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from California (Mr. TUNNEY), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

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

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr.

BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 17, nays 66, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—17

Bartlett	Goldwater	McClellan
Curtis	Griffin	McClure
Dole	Hansen	Scott, William L.
Eastland	Helms	Thurmond
Fannin	Hruska	Tower
Garn	Laxalt	

NAYS—66

Abourezk	Glenn	Nelson
Allen	Gravel	Nunn
Bayh	Hart, Gary	Packwood
Beall	Haskell	Pearson
Bellmon	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Hollings	Proxmire
Bumpers	Huddleston	Randolph
Burdick	Humphrey	Ribicoff
Byrd, Harry F., Jr.	Inouye	Roth
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Kennedy	Sparkman
Chiles	Leahy	Stafford
Clark	Magnuson	Stennis
Cranston	Mansfield	Stevenson
Culver	Mathias	Stone
Domenici	McGovern	Symington
Durkin	McIntyre	Talmadge
Eagleton	Metcalf	Weicker
Fong	Mondale	Williams
Ford	Morgan	
	Muskie	

NOT VOTING—17

Baker	Hartke	Pastore
Bentsen	Johnston	Stevens
Brock	Long	Taft
Buckley	McGee	Tunney
Church	Montoya	Young
Hart, Philip A.	Moss	

So Mr. TOWER'S amendment was rejected.

Mr. MUSKIE. Mr. President, I would like to express my appreciation to the distinguished Senator from Missouri for his fine cooperation and assistance in the Armed Services Committee approval of a provision in the military construction authorization bill to establish a more rational and open process for the military departments to follow when proposing base closures or reductions. My colleagues are aware that the House of Representatives approved recently the so-called O'Neill amendment on its version of this bill, which would seek to accomplish the same purposes as our amendment.

The current process by which bases are proposed to be closed or reduced has proved unsatisfactory. The localities involved feel victims of some mysterious process which they neither understand nor fully participate in. The National Environmental Policy Act has brought some openness to the process but the military's performance under NEPA has been the subject of many court actions. These actions have refined the accountability of the military departments in closures and reductions, but much is left to be desired. The military's reluctant compliance with NEPA has created additional personal, social, and economic uncertainty in the areas affected by proposed realinements.

Section 612 of this bill addresses that uncertainty by structuring a specific time frame for review and decisionmaking and by requiring full cooperation and disclosure of the factors in the decision. All concerned parties will have an opportunity to air their views and to contribute to the decisionmaking process; and those affected will have leadtime to react to the proposed closing by planning a response to it. Now there is simply not sufficient time for affected and concerned parties to develop comprehensive responses to proposed realinement actions. Section 612 of this bill would establish a time frame for this and for business planning and orderly economic adjustment. Finally, the provision includes the opportunity for Congress to influence the decision if the justification is inadequate.

Mr. President, this committee provision, section 612, to the military construction authorization bill is necessary and will be helpful in assuring better cooperation, participation and understanding of the proposed reduction of Loring Air Force Base in Limestone, Maine.

The Air Force has announced that Loring is a candidate for an 83-percent reduction. This action, if fully implemented will have a devastating impact on the fragile economy of Aroostook County, Maine.

Early this month, the Economic Development Subcommittee of the Public Works Committee held a hearing in Limestone, Maine, to evaluate the economic impact of the proposed cutback at Loring. Although illness prevented my participation in that hearing, my good friend and colleague BILL HATHAWAY conducted an excellent hearing with the assistance of both Maine Congressmen, and of community and business leaders concerned with the Air Force proposal. I have had an opportunity to review the transcript of that hearing. From that record, and from my own exchanges with the people of the Limestone area, I can state that the Air Force proposal will indeed have a devastating impact on the social and economic fiber of the central Aroostook area which it will require months to fully evaluate and far longer to prepare for. My experience with the Air Force planning, evaluation, and information process since the proposed reduction was announced in March, has been disappointing in the extreme. Their refusal or inability to explain the details or rationale of this proposal suggests either evasion or very poor planning. The provision we are dealing with here today is a step toward assuring cooperation and sound planning that will at least mitigate some of the more disruptive effects of such announcements.

Mr. President, I now yield to my distinguished colleague, Senator HATHAWAY, who chaired that hearing in Limestone.

Mr. HATHAWAY. I thank my distinguished colleague for yielding to me at this time and I fully endorse his remarks. Everything he has just stated was borne out in testimony at our day-long hearing in Limestone, Maine, on May 10.

I would like to stress that many people in Maine do not believe that the Air Force has been as reasonable and forthcoming with the answers to people's questions as it should be. The Air Force announced its intentions for Loring AFB on March 11, but aside from that broad statement it has turned away all other queries with the bland assurance that all shall be known and revealed this summer. That may suit the Air Force's convenience, but it hampers my efforts to answer the legitimate questions of thousands of people in Maine who quite rightly have a high degree of curiosity about a decision which has the capability of causing major changes in their lives.

So I support with enthusiasm section 612 of the bill, because it does require the Air Force's reasonable cooperation in matters bearing upon the futures of families in areas impacted by major base realignments.

In other ways, this section articulates what the Air Force already strives to do in reduction or closure situations; namely, to assess the impact of such action upon the surrounding community. At the hearing on May 10, however, I heard testimony that while the Air Force might at some point save money in its proposed reduction at Loring AFB, the local economy and thousands of jobs would suffer greatly, and in response to those dire needs there could easily be an even greater drain on the Treasury than the amount of money now spent to operate Loring.

But I am confident that with the authority we are now clarifying for the Air Force, these and other economic and human concerns will be treated with far more understanding and cooperation than has so far been the case.

Mr. MUSKIE. We have described the difficulty we have encountered in our efforts to secure information on the rationale for the proposal to reduce Loring. Even details as to what operations and facilities will remain at Loring if the proposed reduction is implemented have not been made available to us. I would expect that under the requirement for full cooperation contained in this legislation, a military department would have to provide available materials and information fully explaining the rationale and discriminators leading to proposed action and detailing the consequences of a proposed reduction.

Finally, I would like to have your assurance that section 612 applies to the proposed reduction at Loring Air Force Base?

Mr. SYMINGTON. Yes, that is my understanding.

Mr. MUSKIE. I thank my colleague.

AUTHORIZATION FOR CONSTRUCTION PROJECTS AT PORTSMOUTH-KITTERY NAVAL SHIPYARD

Mr. President, I am pleased to note that the military construction authorization bill which is now before us continues the commitment of the Congress and the Department of the Navy to the modernization of facilities at Portsmouth Naval Shipyard in Kittery, Maine. This legislation provides $12,789,000 for modernization projects at Kittery, including $4.6 million for additional work on crane rail modernization, $6.447 million for machine tool shop modernization, $1.77 million for a test steam facility for the nuclear attack submarine, SSN—688 Class—and $.565 million for energy con-

servation measures related to the condensate return system.

Continued modernization in these areas will directly enhance the capability of the Kittery Yard to perform its mission effectively and with maximum economy. The $4,058,000 provided for construction of the naval regional medical clinic at Brunswick represents a major improvement in the medical facilities available for personnel at Brunswick Naval Air Station.

Increasing attention has been focused on the role of our naval shipyards in recent months as we evaluate the capability of our naval forces to perform their global missions. Our ability to maintain and improve our fleet readiness is directly related to our shipbuilding and overhaul capabilities in both private and Government shipyards. The necessity for maintaining capabilities in both sectors has been recognized both in the Navy and in Congress. The modernization efforts at Kittery reflect our commitment to that principle and is particularly heartening for those of us who fought earlier efforts to deny the role of our public shipyards.

The Portsmouth-Kittery Shipyard represents an investment of major proportions in material and human resources for the support, repair, overhaul and conversion of the ships of our nuclear submarine fleet. Portsmouth-Kittery is unique among naval shipyards in that it is the greatest single source of submarine skills and crafts within the naval shipyard complex. Nearly 100 percent of its productive output is devoted to submarine work. In an age of specialists, it is a specialists' yard. The expertise assembled there represents technical competence in more than 60 trades and skills. It is one of only three naval shipyards on the Atlantic coast designated by the Department of Defense and the Atomic Energy Commission as qualified to perform work on nuclear-powered ships. All the evidence before us today points to a continuing and growing need for the facilities and skills available at Kittery. This action today will help assure that these facilities are available to effectively and efficiently meet those needs.

Mr. KENNEDY. Mr. President, I want to express my appreciation to Senator SYMINGTON and members of the Armed Services Committee for inclusion of base realinement provisions in the military construction authorization legislation.

The committee shared my concern that current procedures used by the Department of Defense in base closures or significant reductions were not adequately defined.

It is important, Mr. President, to put base realinement procedures into law. The Commonwealth of Massachusetts has experienced firsthand the drastic consequences of ill defined and erratic procedures in implementing base realinements. The Commonwealth of Massachusetts has borne the drastic economic consequences of inadequate lead time and cooperation in preparing local communities to adjust to the economic impact of drastic realinements and base closures.

Recently, almost every base closure announcement has been the subject of expensive and time consuming court action. This fact, in itself is indicative of presently inadequate base realinement procedures.

This legislation provides for: First, full public disclosure regarding base realinements; second, period of economic adjustment for the local community; third, congressional oversight of base realinement decisions.

The legislation we act on today does not limit the flexibility of the Department of Defense in realining base structures. However it does provide Congress with the opportunity to have an impact on base realinement decisions if there is adequate justification.

I feel that it is essential that citizens and communiities whose lives are affected by Government decisions have the assurance that those decisions which so drastically affect their futures have been made with equity and reason.

The procedures outlined in this legislation lend credibility to decisions on base realinements. We need this type of credibility.

In recent years in Massachusetts, the Boston Naval Shipyard, the Boston Naval Station, the Chelsea Naval Hospital, Otis Air Force Base, and Westover Air Force Base were closed. These were principal Department of Defense installations. As a result of these actions over 15,000 persons in Massachusetts were unemployed.

Recently, the Department of the Army announced that Fort Devens, the last major military installation in the commonwealth, had been placed on a candidate list for action. This latest announcement could result in the loss of thousands of jobs.

Since 1970, Massachusetts has lost more than 50 percent of Department of Defense personnel employed in the State. This is an overpowering economic burden.

Reason and equity require an adequate period of economic adjustment for the communities involved in base realinements. The Defense Manpower Commission has recommended quite convincingly that adequate time should be allowed for the economic adjustment of employees and communities.

Their report to the President and the Congress strongly recommended that "closures of bases or major activities should be announced at least 3 years in advance."

While this legislation does not require 3 years for economic adjustment, it does require that a period of at least 9 months expire during which the community will be involved with the military in the decisionmaking process. During this period the Department of Defense will be required to cooperate fully with all affected parties. The least we can do is guarantee citizens whose lives will be altered by a decision that the provisions of the National Environmental Policy Act will apply to the study and that an environmental impact statement will be prepared.

When the military announces that they plan to effect cost savings through base realinements we must guarantee that all costs to the Federal Government and economic impact figures are considered.

After the initial study period, a decision will be announced. The decision with supporting documentation for the action and estimates of the consequences of the decision will be provided to all affected parties.

This type of full disclosure is essential. Since so many defense installations are integrally tied to the communities in which they are located. These communities will now be allowed and encouraged to participate in the decisionmaking process.

Before the decision may be implemented a period of 90 days must expire. This waiting period gives Congress the opportunity to take action regarding the decision. This procedure also allows for full disclosure of all factors leading to a decision on a base realinement.

These procedures provide for just and equitable treatment of citizens of this Nation affected by base realinements. These procedures are not designed to hamper the military, but to create a more open environment for decisions to be made.

These procedures are not designed to cost the Federal Government money, but to adopt an approach to base realinements would better serve the Nation. As the Defense Manpower Commission states we need a more realistic, long-range approach to the economic problems involved in base realinements.

These procedures are not designed to be restrictive, but to formalize a procedure which can only lead to more responsible and responsive decisionmaking.

For Massachusetts, a State with an unemployment rate of 10 percent; and the communities around the Fort Devens area with an unemployment rate of about 13 percent, these provisions represent an honest attempt to govern equitably.

Mr. SYMINGTON. Mr. President, if there are no further amendments, I ask for third reading.

The PRESIDING OFFICER (Mr. HANSEN). If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 12384, Calendar No. 861.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12384) to authorize certain construction at military installations, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. SYMINGTON. Mr. President, I move to strike all after the enacting clause of H.R. 12384 and to substitute the text of S. 3434, as reported and as amended.

The PRESIDING OFFICER. The

question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I want to pose some questions before third reading, if I may, to the distinguished floor manager of the bill.

It has just been brought to my attention that there are four items regarding my State that are in the House bill that are not in the Senate bill. I do not propose at this time to offer an amendment, but I wondered, with regard to Fort Belvoir in Virginia, there is a matter of a reduction of $2,925,000; with regard to Cameron Station, two reductions of $8,000,000 and $1,265,000, respectively; and with regard to Woodbridge research facilities in Virginia, $2,130,000. I wonder if the distinguished floor leader would indicate whether these matters could be considered in the conference committee because, of course, they are of interest to me and my senior colleague from Virginia.

Mr. SYMINGTON. I say to my able friend from Virginia that the Army has asked for a major reorganization which would involve the Harry Diamond Laboratories. Therefore, we have asked that this matter be considered in toto, although we are glad to take it to conference and hear the other side with respect to Fort Belvoir.

On the other two matters, the distinguished senior Senator (Mr. HARRY F. BYRD, Jr.) has already spoken to us about it. We have told him, and are very glad to present to you, the fact that we will give it full consideration in conference.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's comments.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

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

The bill was read the third time.

Mr. TOWER. I ask unanimous consent that consideration of S. 3434 be indefinitely postponed.

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

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

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho, (Mr. CHURCH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

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

The result was announced—yeas 80, nays 3, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—80

Allen	Glenn	Morgan
Bartlett	Goldwater	Muskie
Bayh	Gravel	Nelson
Beall	Griffin	Nunn
Bellmon	Hansen	Packwood
Biden	Hart, Gary	Pearson
Brooke	Haskell	Pell
Bumpers	Hathaway	Percy
Burdick	Helms	Randolph
Byrd, Harry F., Jr.	Hollings	Ribicoff
	Hruska	Roth
Byrd, Robert C.	Huddleston	Schweiker
Cannon	Humphrey	Scott, Hugh
Case	Inouye	Scott, William L.
Chiles	Jackson	
Clark	Javits	Sparkman
Cranston	Kennedy	Stafford
Culver	Laxalt	Stennis
Curtis	Leahy	Stevenson
Dole	Long	Stone
Domenici	Magnuson	Symington
Durkin	Mansfield	Talmadge
Eagleton	Mathias	Thurmond
Eastland	McClellan	Tower
Fannin	McClure	Weicker
Fong	McGovern	Williams
Ford	McIntyre	
Garn	Mondale	

NAYS—3

Abourezk	Hatfield	Proxmire

NOT VOTING—17

Baker	Hartke	Pastore
Bentsen	Johnston	Stevens
Brock	McGee	Taft
Buckley	Metcalf	Tunney
Church	Montoya	Young
Hart, Philip A.	Moss	

So the bill (H.R. 12384), as amended, was passed as follows:

H.R. 12384

TITLE I—ARMY

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $32,022,000.
Fort Campbell, Kentucky, $68,987,000.
Fort Carson, Colorado, $10,589,000.
Fort Greely, Alaska, $2,854,000.
Fort Hood, Texas, $20,033,000.
Fort Lewis, Washington, $4,073,000.
Fort George G. Meade, Maryland, $1,142,000.
Fort Ord, California, $14,453,000.
Fort Polk, Louisiana, $46,003,000.
Fort Riley, Kansas, $5,694,000.
Fort Stewart/Hunter Army Air Field, Georgia, $38,423,000.
Fort Wainwright, Alaska, $17,163,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Belvoir, Virginia, $6,052,000.
Fort Benning, Georgia, $6,627,000.
Fort Eustis, Virginia, $3,016,000.
Fort Gordon, Georgia, $2,224,000.
Fort Benjamin Harrison, Indiana, $987,000.
Fort Knox, Kentucky, $10,379,000.
Fort Leavenworth, Kansas, $190,000.
Fort Lee, Virginia, $1,115,000.
Fort Rucker, Alabama, $1,841,000.
Fort Sill, Oklahoma, $1,181,000.
Fort Leonard Wood, Missouri, $15,249,000.

UNITED STATES ARMY MILITARY DISTRICT OF WASHINGTON

Fort McNair, District of Columbia, $722,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $726,000.
Detroit Arsenal, Michigan, $340,000.
Holston Army Ammunition Plant, Tennessee, $22,684,000.
Kansas Army Ammunition Plant, Kansas, $493,000.
Letterkenny Army Depot, Pennsylvania, $8,357,000.
Natick Laboratories, Massachusetts, $118,000.
Picatinny Arsenal, New Jersey, $560,000.
Pine Bluff Arsenal, Arkansas, $6,934,000.
Radford Army Ammunition Plant, Virginia, $25,663,000.
Redstone Arsenal, Alabama, $1,126,000.
Scranton Army Ammunition Plant, Pennsylvania, $162,000.
Seneca Army Depot, New York, $321,000.
Sharpe Army Depot, California, $551,000.
Sierra Army Depot, California, $1,489,000.
Tooele Army Depot, Utah, $2,572,000.
USA Fuel Lubrication Research Laboratory, Texas, $469,000.
Watervliet Arsenal, New York, $3,383,000.
White Sands Missile Range, New Mexico, $349,000.
Yuma Proving Ground, Arizona, $6,978,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $1,118,000.
Indiana Army Ammunition Plant, Indiana, $6,758,000.
Lone Star Army Ammunition Plant, Texas, $116,000.
Longhorn Army Ammunition Plant, Texas, $86,000.
Milan Army Ammunition Plant, Tennessee, $512,000.
Radford Army Ammunition Plant, Virginia, $387,000.
Sunflower Army Ammunition Plant, Kansas, $15,238,000.
Volunteer Army Ammunition Plant, Tennessee, $285,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $2,857,000.

UNITED STATES ARMY MILITARY SERVICES COMMAND

Fitzsimons Army Medical Center, Colorado, $244,000.

UNITED STATES ARMY MILITARY TRAFFIC COMMAND

Sunny Point Army Terminal, North Carolina, $531,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,575,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY, KOREA

Various locations, $13,669,000.

UNITED STATES ARMY, JAPAN

Okinawa, $124,000.

UNITED STATES ARMY SECURITY AGENCY

Various locations, $2,631,000.

UNITED STATES ARMY, EUROPE

Germany, various locations, $15,907,000.

Italy, various locations, $1,088,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000. Within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

NUCLEAR WEAPONS SECURITY

Various locations, $49,393,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, covert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment in the total amount of $10,000,000. The Secretary of the Army, or his designees, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the subsequent fiscal year Military Construction Authorization Act except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section, prior to that date.

TITLE II—NAVY

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

TRIDENT FACILITIES

Various locations, $95,472,000.

MARINE CORPS

Marine Corps Supply Center, Albany, Georgia, $1,965,000.

Marine Corps Base, Camp Lejuene, North Carolina, $22,238,000.

Marine Corps Base, Camp Pendleton, California, $12,831,000.

Marine Corps Air Station, Cherry Point, North Carolina, $526,000.

Marine Corps Air Station, Kanoehe Bay, Hawaii, $1,900,000.

Fleet Marine Force Atlantic, Norfolk, Virginia, $799,000.

Headquarters, Fleet Marine Force Pacific, Camp Smith, Oahu, Hawaii, $1,046,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,499,000.

Marine Corps Development and Education Command, Quantico, Virginia, $532,000.

Marine Corps Air Station, Yuma, Arizona, $940,000.

CHIEF OF NAVAL OPERATIONS

Naval Supply Activity, Brooklyn, New York, $491,000.

Naval Support Activity, New Orleans, Louisiana, $1,400,000.

Commander in Chief Pacific, Pearl Harbor, Hawaii, $4,300,000.

Naval Support Activity, Philadelphia, Pennsylvania, $201,000.

Naval Support Activity, Vallejo, California, $2,543,000.

Naval Support Activity, Seattle, Washington, $667,000.

Headquarters Naval District Washington, Washington, District of Columbia, $1,300,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Cecil Field, Florida, $272,000.

Oceanographic System Atlantic, Dam Neck, Virginia, $8,048,000.

Naval Air Station, Jacksonville, Florida, $6,101,000.

Naval Station, Mayport, Florida, $1,674,000.

Naval Submarine Base, New London, Connecticut, $3,468,000.

Flag Administrative Unit, Atlantic, Norfolk, Virginia, $223,000.

Naval Station, Norfolk, Virginia, $24,246,000.

Naval Air Station, Oceana, Virginia, $14,457,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $1,418,000.

Naval Air Station, Barbers Point, Hawaii, $12,836,000.

Naval Air Station, Fallon, Nevada, $2,376,000.

Naval Air Station, Miramar, California, $4,958,000.

Naval Air Station, Moffett Field, California, $896,000.

Naval Air Station, North Island, California, $11,720,000.

Naval Station, Pearl Harbor, Hawaii, $4,051,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $975,000.

Naval Facility, Point Sur, California, $160,000.

Naval Station, San Diego, California, $8,386,000.

Naval Air Station, Whidbey Island, Washington, $1,055,000.

NAVAL EDUCATION AND TRAINING

Naval Academy, Annapolis, Maryland, $1,639,000.

Naval Supply Corps School, Athens, Georgia, $670,000.

Navy Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $2,504,000.

Naval Submarine School, New London, Connecticut, $672,000.

Naval Education and Training Center, Newport, Rhode Island, $490,000.

Naval School of Diving and Salvage, Panama City, Florida, $10,800,000.

Naval Air Station, Pensacola, Florida, $1,546,000.

Naval Submarine Training Center, San Diego, California, $3,520,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Jacksonville, Florida, $7,393,000.

Portsmouth Naval Regional Medical Clinic, Kittery, Maine, $4,058,000.

Naval Regional Dental Center, Newport, Rhode Island, $1,975,000.

Naval Hospital, Orlando, Florida, $23,850,000.

Navy Environmental and Preventive Medicine Unit No. 6, Pearl Harbor, Hawaii, $283,000.

Naval Regional Dental Center, San Diego, California, $2,501,000.

Navy Environmental and Preventive Medicine Unit No. 5, San Diego, California, $1,270,000.

CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $1,191,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $10,876,000.

Charleston Naval Shipyard, Charleston, South Carolina, $11,256,000.

Naval Weapons Station, Charleston, South Carolina, $8,796,000.

Polaris Missile Facility, Atlantic, Charleston, South Carolina, $2,315,000.

Naval Weapons Center, China Lake, California, $950,000.

Naval Weapons Support Center, Crane, Indiana, $988,000.

Naval Weapons Station, Earle, New Jersey, $2,895,000.

National Parachute Test Range, El Centro, California, $732,000.

Naval Air Facility, El Centro, California, $3,500,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $4,551,000.

Naval Ordnance Station, Indian Head, Maryland, $383,000.

Naval Torpedo Station, Keyport, Washington, $2,145,000.

Portsmouth Naval Shipyard, Kittery, Maine, $12,789,000.

Naval Air Station, Lakehurst, New Jersey, $117,000.

Long Beach Naval Shipyard, Long Beach, California, $3,981,000.

Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania, $135,000.

Navy Public Works Center, Norfolk, Virginia, $454,000.

Naval Air Test Center, Patuxent River, Maryland, $2,701,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $11,985,000.

Naval Air Rework Facility, Pensacola, Florida, $7,784,000.

Navy Public Works Center, Pensacola, Florida, $95,000.

Navy Aviation Supply Office, Philadelphia, Pennsylvania, $629,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $4,607,000.

Pacific Missile Test Center, Point Mugu, California, $3,087,000.

Naval Construction Battalion Center, Port Hueneme, California, $183,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $5,909,000.

Naval Undersea Center, San Diego, California, $811,000.

Navy Public Works Center, San Francisco, California, $190,000.

Mare Island Naval Shipyard, Vallejo, California, $9,302,000.

OCEANOGRAPHER OF THE NAVY

Naval Oceanographic Center, Bay Saint Louis, Mississippi, $7,400,000.

NUCLEAR WEAPONS SECURITY

Various locations, $34,581,000.

OUTSIDE THE UNITED STATES

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Keflavik, Iceland, $6,009,000.

Naval Station, Roosevelt Roads, Puerto Rico, $4,160,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Magazine, Guam, Mariana Islands, $1,861,000.

NAVAL TELECOMMUNICATIONS COMMAND

Classified location, $1,832,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Keflavik, Iceland, $3,000,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,494,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (1) unforeseen security consid-

erations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the subsequent fiscal year Military Construction Authorization Act except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

DEFICIENCY AUTHORIZATIONS

SEC. 203. Public Law 93-166, as amended, is amended by striking out in clause (2) of section 602 "$548,849,000" and "$608,682,000" and inserting in place thereof "$560,849,000" and "$619,682,000", respectively.

TITLE III—AIR FORCE

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Florida, $1,720,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $24,330,000.
Kelly Air Force Base, Texas, $2,374,000.
McClellan Air Force Base, California, $1,194,000.
Newark Air Force Station, Ohio, $266,000.
Robins Air Force Base, Georgia, $10,051,000.
Tinker Air Force Base, Oklahoma, $5,348,000.
Wright-Patterson Air Force Base, Ohio, $35,804,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $439,010,000.
Eglin Air Force Base, Florida, $354,000.
Laurence G. Hanscom Air Force Base, Massachusetts, $671,000.
Northwest United States, $6,065,000.
Patrick Air Force Base, Florida, $198,000.
Pillar Point Air Force Station, California, $450,000.
Various locations, $10,250,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Mississippi, $6,804,000.
Keesler Air Force Base, Mississippi, $1,942,000.
Mather Air Force Base, California, $3,883,000.
Randolph Air Force Base, Texas, $4,927,000.
Reese Air Force Base, Texas, $250,000.
Williams Air Force Base, Arizona, $825,000.

AIR UNIVERSITY

Maxwell Air Force Base, Alabama, $123,000.

ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $210,000.
Shemya Air Force Base, Alaska, $3,110,000.
Fort Yukon Air Force Station, Alaska, $48,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Maryland, $2,880,000.
Bolling Air Force Base, District of Columbia, $1,415,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $11,377,000.
Dover Air Force Base, Delaware, $900,000.
Little Rock Air Force Base, Arkansas, $2,305,000.
McChord Air Force Base, Washington, $1,189,000.
Norton Air Force Base, California, $900,000.
Pope Air Force Base, North Carolina, $200,000.
Scott Air Force Base, Illinois, $90,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $4,145,000.

STATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $3,628,000.
Beale Air Force Base, California, $1,760,000.
Blytheville Air Force, Arkansas, $2,200,000.
Carswell Air Force Base, Texas, $732,000.
Castle Air Force Base, California, $1,270,000.
Davis-Monthan Air Force Base, Arizona, $2,192,000.
Fairchild Air Force Base, Washington, $100,000.
Grand Forks Air Force Base, North Dakota, $2,441,000.
Griffiss Air Force Base, New York, $699,000.
K. I. Sawyer Air Force Base, Michigan, $270,000.
Malmstrom Air Force Base, Montana, $3,150,000.
McConnell Air Force Base, Kansas, $2,948,000.
Minot Air Force Base, North Dakota, $980,000.
Offutt Air Force Base, Nebraska, $38,060,000.
Plattsburgh Air Force Base, New York, $588,000.
Rickenbacker Air Force Base, Ohio, $704,000.
Vandenberg Air Force Base, California, $1,454,000.
Whiteman Air Force Base, Missouri, $133,000.
Wurtsmith Air Force Base, Michigan, $1,607,000.

TACTICAL AIR COMMAND

England Air Force Base, Louisiana, $198,000.
Holloman Air Force Base, New Mexico, $500,000.
Luke Air Force Base, Arizona, $987,000.
MacDill Air Force Base, Florida, $1,022,000.
Moody Air Force Base, Georgia, $5,796,000.
Myrtle Beach Air Force Base, South Carolina, $1,570,000.
Nellis Air Force Base, Nevada, $245,000.
Seymour-Johnson Air Force Base, North Carolina, $1,030,000.
East Coast Range, $7,500,00.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $354,000.

NUCLEAR WEAPONS SECURITY

Various locations, $15,523,000.

AIR INSTALLATION COMPATIBLE USE ZONES

Various locations, $2,217,000.

OUTSIDE THE UNITED STATES

AIR FORCE SYSTEMS COMMAND

Classified location, $1,300,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $4,170,000.

UNITED STATES AIR FORCES IN EUROPE

Various locations, $38,000,000.

NUCLEAR WEAPONS SECURITY

Various locations, $13,180,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000. The Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the subsequent fiscal year Military Construction Authorization Act except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

TITLE IV—DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE MAPPING AGENCY

Defense Mapping Agency Aerospace Center, Saint Louis, Missouri, $1,023,000.
Defense Mapping Agency Topographic Center, Bethesda, Maryland, $455,000.

DEFENSE SUPPLY AGENCY

Defense Construction Supply Center, Columbus, Ohio, $855,000.
Defense Electronics Supply Center, Dayton, Ohio, $130,000.
Defense Fuel Support Point, Cincinnati, Ohio, $191,000.
Defense Fuel Support Point, Lynn Haven, Florida, $1,393,000.
Defense Fuel Support Point, Melville, Newport, Rhode Island, $225,000.
Defense General Supply Center, Richmond, Virginia, $1,624,000.
Defense Logistics Service Center, Battle Creek, Michigan, $1,862,000.
Defense Property Disposal Office, Ayer, Fort Devens, Massachusetts, $500,000.
Defense Property Disposal Office, Duluth Air Force Base, Minnesota, $135,000.
Defense Property Disposal Office, Groton, Connecticut, $231,000.
Defense Property Disposal Office, Gunter Air Force Base, Alabama, $150,000.
Defense Property Disposal Office, Fort Riley, Kansas, $772,000.
Defense Property Disposal Office, Wurtsmith, Michigan, $162,000.

TERMINAL PROCUREMENT

Harrisville, Michigan, $700,000.
Verona, New York, $200,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $2,247,000.

OUTSIDE THE UNITED STATES

DEFENSE SUPPLY AGENCY

Defense Property Disposal Office, Kaiserslautern, Germany, $575,000.

Defense Property Disposal Office, Nuremberg, Germany, $649,000.

Defense Property Disposal Office, Seckenheim, Germany, $867,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States, and in connecion therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000. The Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

TITLE V—MILITARY FAMILY HOUSING

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 501. (a) The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such locations in the United States until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development as to the availability of suitable private housing at such locations. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States; but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority; and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units:

Fort Polk, Louisiana, six hundred fifty-two units, $25,510,000.

Naval Complex, Bangor, Washington, two hundred forty-two units, $9,375,000.

Naval Station Keflavik, Iceland, one hundred sixty units, $17,200,000.

Gila Bend Air Force Auxiliary Field, Arizona, forty units, $1,676,000.

(d) Any of the amounts specified in this section may, at the discretion of the Secretary of Defense, or his designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

ALTERATIONS TO EXISTING QUARTERS

SEC. 502. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $12,000,000 for energy conservation projects;

(2) for the Department of the Navy, $7,000,000 for energy conservation projects; and

(3) for the Department of the Air Force, $6,890,000 for energy conservation projects.

RENTAL QUARTERS

SEC. 503. (a) Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is further amended by revising the third sentence to read as follows: "Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, an average of $265 per month for each military department, or the amount of $450 per month for any one unit; and for Alaska, Hawaii, and Guam, an average of $335 per month for each military department, or the amount of $450 per month for any one unit.".

(b) Section 507(b) of Public Law 93-166 (87 Stat. 661, 676), is amended by striking out "$380" and "$670" in the first sentence, and inserting in lieu thereof "$405" and "$700", respectively.

SETTLEMENT OF CLAIMS

SEC. 504. Notwithstanding the provisions of any other law:

(1) The Secretary of the Navy is authorized to settle claims regarding construction of public quarters at the Naval Air Station, Charleston, South Carolina, in the amount of $1,675,000.

(2) The Secretary of the Air Force is authorized to settle claims regarding construction of mobile home facilities at MacDill Air Force Base, Florida, in the amount of $88,000, plus interest at 8⅞ per centum from April 23, 1975, the date of settlement.

HOUSING APPROPRIATIONS LIMITATIONS

SEC. 505. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of sole interest in family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family houing, rental guarantee payments, and planning an amount not to exceed $80,576,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interests on mortgage debts incurred payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $1,223,947,000.

TITLE VI—GENERAL PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

APPROPRIATIONS LIMITATIONS

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: Inside the United States, $425,101,000; outside the United States, $162,812,000; or a total of $587,913,000.

(2) for title II: Inside the United States, $481,459,000; outside the United States, $19,356,000; or a total of $500,815,000.

(3) for title III: Inside the United States, $687,866,000; outside the United States, $56,650,000; or a total of $744,516,000.

(4) for title IV: A total of $24,946,000.

(5) for title V: Military Family Housing, $1,304,523,000.

COST VARIATIONS

SEC. 603. (a) Except as provided in subsections (b) and (c), any of the amounts specified in titles I, II, III, and IV of this Act, may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Hawaii and Alaska), and by 10 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(b) When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (a), he may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(c) When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (a) and (b) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior military construction authorizations Acts, the provisions of this subsection shall apply to such prior Acts.

(d) Notwithstanding the foregoing provisions of this section, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(e) No individual project authorized under

title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is $400,000 or more may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress, until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for such reduction in scope or increase in cost has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (A) thirty days have elapsed from date of submission of such report, or (B) both committees have indicated approval of such reduction in scope or increase in cost as the case may be.

(f) The Secretary of Defense shall submit an annual report of the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; or the Naval Facilities Engineering Command, Department of the Navy; or such other Department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each such firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR AUTHORIZATIONS; EXCEPTIONS

SEC. 605. (a) As of January 1, 1978, all authorizations for military public works, including family housing to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations, therefor, that are contained in titles I, II, III, IV, and V of the Act of October 7, 1975, Public Law 94–107 (89 Stat. 546), and all such authorizations contained in Acts approved before October 7, 1975, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before January 1, 1978, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of section 605 of the Act of October 7, 1975, Public Law 94–107 (89 Stat. 546, 565), authorizations for the following items shall remain in effect until January 1, 1979:

(1) Defense Satellite Communications System construction in the amount of $1,054,000 at Stuttgart, Germany, that is contained in title I, section 101 of the Act of December 27, 1974 (88 Stat. 1747), as amended.

(2) Cold storage warehouse construction in the amount of $1,215,000 at Fort Dix, New Jersey, that is contained in title I, section 101 of the Act of October 25, 1972 (86 Stat. 1135), as amended and extended in section 605(3)(B) of the Act of December 27, 1974 (88 Stat. 1762), as amended.

(3) Land acquisition, Murphy Canyon in the amount of $3,843,000 at Naval Regional Medical Center, San Diego, California, that is contained in title II, section 201 of the Act of December 27, 1974 (88 Stat. 1750), as amended.

(4) Land acquisition in the amount of $800,000 at Naval Security Group Activity, Sabana Seca, Puerto Rico, that is contained in title II, section 201 of the Act of December 27, 1974 (88 Stat. 1750), as amended.

UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $39 per square foot for permanent barracks;

(2) $42 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

INCREASES FOR SOLAR HEATING AND SOLAR COOLING EQUIPMENT

SEC. 607. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any projects with solar heating and/or solar cooling equipment.

NAVAL MUSEUM, CHARLESTON, SOUTH CAROLINA

SEC. 608. The Congress hereby expresses its approval and encouragement with respect to the establishment, by the State of South Carolina, of the naval and maritime museum in the city of Charleston, South Carolina, and recognizes the historical importance of such museum and the patriotic purpose it is intended to serve.

LAND CONVEYANCE, NEW JERSEY

SEC. 609. (a) The Secretary of the Navy is authorized to convey, without consideration, to the Airship Association, a nonprofit organization incorporated under the laws of the State of New Jersey, without monetary consideration, all right, title, and interest of the United States in and to that portion of the lands comprising the Naval Air Station, Lakehurst, New Jersey, described in subsection (b), for use as a permanent site for the museum, described in subsection (c) of this section subject to condtions of use set forth in such subsection.

(b) The land authorized to be conveyed by subsection (a) is a certain parcel of land containing 13.98 acres, more or less, situated in Ocean County, New Jersey, being a part of the Naval Air Station, Lakehurst, New Jersey, and more particularly described as follows:

"Beginning at a point on the westerly side of Ocean County Route Numbered 547, 205.40 feet northerly from the intersection of the center line of new road and the westerly side of Route Numbered 547 thence (1) north 10 degrees 14 minutes 19 seconds east, 770.25 feet along the westerly edge of road to a point thence (2) north 66 degrees 35 minutes 41 seconds west, 724.55 feet to a point thence (3) south 23 degrees 24 minutes 19 seconds west; 750 feet to a point thence (4) south 66 degrees 35 minutes 41 seconds east, 900 feet to the point and place of beginning.

(c) The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) that the lands so conveyed shall be used primarily for the construction and operation of an airship museum to collect, preserve, and display to the public, materials, memorabilia, and other items of historical significance and interest relative to the development and use of the airship, and for purposes incidental thereto;

(2) that all right, title, and interest in and to such lands, and any improvements constructed thereon, shall revert to the United States, which shall have an immediate right of entry thereon, if the construction of the airship museum is not undertaken within five years from the date of such conveyance, or if the lands conveyed shall cease to be used for the purposes specified in paragraph (1);

(3) that the Airship Association comply with such other terms and conditions as the Secretary of the Navy, or his designee, shall determine necessary to protect the interests of the United States; and

(4) that all expenses for surveys and the preparation and execution of legal documents necessary or appropriate to carry out the provisions of this section shall be borne by the Airship Association.

STUDIES OF REUSE OF MILITARY BASES

SEC. 610. (a) Whenever a final decision has been made to close any military installation located in the United States, Guam, or Puerto Rico and, because of the location, facilities, and other particular characteristics of such installation, the Secretary of Defense determines that such installation may be suitable for some specific Federal or State

use potentially beneficial to the Nation, the Secretary of Defense is authorized to conduct such studies, including, but not limited to, the preparation of an environmental impact statement in accordance with the National Environmental Policy Act of 1969, in connection with such installation and such potential use as may be necessary to provide information sufficient to make sound conclusions and recommendations regarding the possible use of such installation.

(b) Any study conducted under authority of this section shall be submitted to the President and the Congress together with such comments and recommendations as the Secretary of Defense may deem appropriate. Such studies shall also be available to the public.

(c) As used in this section, the term "military installation" includes any camp, post, station, base, yard, or other intsallation under the jurisdiction of any military department.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

IMPACT ASSISTANCE, GRAND FORKS, NORTH DAKOTA

SEC. 611. Notwithstanding the provisions section 7 of the Act of August 22, 1912 (Ch. 350, as amended (31 U.S.C. 679), the Secretary of Defense is authorized to use any funds appropriated to carry out the provisions of section 610 of the Military Construction Act, 1971 (84 Stat. 1224) to reimburse nonprofit, mutual aid telephone cooperatives incorporated under the laws of North Dakota, operating under the jurisdiction of the North Dakota Public Service Commission and serving the area located near Grand Forks Air Force Base, Grand Forks, North Dakota, for their capital expenditures for the purchase and installation of nontactical communications equipment and related facilities, to the extent the Secretary determines that (1) such expenditures are not otherwise recoverable by such cooperatives; (2) such expenditures were incurred as the direct result of the construction, installation, testing, and operation of the SAFEGUARD Antiballistic Missile System near Grand Forks Air Force Base, Grand Forks, North Dakota; and (3) such cooperatives, as a result of the deactivation and termination of such system, would sustain an unfair and excessive financial burden in the absence of the financial assistance authorized by this section.

BASE REALINEMENTS

SEC. 612. (a) Notwithstanding any other provision of law, no action to effect or implement—

(1) the closure of any military installation;

(2) any reduction in the level of civilian personnel at any military installation by more than two hundred fifty civilian personnel or 50 per centum of the level of such personnel employed as of the end of the fiscal year immediately preceding the fiscal year in which the Secretary of a military department notifies the Congress that such installation is a candidate for closure or significant reduction; and

(3) any construction, conversion, or rehabilitation at any other military installation (whether or not such installation is a military installation as defined in subsection (b) of this section) which will, or may be, required as a result of the relocation of civilian personnel to such other installation by reason of any closure or reduction to which this section applies;

may be taken until—

(A) the Secretary of the military department concerned notifies the Congress in writing that such military installation is a candidate for closure or significant reduction, and then

(B) a period of at least nine months expires following the date on which such notice was given, during which period the military department concerned has cooperated fully with all parties concerned with, and affected by, the proposed closure or reduction for the purpose of identifying, as required by the National Environmental Policy Act, the full range of impacts that may result from the proposed closure or reduction, and then

(C) the Secretary of the military department concerned submits to the Committees on Armed Services of the House of Representatives and the Senate his final decision to close or significantly reduce such installation and a detailed justification for his decision, together with the estimated fiscal, economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or reduction, and then

(D) a period of at least ninety days expires following the date on which the justification referred to in clause (C) has been submitted to such committees.

(b) For purposes of this section, the term "military installation" means any camp, post, station, base, yard, or other activity under the authority of the Department of Defense—

(1) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(2) at which is employed not less than two hundred and fifty civilian personnel.

(c) This section shall not apply to any closure or reduction if the President certifies to the Congress that such closure or reduction must be implemented for reasons of any military emergency or national security or if such closure or reduction was publicly announced prior to January 1, 1976.

SHORT TITLE

SEC. 613. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1977".

TTLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $40,817,000.

(b) Army Reserve, $37,655,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $15,300,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $24,300,000.

(b) Air Force Reserve, $9,000,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SHORT TITLE

SEC. 703. This title may be cited as the "Guard and Reserves Forces Facilities Authorization Act, 1977".

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

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

The motion to lay on the table was agreed to.

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

The motion was agreed to; and the Presiding Officer (Mr. HANSEN) appointed Mr. SYMINGTON, Mr. STENNIS, Mr. JACKSON, Mr. CANNON, Mr. HARRY F. BYRD, JR., Mr. LEAHY, Mr. TOWER, Mr. THURMOND and Mr. GOLDWATER.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12384.

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

Mr. SYMINGTON. Mr. President, I express my appreciation to the staff of the Committee on Armed Services for all their constructive work in this matter, and especially to Mr. Jim Smith, who has been the primary staff member working on the bill.

Mr. TOWER. Will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. TOWER. I join with the distinguished Senator from Missouri in proffering thanks to the staff for their splendid work, and especially Jim Smith who has done yeoman's duty that only a few people would know about, including field hearings and other matters.

I think the staff has done a spendid job.

Mr. JACKSON. Will the Senator yield?

Mr. SYMINGTON. I appreciate the remarks of the able Senator, my ranking member on the subcommittee. I express my deep gratitude to him for his constructive work on this bill.

I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I associate myself with the remarks of the distinguished chairman of the subcommittee and the ranking minority member. Jim Smith has done an outstanding job. This is a highly technical bill, complicated in many ways, and those of us who serve on the subcommittee are in his debt, as well as to the other members of the staff.

PRIVILEGE OF THE FLOOR—H.R. 12438

Mr. JACKSON. Mr. President, I ask unanimous consent that Dr. Dorothy Fosdick be granted privilege of the floor in connection with the pending consideration of the military procurement bill, which I believe is the next item on the agenda.

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

Mr. MANSFIELD. Mr. President, what is the parliamentary situation?

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 12438, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

Mr. STENNIS. Mr. President, I will yield to the majority leader if he wishes. Otherwise, I will announce it.

Mr. MANSFIELD. The Senator may proceed.

Mr. STENNIS. For the information of the Members, there has been an agreed time on two amendments regarding the B–1 bomber, authorization for which is in the bill for procurement purposes. One amendment is to be offered by the Senator from Iowa and the other by the Senator from South Dakota, 1 hour divided equally, 1 hour to each amendment.

Mr. President, I waive the opportunity to make the usual opening statement on the bill.

I am merely making the statement that I am backing the B–1 bomber. I hope the Senator from Arizona, a longtime member of our subcommittee, which handled all the research and development on the B–1 bomber with this being the first appropriation for procurement, will seek the floor to make our explanation, after the proponent of the amendment, of course.

Mr. THURMOND. Mr. President, I rise in support of H.R. 12438, as amended, the fiscal year 1977 military procurement bill which authorizes expenditures of $31.9 billion, a reduction of $776 million or 2.4 percent from the initial request.

This bill authorizes expenditures for two major elements of military needs, weapons procurement, and research and development. The procurement account totals $21.4 billion and the research account, $10.4 billion.

The combination of these two major accounts represents less than one-third of the total defense category of about $113 billion. However, by authorizing manpower levels for Active and Reserve Forces, this bill impacts across the broad spectrum of the defense budget.

Mr. President, the Senate's attention should be drawn to several aspects of this legislation. First, we are operating under the control of the congressional budget ceiling and not just going through the motion as was the case last year. Second, each year the high cost of weapons reduces by a substantial percent the quantities of weapon systems we are able to buy. Third, expansion of the Soviet military machine continues at an accelerated rate.

BUDGET CEILING

This year, for the first time, we are bound by the laws of the Congressional Budget Act. We were required by law to report this bill by May 15, yet we often had to act without the guidance of the final budget ceiling until the last few days of the markup. Furthermore, this is still no satisfactory way to evaluate the relationship of this particular bill to the budget ceiling. Our committee feels H.R. 12438, as amended, meets the budget targets. It may be wise to discuss the relationship of the procurement bill to the defense category during debate on this bill.

DIMINISHING WEAPONS BUY

The dramatic increases in civilian and military pay, up 168 percent and 121 percent, respectively, since 1964, plus inflation have left us with less funds to buy weapons. As a percent of the military budget, investment expenditures amounted to 40 percent in 1964 and have now declined to 29 percent. Furthermore, our investment funds are buying much smaller quantities of equipment. This is understandable when one realizes aircraft carriers cost over $1 billion each, Air Force planes range from $8 million to $90 million, and the Army's SAM–D air defense system is expected to cost about $40 million per section.

Oddly enough, the Army's tank is one of the few major weapon systems holding the price line somewhere near what it was estimated to cost 5 to 10 years ago.

SOVIET ARMS BUILDUP

All of our weapons requirements are generated in response to the continuing Soviet buildup of its military machine. The Soviets are pressing forward in strategic systems, missile defense, naval expansion, and upgrading equipment for their massive ground conventional forces. While our manpower and weapons numbers drop, theirs increase. Based on current trends, it is no longer safe to predict we will be the predominant military power in the 1980's.

Mr. President, our committee is to be commended for many actions represented in this bill. While reductions of 5.2 percent in research and 7.3 percent in procurement may seem high, those percentages apply to the amended budget request, some of which reached the committee about 1 week prior to our reporting deadline.

I commend the committee for approving initial procurement of the B–1 manned strategic bomber, adding 24 A–7D aircraft for the National Guard and approving a wide range of research and procurement program requests too numerous to mention.

CIVIL DEFENSE

Also, my amendment bringing civil defense authorization powers to this committee beginning next year, and providing authority for the Administrator to allow civil defense personnel and systems to help in natural disasters, was adopted unanimously.

However, once again the committee has insisted on cutting back in the manpower requests and thereby denying the services the personnel stability they have been attempting to achieve since the end of the Vietnam war.

Also, cuts were made in three general areas which, in my judgment, amounted to significant errors by the committee. For purposes of highlighting these three areas, I wish to comment in some length relative to my objections. However, it is my hope some of these programs will be restored in the Senate-House conference.

SHIPBUILDING ACCOUNT

The committee action on the request of the Navy Department in the ship account resulted in the deletion of funding for three important types of vessels requested by the Defense Department.

NUCLEAR STRIKE CRUISER

First, the Navy was denied initial long lead funds for the first of a new class of nuclear strike cruisers which will be equipped with the Aegis system.

The Navy testified that the Aegis system is essential if we are to counter the Soviet air threat projected for the 1980's. These ships will be needed in the area of highest air threat. In these high threat areas, oilers needed to support conventional ships will be extremely vulnerable.

This action was taken despite strong testimony from Secretary Rumsfeld, Admiral Holloway, and Admiral Rickover in favor of this new class of ship. Furthermore, former Chief of Naval Operations Admiral Zumwalt, took the unusual step of writing the committee in support of this request as well as even more nuclear ships than sought by the Defense Department. There was absolutely no testimony in opposition to the nuclear strike cruiser from any civilian or military witness.

SSN–688 CLASS ATTACK SUBMARINE

The committee also struck from the bill one of the three SSN–688 class attack submarines requested by the Defense Department.

The committee action turned to a degree on concern relative to the capacity of private shipyards to handle construction of these submarines.

This reduction was made despite assurances from the Navy and Defense Departments that the two shipyards now building nuclear submarines could handle the three new SSN–688's. The witnesses further assured the committee that another shipyard and possibly a naval shipyard could be brought into the nuclear submarine construction program, if necessary. Secretary Clements testified construction in a Navy shipyard was desirable to strengthen our shipbuilding potential. Such a step would seem wise in that the low authorization and construction rate for nuclear submarines is one of the main reasons we have a modest shipbuilding capacity.

The Senate must recognize that at present, the Soviet submarine force consists of 330 boats compared to only 116 boats in the U.S. Navy. These Soviet submarines constitute a serious threat to U.S. sea lanes upon which we depend for transport of critical natural resources, particularly oil.

It is my view we should be building submarines at a minimum rate of five or six yearly, if we are to even begin addressing the great disparity in numbers

between the Soviet and U.S. submarine forces.

FOURTH "NIMITZ" CLASS AIRCRAFT CARRIER

The aircraft carrier is the principal surface combatant in the U.S. Navy. Long lead funds for a new carrier were denied by the committee.

With the declining number of overseas land airbases, worldwide shortages of energy sources—particularly oil—and the threat to our sea lanes posed by the tremendous Soviet submarine fleet, it will be necessary to have a modern carrier force. Such a force is the principal Navy strike element for any military confrontation short of all-out nuclear war.

It takes 8 years from initial funding to build a modern nuclear carrier. Under the normal sequence of aircraft carrier programs, there has already been a delay in the rate of construction. If long lead funds are not provided this year, manpower resources at our single carrier construction yard will further diminish and make acquisition of critical ship construction workers more difficult and costly.

TITLE 8 STRICKEN FROM LAW

The committee also struck from the law title 8 which requires that all major Navy combatant ships built for strike forces be nuclear powered unless the President certifies otherwise.

This action takes us away from nuclear power for our firstline fighting ships, a grave mistake if upheld by the Senate and the conference between the Houses.

The only argument ever offered against nuclear power is that it costs more. While nuclear ships are more expensive in initial outlays, the General Accounting Office has recently reported that lifetime costs of a nuclear task force with reduced replenishment costs were about equal to a conventional task force.

This finding reaffirms my long-held view that when all factors were weighed, nuclear ships are not that much more expensive. Furthermore, the increased capability of nuclear ships to carry more weapons and weapon loads, plus the almost unlimited steaming power, make nuclear-powered major fighting ships even more necessary for deployment in high-threat area.

The Senate must remember that of about 477 ships in the Navy, around 364 are oil fired. Thus, about three-fourths of our naval forces are not major combatants and not suitable for nuclear power. Therefore, the Navy will always have a high-low mix since the bulk of its ships are dependent on oil.

A realistic recognition of how oil shortages relate to the nuclear-conventional ship issue was made in the fiscal year 1977 House Armed Services Committee report which declared:

> The major ships which the Congress authorizes this year will not enter the fleet until 1984 or 1985. If these ships were to be oil fired, they would only be at their midlives in the year 2000. If they were to operate at all in that time period they would do so in an oil-short world.

FUNDING OF CRUISE MISSILES

The Research and Development Subcommittee recommended a reduction in the Navy's cruise missile program of $63 million. While this cut still permits a high level of research funding for various cruise missiles, it nevertheless slows our progress in this vital area.

Cruise missile technology has resulted in significant breakthroughs, which indicate these vehicles may be the weapons of the future. It is possible that the Nation which possesses a viable capability in this area may hold the balance of strategic power.

The importance of the cruise missile is readily apparent as indicated by the importance the Soviets have attached to it during current Strategic Arms Limitation Talks—SALT. In fact, it is my understanding the cruise missile is the single most discussed item in the talks.

Both the Navy and the Air Force have development programs underway in the area of cruise missiles, but the Navy's program is more advanced and more applicable to various means of deployment.

During the full committee's consideration of the subcommittee's recommendation on the cruise missile, I offered an amendment to restore the $63 million in order that the full Navy program might continue. This amendment failed on a tie vote of 8 to 8, thus the subcommittee action was upheld.

One aspect of this whole matter that I believe warrants very clear understanding is that the Navy Tomahawk, unlike any other version of the cruise missile, has an extremely long range and has a launch versatility that extends throughout the full spectrum of possible basing and use. It can be launched from aircraft, submarines, virtually any surface ship—military or other—and land. It has no limitations whatsoever in this respect. This is then a formidable system and one with a potential far beyond that of any other system planned for our inventory or the inventory of either our friends or our enemies.

The Tomahawk could be used across the spectrum of nuclear war—not just for massive strategic exchange. It might even be used for a single-weapon demonstration of nuclear power against a deep inland target. Thus, it can be used discreetly, with deliberation, to show resolve, and with a reliability and high accuracy which makes its selective use feasible. Today the Soviets have over 800 ready, long-range nuclear warhead cruise missiles on surface ships, submarines, and land-based aircraft. We have none. These Soviet cruise missiles vary from 300 to 700 miles in range and the warheads are several hundreds of kilotons for each weapon. Many of these missiles could be targeted against a high percentage of U.S. cities. Most of these weapons are deployed on their 65 cruise missile submarines which operate daily off both U.S. coasts. Our Navy has no cruise missile submarines, so U.S. parity in submarine nuclear weapon capability through the development of our own cruise missile, would greatly strengthen our ability to deter nuclear war.

Contrary to the opinion of some individuals, the impact on the primary sea control mission of nuclear attack submarines by adding cruise missiles is relatively minor. SSN weapon loads of torpedoes and missiles may be varied to fit a particular mission, geographical area assignment, or readiness condition. Statistical studies by the Navy provide assurance that present weapon loading plans will provide sufficient torpedoes to defeat the expected number of encounters with enemy submarines and major combatants, even if cruise missiles are mixed into the weapon load. Further, there is no reason submarines dedicated to cruise missiles could not be built. This would result in a cost effective boost for both our tactical and strategic sea-based forces.

In light of the foregoing, it is my firm belief that it is essential that we continue full funding of the Tomahawk, since it is inevitable that this kind of system could well be the determining factor in the balance of power in future years.

STRATEGIC FORCE DISTRIBUTION

As each member of the Senate knows, our strategic forces are formed into what is known as the Triad—land-based ICBM's, sea-based ICBM's, and the strategic bomber.

This year the Congress will be approving production funding for the B–1 bomber, a necessary manned strategic system which will eventually replace the aging B–52 bomber force. I support the B–1 initial procurement this year.

My concern in the strategic area turns on the relatively little time the committee gave to those requests which bear on the mix between our land-based and sea-based missile forces. Of equal concern was denial by the committee of some funds for development of future ICBM systems.

The MX research request, a follow-on development program to Minuteman III, was reduced because vital decisions have not yet been made on how best to deploy this force. While present agreements prohibit development of ICBM's in other than identified silos, we must press forward in research on other deployment methods in order to meet any future eventualities.

Of greatest concern were committee reductions in research and development of sea-based missiles for the late 1980's. Testimony indicates submarine launched intercontinental missiles are more survivable than land-based missiles. Therefore, a full-scale and fully funded research program in this area is essential to our survival as a world power in the latter part of this century.

Reductions in the Navy's fleet ballistic missile system development program, especially in the improved accuracy area, are ill-advised to say the least. Also, denial of concept funds of only $3 million for the follow-on Trident II missile for the second straight year could lead to our sea-based missile capability lagging behind the land-based program planned for the mid and late 1980's.

The Department of Defense and the Congress need to give more attention to weighing the survivability and effectiveness of these two elements of our Triad. Interservice rivalries cannot be allowed to impact on any phase of our defense structure, especially such critical programs as our strategic systems.

SUMMARY OF VIEWS

Issues now before us, such as the use of nuclear power versus conventional power for our major fighting ships, and delays in construction of nuclear submarines and aircraft carriers go to the heart of our naval power. The action of the com-

mittee, if upheld, turns us toward a second-rate Navy at the very time we should meet a recognized challenge from the Soviet Union.

Additionally, we are making decisions today on the distribution of resources in our strategic forces of tomorrow? Will our Triad tilt toward land-based or sea-based strategic forces? Will we press forward with development of cruise missiles as our military and civilian experts propose?

These are issues of far-reaching consequences. The decision we make today will determine the balance of power in the 1980's and beyond.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is recognized to develop his amendment.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) on behalf of himself and the Senator from Colorado (Mr. GARY HART) offers the following amendment:

At the appropriate point in Title I, insert a new sentence as follows: "None of the funds authorized to be appropriated in this Act may be used prior to February 1, 1977 for procurement of the first three production aircraft of the B–1 bomber; and funds may be obligated after such date only if the President certifies to the Congress, after January 31, 1977, that he has reviewed, as of such date, the test and evaluation data relating to the B–1 bomber aircraft program and regards the procurement authorized in this Act for such program to be in the national interest.

The PRESIDING OFFICER. Under a previous order, there is a time limitation on this amendment to be equally devided between the Senator from Iowa and the Senator from Mississippi, 30 minutes each. Who yields time?

Mr. CULVER. Mr. President, I ask unanimous consent that 5 minutes be allotted to the various members who are now seeking recognition to obtain or request permission to have members of their staff present in the Chamber, and that the 5 minutes not be taken out of the time on the amendment being presented.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. And the Senator from West Virginia, to whom I promised 30 seconds.

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that Mr. Bob Brown of my staff be granted the privilege of the floor during the consideration of the pending legislation.

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

Mr. TOWER. Mr. President, I ask unanimous consent that Bill Ball be granted the privilege of the floor during the consideration of the debate and votes on the military procurement bill.

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

Mr. McGOVERN. Mr. President, I ask unanimous consent that Miss Kay Casstevens be granted the privilege of the floor during the deliberations both in the amendment offered by the Senator from Iowa and also the amendment which I will propose.

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

NOISE CONTROL ACT AUTHORIZATION

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Presiding Officer lay before the Senate a message from the House of Representatives on H.R. 5272.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendments of the Senate to the bill (H.R. 5272) entitled "An Act to amend the Noise Control Act of 1972 to authorize additional appropriations."

Mr. RANDOLPH. Mr. President, the Senate and House passed bills last year containing new authorizations for the Noise Control Act. The House acted first with a 2-year authorization bill and the Senate passed its 1-year version in December. Last week the House did not concur in Senate amendment—1-year bill—and returned the measure to the Senate.

It has been a year since the bill was first considered, and it is recommended that the Senate accept the House version with a 2-year authorization. This approach has been checked with the majority and minority leaders and other members of the committee, and is agreeable. A 2-year authorization for fiscal years 1976 and 1977 will give us opportunity to look at the program in detail. The authorizations are: Fiscal year 1976, $13 million; fiscal year 1977, $14 million. A 1-year authorization would mean we would have to act again either late this year or early next year.

Mr. President, I move that the Senate recede from its amendments to the House bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1977

The Senate continued with the consideration of the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I ask unanimous consent that Alan Chvotkin, of the staff of Senator ABOUREZK, and David Doerge, and Charles Stevenson of my staff be granted the privileges of the floor during the consideration of the military procurement bill.

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

Mr. CULVER. Mr. President, I ask for the yeas and nays on the Culver amendment and the McGovern amendment when it is offered.

The PRESIDING OFFICER. Will the Senator ask unanimous consent that it be in order to ask for the yeas and nays?

Mr. CULVER. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the Culver amendment and the McGovern amendment.

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

Mr. CULVER. Mr. President, I ask for the yeas and nays on the Culver amendment and the McGovern amendment.

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

The yeas and nays were ordered.

Mr. CULVER. Mr. President, did the clerk state the amendment?

The PRESIDING OFFICER. Yes.

Mr. CULVER. Mr. President, this amendment would provide that procurement funds for the B–1 bomber program not be obligated prior to February 1, 1977, and that they may be spent after that time only if the President certifies to the Congress after January 31 that he has reviewed the test and evaluation data on the B–1 and that he regards procurement to be in the national interest.

Mr. President, this is much too important a program, too costly a program, for us to act hastily or on the basis of incomplete information. It is also not in the national interest for a decision to be made in the heat of an election year when calm and sober reassessment might be better made when all the facts are in and when the world situation next January is known.

For nearly 3 years now we have been advised that the production decision regarding the B–1 procurement would be made in November 1976. But early this year, with evidence of widespread and growing opposition to this program, the Deputy Secretary of Defense informed the Armed Services Committee that the Defense Department was already committed to this decision and in the words of General Jones, "In the broad context we have made the decision."

Mr. President, when we considered this matter before the Armed Services Committee on a vote of 9–6–1, our amendment was narrowly defeated. But I was very pleased on that occasion to have the support for this amendment from the Senator from Missouri (Mr. SYMINGTON), the Senator from Washington (Mr. JACKSON), the Senator from Georgia (Mr. NUNN), the Senator from Colorado (Mr. HART), and the Senator from Vermont (Mr. LEAHY).

Mr. President, since the term "production decision" has been banished from Air Force vocabulary, the new phrase apparently is "contract award."

Mr. President, I believe that the date for the contract award involving the immediate obligation of $860 million should be deferred until at least February 1, 1977, 2 months or 62 days later than now planned.

Mr. President, we are not ready to decide on this $21.6 billion program at the present time.

As of May 12 we will have had only 172 hours 34 minutes of flight testing of the B–1 bomber. Mr. President, this constitutes only 50 percent of the planned 350 hours prior to the so-called production decision. If we have learned anything, I hope the Congress has learned that we must fly before we buy. Congress is asked, in effect, Mr. President, to buy a pig in a poke. Congress is asked here, Mr. President, to authorize a procurement decision before the Department of Defense has either completed testing or has made an independent judgment itself that it is necessary to buy this weapon.

By Air Force testimony, the plane will be tested at maximum speed for only "several minutes" before next November.

One of the most crucial aspects of the bomber, of course, is its low-level subsonic penetration capability. If the plane cannot fly under Soviet radar, we might as well not buy it; and as of now, we have had only 5 hours of flight tests at 500 feet or below, and only 5 more hours are planned before November.

In other words, a production decision on this crucial aspect will depend upon less than 3 percent of total flight test hours. In fact, the penetration altitude is closer to 200 feet, and we have had only 5 minutes of testing at that altitude, where maximum loads and buffeting occur.

Mr. President, one of the strongest arguments for a temporary delay in the production decision is that routine flights at this 200-foot altitude will not even begin until November 1976. There are other aspects of the testing program which argue for delay so that more data can be obtained. Only two typical mission flight profiles will be flown before November. Problems have been found in opening the bomb bay doors which require fabrication of new equipment. And remember, we are talking about prototype aircraft. Each of the current three planes is different from the others. The fourth will be still different. Only with the fifth aircraft will we have the production design which is being determined at this time.

Mr. President, we have already had discussion of the degradation in the planned capability of this aircraft; and although the cost is billions more than originally projected, the plane is not as good.

What is perhaps most disturbing is that the Air Force is so intent on getting this manned bomber that it will tolerate even more degradation if tests reveal it. The Air Force will accept it even if the takeoff weight is 26 percent above design, the subsonic range drops by 29 percent, the supersonic range drops by 14 percent, and the takeoff distance increases by 15 percent.

Mr. President, only if we have additional time for testing and a chance to review these results calmly will we be sure of getting the kind of plane which even supporters of this program would clearly prefer.

If my amendment is adopted, we will have at least 2 months of additional testing, and according to contractor estimates, these 2 months will permit some 16 to 20 percent additional flight test hours.

Mr. President, there are obviously some costs in such a delay, but I do not have an official Air Force estimate of the impact of my statement. Although I have been trying unsuccessfully for more than 1 month to pry the figures out of the Air Force, that information is as yet not available to this Senator.

What we can say is this: Unless this amendment is adopted, the Air Force on November 30, 1976, will obligate some $860 million. Some of those funds will be spent, and there will be contract termination costs of over $100 million if there is a subsequent decision to in fact cancel this program.

I am aware of estimates being circulated by the contractor to the effect that this 2-month slippage will in fact be a 5-month slippage, and will cost a billion dollars.

That is absurd. It contradicts Air Force testimony that even a full year delay in the program would cost only "about $1 billion," and clearly 62 days does not justify any such massive figures as quoted by the contractors.

Mr. President, I do believe we have an obligation to the people that we represent to demand sufficient evidence to sustain a decision on this costly new program. A 2-month delay would provide us with additional test data and will remove this controversial program from the current supercharged atmosphere.

Mr. President, I ask unanimous consent to have printed in the RECORD with my statement certain extraneous materials on this subject.

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

INDEPENDENT OBSERVERS IN THE DEFENSE COMMUNITY OPPOSE THE B–1 BOMBER

The Federation of American Scientists released today a statement of opposition to the B–1 bomber endorsed by a broad and distinguished selection of formerly high-ranking officials from the American defense community. They included such former officials as: a Secretary of Defense and two Deputy Secretaries of Defense; a President's National Security Adviser and a Deputy National Security Adviser; a Presidential Science Adviser and the Chairmen of two relevant panels of the President's Science Advisory Committee; a Director of Defense Research and Engineering in the Defense Department and an Assistant Secretary for International Security Affairs; an Undersecretary of the Air Force and a Three Star Admiral; a former Special Counsel to the President and other long time observers of the military scene.

The statement these officials endorsed simply observed that the B–1 bomber was not worth the cost, viz.:

"The tens of billions of dollars required to build and operate the B–1 bomber are not warranted by any contribution to our security which it might make." (List of signatories is at the bottom of press release).

The Federation of American Scientists has itself long opposed the B–1 bomber and has called it the "least cost-effective" of all the multibillion dollar expenditures of the entire Cold War. Suspecting that the bomber had unprecedentedly little support in the defense community more broadly, the Federation wrote to senior members of the community in both parties. The response confirmed the suspicion that the bomber had a very broad base of opposition and few adherents. Indeed, no FAS position in recent years has drawn such wide support throughout the defense community. Significantly, some who declined to endorse the FAS statement admitted that they did not support the bomber. We doubt that B–1 supporters can amass an equally impressive list of senior members of the defense community not now under military-industrial complex discipline.

FAS charged that B–1 bomber adherents were trying to commit the government to the B–1 bomber before a possible change of Administrations could stop the program. In this connection, it observed that the leading Democratic Candidate, Governor James Earl Carter, had spoken critically of the bomber and talked of cutting the defense budget.

FAS officials questioned whether the B–1 bomber could ever survive a national referendum. Its costs were likely to be $100 for every man, woman, and child in the nation, and a further $400 per person for operation and maintenance. No defense official had, or could, assert that the bomber was critical to our security. In such a case, would the public vote such large out-of-pocket expenditures for a bomber in a missile age—especially in light of the fact that the United States continues to have an entirely adequate bomber force of B–52's?

Inasmuch as the Democratic candidate for President seems likely to be among B–1 opponents and both possible Republican candidates are B–1 supporters, the election will be, in part, a referendum on the B–1. This was considered by FAS to highlight the desirability of not approving procurement funds for the B–1 at least until after the election.

In releasing this statement, FAS thanked and commended the signatories below for expressing their opposition view on a project so firmly supported by the Defense Department. It urged all members of the defense community, for or against the B–1, to be no less candid. And it expressed the hope that this extraordinarily exepnsive project would become an issue not only in the defense community but in the public at large in the course of the impending election.

SIGNATORIES

Names and some former positions held by the signatories follow; in a few cases, they added short comments to the one sentence statement quoted earlier which they endorsed*:

Clark Clifford—Secretary of Defense and former Special Counsel to the President.

McGeorge Bundy—Special Assistant to the President for National Security Affairs.

Roswell Gilpatric—Deputy Secretary of Defense; Undersecretary of the Air Force.

William C. Foster—Deputy Secretary of Defense; Director, Arms Control and Disarmament Agency.

George B. Kistiakowsky—Special Assistant to the President for Science and Technology. Dr. Kistiakowsky adds: "In my judgment, the B–1's contribution to our security will be virtually nil in the realistically foreseeable future."

Herbert F. York—Director, Defense Research and Engineering, DoD; Chief Scientist,

*Some, but by no means all, of the officials listed are members of the Federation of American Scientists.

Advanced Projects Research Agency (ARPA); Director, Lawrence Radiation Laboratory.

Paul C. Warnke—Assistant Secretary for International Security Affairs, DoD; General Counsel, Department of Defense.

Adrian Fisher—Deputy Director, Arms Control and Disarmament Agency; General Counsel, Atomic Energy Commission; Legal Adviser, Department of State.

Herbert Scoville, Jr.—Deputy Director for Science and Technology, Central Intelligence Agency; Assistant Director for Science and Technology, Arms Control and Disarmament Agency.

Carl Kaysen—Deputy Special Assistant for National Security Affairs.

Townsend Hoopes—Undersecretary of the Air Force; Principal Deputy Assistant Secretary of Defense for National Security Affairs. Mr. Hoopes adds: "This is manifestly the wrong plane at the wrong time; moreover, there is no need to face a decision on a new strategic bomber for at least ten years. Congress must not allow itself to be stampeded into a $91 billion boondoggle."

Vice-Admiral John M. Lee—Commander of the Eastern Sea Frontier; Vice-Director, International military staff, NATO Military Committee.

Marvin L. Goldberger—Chairman, Strategic Weapons Panel, President's Science Advisory Committee.

Richard Garwin—Chairman, Panel on Military Aircraft, President's Science Advisory Committee. Dr. Garwin adds: "Defense Department and Administration emphasis on such unnecessary programs distorts the decision-making process. It makes it impossible fairly to assess our real defense needs and to evaluate current dangers and opportunities."

George W. Rathjens—Director, Weapons Systems Evaluation Division, Institute for Defense Analyses; Deputy Assistant Director for Science and Technology (and Special Assistant to the Director) Arms Control and Disarmament Agency; Deputy Director, Advanced Research Projects Agency, DoD.

Adam Yarmolinsky—The Special Assistant to the Secretary of Defense.

Harry C. McPherson—Special Counsel to the President; Deputy Undersecretary International Affairs, Department of the Army.

Franklin A. Long—Assistant Director for Science and Technology, Arms Control and Disarmament Agency.

Harvey Brooks—Member, President's Science Advisory Committee; Dean, Harvard School of Engineering and Applied Physics.

Mr. CULVER. Mr. President, there is, as Senators are well aware, a great amount of opposition to terminating this program entirely. Recently the Federation of American Scientists issued a statement that was endorsed by 19 former high-ranking members of the American defense community, including a Secretary of Defense and a top Air Force official. Just this morning, Mr. President, I received a letter from one of America's most distinguished military experts. Gen. Maxwell Taylor, now retired. I ask unanimous consent that the text of his letter be printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. CULVER. General Taylor writes to me in part as follows:

It appears to me that in the foreseeable future we shall have ample means for delivery of nuclear weapons to destroy all likely Soviet target systems several times over without going to the exorbitant expense of adding a new penetration bomber. . . .

In summary I am unable to support the B–1 program because of its cost and the absence of convincing evidence of its essentiality. I hope that your Committee will examine all facets of the matter before giving it final approval. Although, from past experience and present conviction, I am an unregenerate "hawk" in most matters affecting national security, in this case I have serious doubts that the B–1 program represents a justified expenditure of national resources.

Mr. President, the former distinguished Secretary of Defense, Clark Clifford, commenting on this program, said on May 18, concerning the whole B–1 bomber program:

It is going to cost about $90 billion. I consider it the most inexcusably wasteful program that our Government is now contemplating. This is a very nearly perfect illustration of the old adage, "Act in haste and repent at leisure."

Finally, Mr. President, may I say it is my understanding that there will be an amendment offered by the Senator from South Dakota (Mr. MCGOVERN) to strike all procurement funds from the current bill. I wish to emphasize that that is not the effect of this amendment.

This amendment, for the reasons of testing that I have noted and for the reasons of policy that I have suggested, will only defer the decision until February 1, to afford the next President of the United States the opportunity to soberly make that judgment without the necessity to return this matter to Congress once again. With his certification, we can go forward on this program; but if we do so, in my judgment, Mr. President, on that occasion and under those circumstances we will be doing so in a responsible manner, exercising adequately the congressional obligation.

We will do so in full possession of all the facts and relevant testing data upon which to make this crucial decision, involving the most costly weapon system America has ever undertaken, and we will do so in an environment that is free of election politics, where an appropriate assessment can be made by the then President of what constitutes the best maximum allocation of our money within the defense budget, as well as meeting some of the other requirements of this society and in terms of the most effective position for this country to assume in subsequent international strategic arms limitation discussions.

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

EXHIBIT 1

WASHINGTON, D.C., *May 18, 1976.*

Senator JOHN C. CULVER,
Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR SENATOR CULVER: With regard to your letter of 10 May asking for my views on the B–1 bomber, I can only say that, with my incomplete knowledge of all the facts, I am far from convinced of its necessity. [It appears to me that in the foreseeable future we shall have ample means for delivery of nuclear weapons to destroy all likely Soviet target systems several times over without going to the exorbitant expense of adding a new penetration bomber.]

That is not to say that we may not need some replacement for the B–52 after its long years of service. We will continue to need a few versatile strategic bombers capable of supplementing strikes by missile systems, carrying out long-range reconnaissance, and executing conventional bombing attacks on targets in countries unprotected by defenses such as those of the USSR. It is also worth something to have a bomber force which will oblige the Soviets to continue their expenditures on bomber defenses and which, by its valuable recall capability, can be used in a crisis to demonstrate national determination as SAC B–52's did in the Cuba missile crisis.

If there is need for a means to reinforce the destructive power of our strategic missiles, the role does not require a penetration bomber like the B–1. It can be performed by stand-off bombing techniques, to include use of the promising cruise-missiles presently under development. If the latter fulfill expectations, they offer a wide range of new possibilities for diversification of means for attacking both strategic and tactical targets—possibilities which should be explored more fully before making a final decision on the B–1.

In summary, I am unable to support the B–1 program because of its cost and the absence of convincing evidence of its essentiality. I hope that your Committee will examine all facets of the matter before giving it final approval. Although, from past experience and present conviction, I am an unregenerate "hawk" in most matters affecting national security, in this case I have serious doubts that the B–1 program represents a justified expenditure of natural resources.

Sincerely yours,

MAXWELL D. TAYLOR,
General, U.S. Army (ret.).

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. How much time does the chairman of the committee have?

The PRESIDING OFFICER. Thirty minutes.

Mr. GOLDWATER. I shall use whatever time I need. It will not be the full amount.

Mr. President, there is nothing new about this amendment. It was offered in the House of Representatives and beaten. It was offered in the Armed Services Committee and beaten.

Mr. President, I wish to direct my remarks, as much as I can, to the need for the B–1, and to our lack of need for anything which will cause hesitation in its purchase.

Mr. President, the strategic manned bomber is one of the three essential elements of the U.S. triad which forms our strategic deterrent, and this is something we overlook. We forget that without a manned bomber the submarine and the land-based missile are of no value at all. We have built our strategic deterrent upon what we call the triad, and without the B–1 and the B–1 coming into the inventory in the 1980's this triad will become a much less effective deterrent than it is now.

Mr. President, my friend from Iowa refers to a number of distinguished Americans. I am going to refer to distinguished Americans who have been involved in the strategic air field all of their adult lives and not just exposed to it, as Mr. Clifford was for a short time, never exposed to it as General Taylor

was—he was a ground officer and one of the finest we ever had—not the Brookings Institution that is probably very fine in economics but knows nothing about aeronautics or astronautics.

Mr. President, I shall read from a letter that I received in reply to questions from Gen. Russell Dougherty, who is presently Commander of the Strategic Air Command. He says in what I think to be the best statement of his letter:

Simply stated, I view the B–1 as the best candidate vehicle reasonably available to satisfy the future requirement for a modern manned penetrating bomber—and to provide the U.S. with the diversified characteristics that are and will be needed in our complementary mix of strategic delivery systems. Not only do I view it as the best, I do not see any other comparable system that can reasonably be expected to do this job as I think it must be done for assurance—or for long-term economics.

Mr. President, because this is probably one of the finest papers I have ever read on the subject of strategic air, I ask unanimous consent that it be printed in the RECORD.

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

HEADQUARTERS
STRATEGIC AIR COMMAND,
OFFUTT AIR FORCE BASE, NEBR.,
February 23, 1976.

HON. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: In your letter of 31 January 1976 you outlined the nature of the principal issues you foresee in Congressional consideration of the FY77 Defense budget, with focus on those associated with the B–1 procurement request in the President's budget. You indicated that it would be helpful in your deliberations within the Armed Services Committee and the Senate to have my views, as Commander in Chief, Strategic Air Command, on: (1) the requirement for the B–1; (2) why Strategic Air Command does not support the various alternatives to the B–1 that have been suggested; (3) the value of keeping a manned system as part of the strategic equation; and (4) any other matters that I consider relevant to your deliberations.

I appreciate the opportunity to be heard on these important issues and am pleased to provide my views as requested—views that you should feel free to use as you and your colleagues in the Senate see fit.

If you would indulge me in a reordering of the questions you have posed, I would first like to address the "value of keeping a manned system as part of the strategic equation"—for I consider the "requirement for the B–1" as subordinate to (and flowing from) a more generic and fundamental U.S. Strategic Requirement for a fully modern manned penetrating bomber:

If deterrence of attempted coercion, intimidation, or direct attack on the sovereignty of the United States (and those allies we choose to associate with our vital national interests) is to remain the basic tenet of our national security policy, U.S. authorities must continue to have the assurance of a panoply of relevant and diversified military capabilities that can support them in any and all actions necessary to preserve that sovereignty . . . no matter what the circumstances of confrontation.

A hardened, long-range, manned penetrating bomber offers a uniquely capable and dependable strategic delivery system that spreads itself reliably and capably across the broadest possible spectrum of those required military capabilities. When completely modernized and manned with skilled, ingenious military crews, such a penetrating bomber offers the United States an overall flexibility of choice and application that is unmatched by an other weapons system. It can:

Carry a larger number of weapons (conventional or nuclear) than any other strategic delivery system—to any fixed targets, anywhere, under a wide variety of circumstances.

Achieve unequalled accuracies in long-range capability against mobile or imprecisely located targets.

Provide a highly visible deterrent force, one that can be used as a recognizeable expression of national determination and resolve in either preplanned or ad hoc contingency situations.

Accommodate (or readily be adapted to) the delivery of multiple types of conventional and nuclear weapons—highly accurate gravity delivered, standoff-launched cruise, ballistic, semi-ballistic or defensive weapons—in large quantities, for multiple or selective delivery.

Through design growth characteristics, adapt rapidly in tactics and/or avionics to negate or avoid unanticipated defenses and other threats.

Drive an enemy resquirement for extensive diversion of his resources to defensive (vice offensive) systems—but still can be designed with the flexibility to penetrate those defenses if penetration is required for assurance.

Provide us the most effective and economical way to redress the already serious (and worsening) imbalance in deliverable megatonage vis-a-vis the Soviet Union.

Provide a simultaneous capability for long-range, real (or near real) time strike assessment deep within enemy territory with the flexibility of striking alternate planned targets or withholding unnecesary attacks and retaining weapons.

Be launched as a visible expression of active deterrence, yet be recalled without expenditure of ordnance, even after launch, should the deterrent objectives be achieved.

Provide our nation an assured capability to extract severe penalties on an enemy society, regardless of any unexpected degradation of blunting of our SLBM or ICBM force; thus providing insurance against unexpected defenses or failure of any aspect of our strategic ballistic missile systems.

Be used repeatedly. Depending on the nature of conflict, substantial recovery can be anticipated—thus enabling rearming and reuse for any required strategic purpose in subsequent warfighting or war terminating activities.

Exploit superior U.S. technology and capability; for we can build, maintain and operate a flexible, modern delivery system of this type better than any potential adversary.

Be applied across the spectrum of military capabilities—and is uniquely useful for an infinite number of lesser contingency missions; without loss of ultimate capability as a major delivery system for large nuclear payloads.

Survive blunting attacks and reliably be protected from destruction on the ground through tried, proven launch procedures of Strategic Air Command, adapted to reasonable expectations of our modern detection and warning systems.

We know what we can do with a manned delivery system. With a modernized manned penetrating delivery system in our mix of major strategic weapons systems, we are confident of our ability to continue to provide our National Authorities assurance of a viable deterrent posture, *under all circumstances of threat or attack.* Without it, we are not confident that we can provide such assurances in the future.

Turning now to my views on the requirement for the B–1 (and I will not repeat the statistics and details of program characteristics, costs, etc. which are matters of record with the Congress):

Simply stated, I view the B–1 as the best candidate vehicle reasonably available to satisfy the future requirement for a modern manned penetrating bomber—and to provide the U.S. with the diversified characteristics that are and will be needed in our complementary mix of strategic delivery systems. Not only do I view it as the best, I do not see any other comparable system that can reasonably be expected to do this job as I think it must be done for assurance—or for long-term economics!

We are satisfied that the B–1, as it has evolved, will provide our nation with the most efficient and effective manned pentrating weapons system ever conceived. It will accomplish the varied missions that could be required of it with an assurance we do not believe possible in other alternatives that have been proposed and considered.

Strategic weapons planning is dynamic, complex, and demanding. In the thirty year experience of Strategic Air Command with such planning and with the analyses of the plans for efficiency and completeness, SAC achieved a measure of expertise in applying strategic weapons systems to the jobs to be done that is unparalleled. When that expertise is applied to the future problems of maintaining a credible strategic deterrent force, the performance characteristics of such a force containing the B–1 clearly exceed those of a force mix of other, alternative weapons systems. These expert analyses support our individual judgments that no other system reasonably available to us will do the job as well, as efficiently, or as long into the future as will the B–1.

As we now have it, the B–1 development represents a careful blend of operational requirements, modern technological feasibility, fiscal constraints and life-cycle support considerations. It is a real thing—a modern manned penetrating bomber that has been conceived, developed and tested to the point that we are confident that it will perform the future requirements for such a delivery system and give us a viable weapon system mix. It is not a paper study or a theoretical analysis of what *might be* or what might satisfy future requirements. The B–1 is here, it is timely, and it is competent—postulated alternatives meet none of those criteria.

Your third question is "Why Strategic Air Command does not support the various alternatives to the B–1 that have been suggested?" You are correct, we have not supported those alternatives for the overall reason that none of them has stood the tests of long-term sufficiency, cost effectiveness, or supportability over the years ahead. They may have superficial or analytical appeal to some, but they don't measure up with those of us who must maintain and operate our deterrent forces.

To some degree, all the alternatives suggested are either an upgrading of existing equipment that offers expensive short-term improvement without long-term sufficiency, or inadequate performance to remain viable under anticipated high threat situations.

The various models of the B–52 have provided us a magnificent penetrating bomber; its design has given us the inherent growth potential to adapt to changed penetration tactics, offensive and defensive avionics enhancement, and to accommodate to improved types of air-launched missiles and bombs. But the operational B–52 has carried a primary deterrent load for over 20 years, and its ability to adapt to change and modification is not infinite—regardless of its sterling performance throughout those two decades. The basic B–52 technology is that of the 1950s. The aircraft is soft to blast effects; its launch and escape time is relatively long;

its radar reflectivity is great; it has no supersonic capability; it cannot penetrate at extremely low alttitudes; it is expensive to man and maintain; its design characteristics preclude flexibility in dispersal and deployment. Importantly, even though modified and upgraded, it would be perceived as "nothing new" in the dynamics of deterrence.

Our serious study of the major B–52 modifications proposed as an alternative to the B–1 procurement (e.g., larger engines, redesigned wing, fuselage extension, etc.) leads us to the reasoned conclusion that these improvements will not provide the modern characteristics needed for the future and are, in sum, expensive stopgap measures that would provide neither an adequate nor a cost effective, long-term vehicle to do what we see as required. While I could support these B–52 modifications as desirable to upgrade its viability during the remaining time it is part of our strategic force, they do not offset or obviate the requirement for the B–1. Also, such an extensive modification program cause a protracted reduction in our operational bomber inventory when the need for these delivery systems is increasing.

One of the principal alternatives that has been advanced is an improved and enlarged version of the FB–111. This alternative has the initial appeal of offering a more modern and higher performance penetrator since the FB–111 is basically a hard and fast aircraft with low radar reflectivity. However, our continuing analysis of the various proposals for FB–111 upgrade has led to the conclusion that the extensive modification required to make the FB–111 comparable to the B–1 would be, in effect, an entirely new aircraft with all the expense, time, and testing required. The basic FB–111 design is already an adaptation of a fighter/bomber aircraft; and it does not have the growth potential to compete, efficiently, with the B–1 without such a major redesign that, in effect, it is a new aircraft.

In our view, the redesign suggestions that have been advanced leave us with an aircraft that lacks growth potential, does not have the desired low-level range and payload characteristics; and, in order to do the job required, would have to be procured, manned, and supported in such large numbers that it is neither an economic nor efficient long-term alternative to the proposed B–1 force.

As respected as the FB–111 is within Strategic Air Command's manned penetrating bomber force, we have a pragmatic recognition of its limitations in size and range, neither of which can adequately be overcome by modification. In fact, and in perception, such an alternative is considered inadequate for the future requirements of our manned bomber force.

The other alternative that seems to have attracted the attention and support of some analysts is a large, "stand-off" aircraft armed with air launched cruise missiles. Standing alone as an alternative for the B–1, I think this approach to solving our complex future problems of deterrence would be extremely dangerous, if not ineffective and grossly deficient. The concept of an air launched cruise missile does have appeal to us, however, as a secondary and lesser included mode of attack for use within our overall strategic force mix. This weapons development offers the possibility in the future for compensating an inability to attack an expanding enemy target system with a limited number of delivery vehicles through the extended use of obsolescing penetrating bombers (e.g., the early models of the B–52) that in future years may no longer have a high probability of being able successfully to penetrate in depth. Such weapons could be useful in low threat areas and contingency situations to degrade peripheral defenses and attack shallow targets, provide interdiction support in land or sea areas, thereby augmenting the potential firepower of our primary manned penetrating forces.

As an alternative for the B–1, the concept suffers from serious inflexibility since the stand-off aircraft are, by design, unable to penetrate under any circumstances; the result is a serious erosion of flexibility and overall capability in our manned bomber force. A penetrating bomber can always be adapted to utilize and exploit any advantages of a stand-off air launched cruise missile, while still retaining the important advantage of not being limited to a stand-off role and being able to extract high levels of damage against deep targets, including those requiring a high order of accuracy and yield to achieve reasonable damage levels.

The question of vulnerability of a large stand-off missile launching aircraft is, in itself, sufficient for us to discount this as a primary weapons delivery mode for our strategic forces. Its patent lack of credibility in future years would seriously (if not totally) degrade its deterrent value.

The air launched cruise missile is viewed by us as a potentially valuable adjunct to our total force flexibility to handle a constantly expanding threat and target system and, possibly, as an economical, efficient way to challenge an enemy to maintain expensive area and terminal defenses—thus diverting resource allocation from his offensive capabilities against us. It is not yet tested; its operational utility, accuracy, cost and efficiency stand as important unknowns.

I would advise those in positions of responsibility for our overall deterrent and defensive capabilities not to pursue this alternative except as an additive capability for possible use in future years—it is not adequate as a primary weapons system for deterrence.

You have courteously offered me an opportunity to present "any other comments" that I consider relevant to your and your colleagues' determinations on the B–1 issue. I would like to accept this invitation to address the issue of relative cost of the B–1; for I, as any responsible American, recognize the impact of such an expensive weapons system on our national budget and our nation's fiscal resources.

At the outset, I am reminded that much of the cost of this long-term production program will be returned to our nation's economy (and our Treasury) in the form of wages, goods, services and tax receipts generated through classic economic multiplier effects. Notwithstanding these economic realities, however, I think the overall cost of the program, which is the rallying cry of many opponents, must be placed in perspective in order to be understood; i.e.,

In describing the critical role of our nation's strategic forces, Secretary Rumsfeld said (in his 1977 Defense Report): "Without the foundation of adequate strategic nuclear forces, the United States and its Allies cannot hope to deter aggression and contribute to some semblance of international stability. . . ." Within the context of that critical, central role for our strategic forces, the cost of those forces (Air Force, Navy, Army—offensive and defensive—procurement, O&M, personnel, RDT&E, and military construction) is seen in perspective as but a small fraction of our present and projected total obligational authority (in constant FY77 dollars) in the DOD budgets for 1977–1980 (i.e., 1977—9.1%; 1978—9.5%; 1979—9.5%; 1980—10.5%). These projections include the anticipated B–1 procurement requests.

In my view, there is no weapons delivery system program that is more important, more critical, or offers more deterrent utility within the total mix of our strategic forces than the B–1. Without such a capable, flexible, and visible strategic weapons delivery system, our deterrent forces would be seriously deficient across the potential spectrum of confrontation and/or conflict. Yet, the widely publicized "20 billion dollar" B–1 program appears in far better perspective if it is viewed as a percentage of the DOD budget requests in those years: i.e., 1977—1.4%; 1978—1.7%; 1979—2.1%; 1980—2.6%.

In the context of its central importance to our nation's future security—and as an average of 1.95% of our expected DOD budget requests during these years—the "20 billion dollar B–1 program" appears far more understandable to me . . . and, I hope, to the Congress and the nation.

In sum, I see no real alternative to the B–1 from among the suggestions that have been advanced. If we are denied timely production of this aircraft and rapid introduction of the B–1 into our operational inventory, it is my opinion that the nation's deterrent force mix soon will be seriously deficient in its ability to maintain an essential balance—real or perceived—with the strategic forces of the Soviet Union.

Respectfully,

RUSSELL E. DOUGHERTY,
General, USAF,
Commander in Chief.

Mr. GOLDWATER. Mr. President, the amendment offered by the Senator from Iowa again, as I say, is nothing new. The amendment would defer production funding of the B–1 until after the next election.

I could make a political statement here about the next election, but I will refrain from it.

The decision has been made. I will admit that at one time the Air Force decided that the decision would be made in November, but we pointed out to the Air Force that we would be making our decision in the Chamber sometime in May or June, or sometime this summer. We knew that they were ready for the airplane. So they moved their decision date up by 3 or 4 months and so notified the committee, and it was quite prominently displayed in the press. So there is nothing new about this.

It would also require that the next President certify to Congress that the B–1 is in the national interest. Again, Mr. President, if we had a new President who happens to be from the other party, I have yet to hear one of the Presidential candidates express himself in any way knowledgeable about military needs. I know of no one running on the other ticket, and only one on our ticket, who has ever had any experience with decisions in the field of the defense of our country and in the field of strategic needs in the future.

So it becomes to me pretty much a political matter, although I will buy, as the Senator has indicated, it is nonpolitical.

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

Mr. GOLDWATER. I only have so much time.

As the Senator has indicated it is a nonpolitical matter. I will buy that, but it is hard for me to do, I have to say. It supposedly allows more for testing and for the next President to evaluate the program again. It actually means, however, a costly increase in the B–1 program with no return on the expenditure.

For instance, it disrupts the orderly pace of the program, and I cannot emphasize this too much. We have hundreds of people employed out in Palmdale, Calif., putting this airplane together. I might say that this airplane is manufactured in nearly every State in the Union. If any indication at all comes down from Washington that we may not buy this airplane or we are going to cause a delay in decision of 4, 5, or 6 months, then these people will begin to quit their jobs, and we will find ourselves with a disrupted program that could terminate production activities and result in layoffs and suspensions, and this we went through with the B–70. We went through that at one time—I am going back to the B–17 when that most valuable weapon of World War II took some six different decisions by this body and the Pentagon to decide to buy the B–17 which, along with the B–24, was the backbone of our Strategic Air Command in World War II.

It would result in the waste of millions of dollars, and the question was raised by the Senator from Iowa about this. I have the figures here. Mr. President, I ask unanimous consent that a breakdown of the total cost of this delay, which would amount to almost $500 million, be printed in the RECORD.

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

IMPACT OF CULVER AMENDMENT

Assumptions:

Assumes termination of all production funded activities on 30 November 1975, restart on 1 February 1976

Assumes personnel involved in production funded activities will be laid off for period, subcontractors' and vendors' contracts will be cancelled

Only two aircraft can be purchased within FY 77 Budget total

FY 78 buy limited to six aircraft vice eight in order to introduce manufacturing and assembly personnel into program as efficiently as possible and in view of the FY 77 aircraft quantity reduction from three to two aircraft. Labor and overhead rates increase.

The resulting buy schedule causes a five month delay of the final delivery (June versus January 1986)

Schedule:

Current buy schedule:

Fiscal year 1977	3
Fiscal year 1978	8
Fiscal year 1979	19
Fiscal year 1980	32
Fiscal year 1981	45
Fiscal year 1982	48
Fiscal year 1983	48
Fiscal year 1984	37
Fiscal year 1985	—
Total	240

Revised schedule:

Fiscal year 1977	2
Fiscal year 1978	6
Fiscal year 1979	12
Fiscal year 1980	25
Fiscal year 1981	43
Fiscal year 1982	48
Fiscal year 1983	48
Fiscal year 1984	48
Fiscal year 1985	8
Total	240

Total program cost impact:	*Million*
240 aircraft	$17,473.2
Direct labor & overhead rate impact (5 months)	+158.0
Small lot diseconomies (fiscal year 1977)	+18.0
Interruption of long lead activities (fiscal year 1977)	+8.0
Gap costs	+130.0
Economic escalation impact/schedule stretch (5 months)	+305.0
Fiscal year 1977 (3 to 2 A/C)	−101.0
Long lead reduction fiscal year 1978	−26.0
Total	17,965.2

Increase $492.0 million.

Mr. GOLDWATER. It overlooks the fact that no new significant test information will become available.

Mr. President, I followed this airplane literally since the time it was first laid out on the drafting board over 12 years ago. I visited the plant almost monthly. I have watched its construction. I have been active in observing the tests. I have flown the aircraft. I have flown along side the aircraft. I have listened to the telemetry about it, and I do not know of an aircraft during my 46 years of flying that has ever received the total testing that this one already has, with much testing yet to come, and the Air Force admits this. We have, for example, our No. 1 airplane which is flying literally with no avionics and the No. 2 airplane that is flying is completely avionic, up to the point that it can be and the No. 3 airplane will be absolutely complete.

In reality, I think this is taking a major defense issue and turning it, as I say, into a political one in that it will require some President to make a decision that has already been made by the people who are supposed to make it; namely, the Air Force, the Senate, and the House of Representatives.

It takes responsibility away from Congress and places it again into the hands of the President, which is something we have been trying to stay away from. It attempts to convolute the intent of the Impoundment Control Act, which is something that Congress is opposed to. The amendment gives the President veto power over the program without congressional oversight, which is something we certainly do not want to see happen, but that is the result of it. In effect, the 94th Congress will deny the 95th Congress the right to support or overrule the President because this amendment gives veto power to the next President.

The Culver amendment is predicated on the belief that the next President will not support the B–1. The next President already has the power to cancel the B–1 contract if he so desires, and let me emphasize that. We are not the sole arbiters on this point. The President can at any time cancel these contracts. True, he would have a fight with Congress, but he has this right.

Straight cancellation of the program in February after congressional approval now would cost about $100 million and provide congressional oversight. The Culver amendment would waste almost four times as much taxpayers' money as would simple program cancellation, and I have said this time and time again to my good friend from Iowa, my friend from the Dakotas, and the people who are opposed to the B–1: Let us have an amendment that strikes the whole program and either get along with it or forget all about it. We have spent $2.8 billion on it.

To me it is the finest strategic weapon that has ever been developed by any country and to those who say, "Well, let us wait until the 1980's, when we have technological background and we can build a better bomber," we need the bomber in the 1980's. If we decide to build one in the 1980's, we will not get it until after the year 2000.

This program now stands on its merits. It is the most thoroughly tested aircraft we have ever tested, even though it is a long way from being completed. More than 9,000 hours of engine tests have been conducted. It will have more than 250 hours of actual flight time by November. Finally, it can still perform the design mission envisioned when the contract was first signed in 1970. I pay particular emphasis to that, because it was not 1969, which are the figures to which the opponents of the B–1 keep referring.

Anyone who is acquainted with the design and building of an aircraft knows that the whole affair is nothing but a compromise. We laid out much more stringent requirements for the B–1 when we first sat down to talk about it. We laid out much more stringent requirements for the B–52. But as you go along and find this cannot be done and this can be done, we make those adjustments as we have to.

There has been a great deal of criticism about this airplane. I have had the great pleasure of standing on the floor of the Senate six times in the last 2 or 3 years and debating with my friend the Senator from Wisconsin (Mr. PROXMIRE) over all these points. I have to say, in all respect to Senator PROXMIRE, in all respect to every Senator who has opposed this aircraft on the floor of the Senate, that in 5 years of constant debate they have not raised a single new point. They still say. "re-engine the B–52." Fine. There is no new engine for the B–52. It will not get the speed if they develop the thrust power, and we do not have engines to do the job. To rebuild the B–52 would require as much money as we are going to pay now for the B–1.

Criticism has been made about its failure to fly capably at low level and high speed. I have flown it at Mach .85. It will go faster than that, but I cannot reveal the actual figure, at 200 feet above the ground. It withstands turbulence beautifully, whereas a B–52 would literally fall to pieces if it experienced the turbulence I experienced over the deserts of southern California and southern Nevada.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum of answers to the criticisms of the B–1.

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

B-1: ANSWERS TO CRITICISMS

Title—Need for TRIAD.

Criticism—The manned bomber is unnecessary in our total strategic force. Two legs, the ICBMs and SLBMs, are adequate as a nuclear deterrent.

Response—The manned bomber force carries over 50% of the nuclear megatonnage in the TRIAD. It is the only leg that offers flexibility of response in times of national crisis. The B-1 can be launched on warning to demonstrate national resolve, withheld if not needed, or sent to penetrate deep targets in the enemy territory. The B-1 does not allow the Soviets to concentrate their defenses in one area and requires them to commit significant resources to the air defense of their homeland.

Title—B-52.

Criticism—The current B-52 force is adequate to provide the manned bomber leg of the TRIAD. Therefore, the B-1 is not needed.

Response—The B-1 is being developed to defeat the evolving Soviet threat in the mid-1980s. The B-52 is aged and will be unable to successfully penetrate the heavily defended vital targets deep in the Soivet heartland at that time. We are lead time away from the mid-1980s now and therefore must start production of the B-1 this year.

Title—B-52.

Criticism—The current B-52 force is forecast to be adequate through 1990. Therefore, production of the B-1 could be delayed.

Response—It takes about ten years to begin fielding a new aircraft such as the B-1. The B-52 will be inadequate to perform the strategic mission against the evolving threat postulated for the mid-1980s and beyond. The B-1 is designed to defeat the Soviet threat plus have good growth potential for the uncertainties of the future. Therefore, production of the B-1 should start this year.

Title—B-1 obsolete.

Criticism—Won't the B-1 be obsolete when deployed.

Response—The B-52 illustrates how a well designed strategic bomber can maintain effectiveness over a long life. With a life span in excess of 30 years, the investment in the B-1 can be amortized over many years of effective use as a deterrent. The B-1 represents the most cost-effective design of a strategic bomber. It incorporates those advanced technologies which assure its effectiveness. Equally important, the B-1 has growth potential (cooling, power, space) designed into it, as did the B-52, to accommodate the uncertainties of the future.

Title—Bombers obsolete.

Criticism—Aren't bombers obsolete in the missile age.

Response—The combination of missiles and bombers precludes a disarming surprise attack (bombers can be launched on warning and recalled if appropriate). The U.S. bomber force balances the SALT numerical disparities in missiles and missile throw-weight. Bombers are the only part of the TRIAD proven in combat. Soviets recognize effectiveness of U.S. bombers and expend the equivalent of $5-6 billion a year to defend against them.

Title—Stand-off missiles.

Criticism—Stand-off missiles on the B-52 can do the B-1 bomber job.

Response—Arming the B-52 with stand-off missiles ignores the primary objectives of the manned bomber force—that is high pre-launch survivability, safe escape in the event of nuclear attack, and successful penetration of enemy defenses to destroy valuable targets. The B-1, armed with the SRAM, will be clearly superior to any B-52 modification including stand-off missiles.

Title—Stand-off Missile.

Criticism—The stand-off missile is better able to penetrate and less costly than penetrating B-1 bomber.

Response—The stand-off force armed with long range cruise missiles can only be effective as a complement to the penetrating bomber. Whereas the B-1 alone is effective, a cruise missile force is not. The cruise missile force cannot attack successfully the high value terminally defended targets; it cannot reach deep enough into the Soviet heartland; its carriers are too vulnerable to long range fighters; and it has no flexibility to exercise judgment during an attack.

Title—Stretched FB-111.

Criticism—A stretched, modified FB-111 could be a more cost-effective alternative than the B-1.

Response—The stretched, modified FB-111 has been shown in all analysis to be clearly non-competitive with the E-1 due to deficiencies in range, payload, and ECM capability.

Title—Re-engined, modified B-52.

Criticism—A re-engined, modified B-52 is more cost effective alternative than B-1.

Response—Re-enginingand modifying the B-52 only addresses a single facet of the strategic mission—range. The B-52 would remain a structurally aged airframe with no significant performance improvements other than range. It would be too slow, have a large radar cross-section, and incapable of penetrating the heavy defenses after the mid-1980's.

Title—Takeoff distance.

Criticism—Takeoff distance increased to 7500 feet.

Response—No impact to deployment or dispersal. Still can operate from more runways than the number of B-1's planned to be built.

Title—Takeoff weight.

Criticism—Takeoff weight has increased from 360,000 to 395,000 pounds.

Response—True. As design progressed from drawing board to hardware fabrication; the Air Force improved its understanding of structural loading, added fracture mechanics to insure a structurally sounder airframe and refined design acoustic levels. Use of less costly off the shelf offensive avionics added somewhat. Very minimal impact to strategic deployment.

Title—Payload.

Criticism—If range is down somewhat, can it carry the same payload.

Response—B-1 will carry the same payload, over the same distances, at the same high subsonic speeds as originally envisioned, through minor operational trades. The B-1 can still carry 24 internal short range attack missiles or gravity weapons, or it can carry 75,000 pounds of munitions.

Title—Range.

Criticism—Mission is down from predicted and will affect the ability to perform.

Response—As reported to Congress we will be 7% below 1970 estimates for range, due mainly to the heavier aircraft weight. With current predicted range, the B-1 through its inherent operational flexibility can accomplish all of its intended strategic mission requirements. The current range estimate is more than adequate to effectively perform its envisioned assignment. The B-1 completely blankets the target structure of the future.

Title—Performance/Range.

Criticism—B-1 has increasing reliance on tankers.

Response—The B-1 can deliver its payload on most critical targets without refueling. Refueling does provide better tactics and deeper low level penetration. Tankers are important but their loss doesn't make the B-1 ineffective. The B-1 can strike more of the targets without refueling. Analysis shows tanker survivability increases with the B-1 because the B-1 gets away from its base faster.

Title—Supersonic speed.

Criticism—Supersonic speed on a bomber is not necessary.

Response—The future bomber of the late 80s and into the 21st century requires speed and altitude versatility to provide a broad range of operational tactics, counter future threat uncertainties, hedge against degradations in penetration aids effectiveness, and have the tactical flexibility to be capable of all possible bomber tasks. Subsonic only would never allow supersonic later, no matter how desirable it becomes. Supersonic complicates defensive problems and increases defense costs to enemy that could be diverted to offensive systems.

Title—Supersonic speed.

Criticism—Top speed of the aircraft has been reduced to Mach 1.6.

Response—The reduction in supersonic speed was based on a very detailed analysis of the difference in capability against the projected threat at Mach 1.6 versus Mach 2.2. Results indicated that the added capability was not worth the additional cost. The development test aircraft will demonstrate the Mach 2.2 capability and should the threat of the future dictate higher speed, it can be added. Savings of about $1M per aircraft and 1000 pounds are realized by this change.

Title—Capabilities.

Criticism—B-1 operational performance offers no advantages.

Response—The B-1 is hard to nuclear weapon effects (over three times as hard as B-52), has rapid acceleration and high speed flyout (50% faster in escaping), and requires less takeoff roll (25% less) combining to higher pre-launch survivability. B-1 has a small radar cross section (95% less), advanced electronic countermeasures, ability to fly at lower altitudes (50-100% lower) and higher speeds (50% faster penetrating) to ensure high penetrativity. B-1 can carry twice the internal nuclear payload, deliver them with greater precision.

Title—B-1 Cost.

Criticism—B-1 Costs have risen 117% in six years.

Response—The real cost of the B-1 is under control. In terms of 1970 dollars, the cost has risen only 12%, an average of 2% per year. The remainder of the cost increase is due to the inflation which we have already experienced and the inflation we are projected to experience from now until 1988, when the last dollar will be spent for B-1 acquisition.

To use any baseline other than constant 1970 dollars to measure B-1 cost growth would attribute the effects of inflation, over which the Air Force has no control, to program management. The development program and the procurement program were originally estimated in 1970 dollars, and adherence to that estimate should be the measure of merit.

Title—B-1 Cost Control.

Criticism—B-1 Costs are out of control.

Response—By any rational measure, the B-1 program has successfully controlled cost growth. In terms of real growth, the program cost has increased only 2% per year. The cost of the program expressed in 1970 dollars is the same now as it was in December 1973. This is a result of ruthless cost control efforts by Air Force program management. The perception of cost growth is given by the effects of inflation over which the Air Force has no control.

Title—FY 1977 Procurement Request.

Criticism—Over $1 billion is required to purchase new aircraft.

Response—Most of the funding required in FY 1977 ($606M) will be used for tooling that will be used to produce not only these

three aircraft but also the remainder of the production run. $315 million will be used to purchase the aircraft. Of the remainder, $89 million will be used for long lead funding for the FY 1978 buy of eight aircraft, $27 million will be used for purchase of peculiar support equipment, and $12.5 million for initial spares.

Title—B-1 Life Cycle Costs.

Criticism—The advertised cost of the B-1 does not include funds to operate and maintain the system.

Response—This is in accordance with the Department of Defense System for cost accounting. Operating and support costs are justified to and appropriated by the Congress under procedures separate from the Research and Development and Procurement Accounts with make up acquisition costs. In fact, the Air Force is proud of its accomplishments in keeping the B-1 operating and support costs to a minimum. In 1975 dollars, we estimate the 15-year operating and support costs for the entire B-1 force to be $6.7 billion.

Title—Overall Cost of the B-1 Program.

Criticism—The B-1 will cost the taxpayers $92-100 billion.

Response—The cost estimate used by critics is grossly overstated. In 1975 dollars, the cost to develop and acquire the B-1, acquire SRAMs, and operate and maintain the B-1 and SRAM's for 15 years is $24.5 billion. Other costs attributed by critics are not germain since they will be incurred whether there is a B-1 or not. SAC tankers, command and control systems, and tactical warning systems fall in this category.

Title—B-1 Weapons Cost.

Criticism—B-1 Program Cost does not include the cost of weapons.

Response—The Department of Defense Program, Planning and Budgeting System does not aggregate the cost of acquisition of weapons with the cost of the aircraft used to deliver them. Often, one weapon can be delivered by a number of vehicles already in the inventory. If the system allocated the cost of weapons to a number of programs, visibility into the cost of the weapon acquisition might be lost. The weapons for the B-1 are therefore carried in their own acquisition line.

The Air Force plans to acquire sufficient Short Range Attack Missiles to equip the B-1. Then year dollar costs for these weapons are $1.3 billion. Other weapons, already in the inventory, will also be carried on the B-1.

Title—B-1 Benefits to Economy.

Criticism—The B-1 does not provide benefits to the U.S. economy. Other spending programs provide more jobs.

Response—Charges that the B-1 will contribute no more to the GNP than a tax cut or would provide fewer jobs than a public works program are irrelevant. Although the program will provide thousands of jobs nationwide for a number of years, defense programs are not concerned to create jobs or sustain contractors, but to contribute to the security of the country.

Title—B-1 Tax Contributions.

Criticism—The B-1 does not provide funding to states in accordance with this proportional share of the federal tax burden.

Response—Individual defense programs are not structured to provide funding in proportion to their tax contributions to the national economy. This is true for almost all government programs due to the structure of the United States economy. Aerospace programs primarily benefit states with a heavy industrial base and agricultural programs primarily benefit states with a farming base. We should note that industrial workers also consume the output of other states and so the indirect effect of B-1 spending may be closer to being proportional than it appears on the surface. All citizens benefit equally from the security aspects of the B-1.

Title—B-1 Tanker Costs.

Criticism—A new Air Force tanker is required for the B-1 and its cost should be attributed to the program.

Response—The Air Force does not require a new tanker for the B-1. The aircraft is designed to be compatible with the KC-135 and has demonstrated this compatibility through numerous aerial refuelings during the test program. KC-135 tanker support will be provided by tankers released from B-52 requirements, since their mission will be shorter and will require less tanker support.

Title—B-1 Engine.

Criticism—B-1 engine exceeds the design goal weight.

Response—The engine exceeds the original goal by about 100 pounds, 2½%, for an approximately 4000 pound engine. The engine contractor could have met the weight goal, but cost-effectiveness studies showed this to be needless expenditure of funds, and weight reduction could be attained elsewhere in the aircraft at lesser cost. The impact on an intercontinental mission would be about 12 miles if an offsetting weight reduction could not be realized.

Title—B-1 Engine.

Criticism—B-1 engine will not meet bird ingestion requirements.

Response—B-1 engine provides a balanced design, balanced between performance, weight, maintainability, life and cost. The design goals were high and substantially met.

The engine has demonstrated and met the capability to ingest a large number (80) small birds without power loss.

An initial design goal was to ingest six 1½ pound birds (frying chicken size) without power loss, and contain damage within the engine for very large 4 pound birds. Testing showed it was impractical to expect no damage from 1½ pound birds passing through the engine, so the requirement was changed to containment of damage within the engine. Tests have demonstrated the engine will meet the requirement for the larger 4 pound as well as 1½ pound birds.

Title—Engines.

Criticism—B-1 engine fuel consumption is too high.

Response—The B-1 goals for specific fuel consumption were set unusually high and fuel consumption under some conditions are higher than specified. Cost-effectiveness trades indicated that chasing the last ounce of performance in this area would increase cost considerable and likely incur a weight penalty. Even so, the engines are within 5% of the 1970 goals.

Title—Engine degradation.

Criticism—Fuel consumption is higher than predicted and engine weight is up.

Response—Fuel consumption is up in some flight regimes and the weight of engine is heavier by one hundred pounds. The combined affects could result in a mission range loss of about one hundred miles. This degradation will not intrefere with successful mission accomplishment. Because of operational trades available and the flexibility of the aircraft, the B-1 will be able to carry the same payload at the same speeds and over the same distance as originally planned.

Title—B-1 Test Schedule.

Criticism—The B-1 test program is behind schedule and will not be completed before November 1976.

Response—The B-1 test program is currently on schedule and all required testing will be accomplished by November 1976.

Title—B-1 Wing Carry Through Structural Testing.

Criticism—The B-1 Wing Carry Through static test article failed during testing.

Response—The failure occurred at 141% of design limit load at the 395,000 pound test spectrum at a wing outer panel. It failed at exactly the place predicted and at slightly higher than predicted loads. The test was designed to fail the component. Some redesign of the structure has been accomplished to achieve the 150% desired design strength but it should be noted that even the failed structure had a 41% safety factor.

Title—B-1 Structural Testing is inadequate.

Criticism—The structural test assemblies were only tested to the 360,000 pound aircraft load criteria rather than the actual 395,000 pound aircraft loads that will actually be experienced.

Response—The increase in aircraft gross weight from 360,000 to 395,000 pounds occurred subsequent to release of engineering drawings, purchase orders and manufacturing of structured components for the first three RDT&E aircraft and test articles. Analysis showed that the impact of the increased weight was generally within the structural capability of the components so a complete redesign of the aircraft structure was not required. After all structural assemblies were subjected to the 360,000 pound static loads spectrum, the tests would be continued to 395,000 pounds for all articles but the aft fuselage. Based on projected flight conditions, the loads did not change appreciably on this part of the aircraft. Testing on all other components was successfully completed at the 395,000 pound criteria and at 150% of the 395,000 pound criteria on all but the wing carry through structure.

Title—B-1 Fatigue Test.

Criticism—A full scale aircraft will not be fatigue tested prior to the production contract award.

Response—More fatigue test data will be available on the B-1 prior to the production contract award than was usual on previous programs. For example, neither the DC-10 or the Boeing 747 had even one lifetime of fatigue testing prior to first aircraft delivery to the airlines.

Experience has shown that deficiencies in design of the basic structure of the aircraft are disclosed through fatigue tests of critical major assemblies and the Air Force is currently conducting such testing on the B-1. Other failures which occur in the sheet metal structure are easily remedied and this testing is best conducted on a fully mature design. The B-1 program will conduct such testing later in the acquisition process.

Title—B-1 Vibration.

Criticism—Test aircraft have encountered severe vibration problems during tests.

Response—Engineering analysis showed the possibility of vibration levels which could exceed the allowable specifications under certain conditions. B-1 flight testing confirmed this and the vibration is twofold. Some of the avionics equipment exceeded vibration levels and the solution is movement of some equipment and shock mounting others. The other problem is acoustic in nature and occurs when the weapon bay doors are fully opened. One of the easiest fixes involves mounting a small spoiler to disrupt air flow patterns when the weapons bay doors are opened. Even if nothing is done, the minor vibration encountered would not affect the ability of the production aircraft to perform its mission.

Title—B-1 Low Level Testing.

Criticism—Not enough low level testing is being accomplished.

Response—Enough low level testing will be accomplished prior to November 1976 to properly evaluate the aircraft in that flight region. Over six hours of high subsonic speed testing at 500 feet or below has already been accomplished and more is of course planned. The Air Force is pleased with the aircraft's performance in this area.

Title—B-1 Supersonic Testing.

Criticism—Not enough supersonic testing will be accomplished prior to November 1976.

Response—Enough supersonic testing will be accomplished prior to November 1976 to properly evaluate the aircraft. Over six hours of supersonic testing has already been accomplished including testing at Mach 2.1+.

Title—B–1 Offensive Avionics Testing.

Criticism—B–1 Offensive Avionics Testing is not adequate.

Response—Most of the offensive avionics equipment for the B–1 has previously been used on other aircraft. Accordingly, detailed test information on the specific components is already available. The B–1 offensive avionics test program is designed to prove that the equipment will operate together as a unit and with the aircraft. To this end extensive testing has already been accomplished on the ground and the navigation equipment has been flight tested in a C–141 aircraft to assure compatibility among elements of the avionics equipment and flight testing is now being accomplished to assure compatibility with the aircraft. This testing will be adequate to assure that the B–1 will be able to accurately deliver its weapons.

Title—B–1 Testing Inadequate.

Criticism—The B–1 will not have enough testing by November 1976 to make a production decision.

Response—The B–1 will have more preproduction testing than any aircraft, military or civilian, produced by the United States. The Air Force has already accomplished extensive structural testing to assure aircraft integrity, detailed engine testing to assure proper performance, and aerodynamic testing to prove that the aircraft will perform, in flight, as was predicted on the ground. The results of all this testing are overwhelmingly favorable.

Some testing, notably completion of two lifetimes of fatigue on selected test articles, flight of the airloads test aircraft, and continued avionics/aircraft testing, still needs to be accomplished before the production contract is awarded, however, all indications are that the testing can be comfortably accommodating.

Title—Weapons delivery.

Criticism—Weapons delivery capability will not be tested.

Response—B–1 compatibility testing between the Short Range Attack Missile (SRAM) and the B–1 offensive avionics has been ongoing since 1972. Full compatibility has been demonstrated in a laboratory environment, inert weapons have been carried on a rotary launcher in the B–1, weapon bay doors have been operated with a load of inert weapons in the air, a SRAM has been released from the B–1 on the ground, and an actual airborne release is scheduled in the next few months. Since aircraft #3 has flown, simulated weapon releases are being accomplished on each flight.

Title—Defensive avionics.

Criticism—Defensive avionics won't be tested in flight until early 1979.

Response—Recognizing the dynamic nature of electronic countermeasures and years of experience in upgrading strategic aircraft against defensive threats, the defensive task was consciously and intentionally planned to begin after the airframe, engine and offensive avionics. This allows time to be most responsive to and effective against the latest threat intelligence data. The more deliberate pace has reduced associated technical, cost and schedule risks. Defensive equipment will be installed by the B–1 initial operational capability date.

Title—Avionics.

Criticism—Off-the-self avionics equipment compromise the mission.

Response—No compromise in the B–1 mission has been made. B–1 offensive avionics provide the most accurate navigation and precise weapons delivery of any system available, including any other leg of the TRIAD. B–1 digitally controlled defensive avionics incorporates the latest state of the art technology that is flexible to change with the ever changing enemy threat, through software changes.

Title—B–1 Auxiliary Power Units (APU).

Criticism—The (APU) does not meet base safe escape requirements.

Response—The B–1 does reach a safe escape point faster than the B–52 due to the B–1's short takeoff roll, high flyout speed and resistance to nuclear effects. Under some extreme conditions of very high and very low temperatures at runways at high altitudes, the APU is slower than normal starting the engine. Even under these extreme conditions, the B–1 will still reach safe escape point faster than the B–52, due to the B–1's short takeoff roll, fast acceleration, high flyout speed, and resistance to nuclear effects. The Air Force is pursuing alternatives that pose no technical problems or major funding impacts. Among these are a change in operational procedures wherein under extreme conditions two engines would be started initially and the other two while taxiing, a new APU with more power, and a change in APU-to-engine gear ratios.

Title—Environment.

Criticism—B–1 will damage the ozone layer and add to pollution problem.

Response—B–1 training is not anticipated in the ozone layer, and accordingly there will be a negligible effect on the stratosphere. B–1 engine emissions have been almost totally eliminated and are low compared to current commercial and military power plants. Turbofan engines, such as the B–1 engine, reduce external noise by removing more energy from hot gases to drive the fan and thus decrease hot jet exhaust velocity. B–1 will spend less time in air training, due to heavy dependence on ground based simulators.

Title—Environment.

Criticism—How much fuel will be consumed by the B–1 than the B–52.

Response—B–1 engines incorporate the most recent advancements in technology which provides for far more efficient use of fuel. On a typical training mission, the B–1 will use about 25% less fuel per hour than the B–52, even though the B–1 will train at faster penetration speeds. In addition, the B–1 will fly less in training, thereby placing heavy emphasis on the use of ground-based simulators, resulting in a lesser number of actual flying hours required.

Mr. GOLDWATER. Mr. President, the production contract already has been agreed to by both Houses. The vote is available. But we have approved the production of eight aircraft. None of these will begin to come into the inventory until the very early 1980's. I think it would be a terrible mistake for us to decide to wait for the next President to be inaugurated in order to have a decision as to whether or not our triad of strategic deterrents is going to stand or whether we are going to allow it to fall.

Mr. President, I think this is a very poor amendment, offered at a very poor time. I would much rather see the vote come strongly, one way or the other, on the McGovern amendment, which has the courage to say, "I don't like this bomber. Let's not buy it." With this business we have been engaged in time and again of saying, "Well, I don't like it, but let's hold it up a month or two," we are actually throttling the American taxpayers by continued spending on research and development—research and development that already has been decided.

This is a superb aircraft. I have asked this particular question of every man gathered in a room not 3 weeks ago—pilots, civilians, Air Force, the maintenance people of SAC, the maintenance people who are civilians: "Is this airplane ready for the inventory?" These are men who had to fly aircraft in combat, and just because they wear the blue, they do not go around foolishly and say, "Yes, we have to have it."

This airplane has been tested to the point that it can go into combat tomorrow.

Mr. President, some time ago, Mr. Jack Anderson made some criticisms of this airplane, and I think we should answer those criticisms because they used some strange figures—figures that cannot be backed up. I ask unanimous consent that comments on Jack Anderson's column of April 11 be printed in the RECORD.

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

COMMENTS ON JACK ANDERSON'S COLUMN OF APRIL 11, 1976

Anderson: "The controversial bomber has developed difficulties, which have caused some Pentagon planners to wonder if it will be worth the staggering cost. Its secret flight performance has dismayed some of its most hopeful supporters."

Comment: Dismay was not evident among the principals of the Defense Systems Acquisition Review Council who met to review the B–1 program on February 25, 1976. On the contrary, they concluded that ". . . the program is proceeding very well. Our consensus is that in the crucial areas of mission accomplishment, aircraft structural integrity, flying qualities, and engine development, the B–1 is demonstrating its readiness for production. We are highly confident that the milestones which remain, such as engine endurance tests, demonstration of offensive avionics, demonstration of operational mission profiles, completion of production planning, and definitization of production contracts will be completed by the scheduled date for the release of funds in November 1976.

The DSARC principals were impressed with the solid accomplishments of the B–1 program.

Anderson: "Pentagon officials have a highly developed proclivity for treating their mistakes as secrets. They have hidden under the security label most of the evidence of misspending and mismanagement in the Pentagon. The General Accounting Office sent its auditors, however, into the backrooms of the Pentagon. Last month, they completed a closely guarded, 55-page staff report on the B–1 program. The cover, trimmed in orange, is emblazoned with a big, black "Secret stamp."

Comment: The Department of Defense has a long-standing policy reaffirmed by Secretary Rumsfeld and fully supported by the Air Force, that no mistakes or problems will be hidden behind security labels or any other barrier to candor. The classification assigned to the original GAO staff study was assigned solely to protect the aircraft performance data it contained. The Department willingly cooperated in the release of an unclassified version of the report to news media representatives which deleted classified performance parameters.

Although the GAO report was issued in March 1976, much of the information contained in the report was based on flight test information available in October 1975. Therefore, it was five months out of date when published.

Anderson: "It is essential for any bomber

to escape its base quickly after a warning is received of an impending attack. The secret GAO report claims that the B–1 still cannot get away in time. According to the government auditors, no schedule has been established to solve the problem."

Comment: We foresee no problems in meeting the safe escape requirements for the B–1. In the test aircraft, we found that one step in the "get away" process—engine start—took a few seconds longer than we had anticipated. The Air Force is considering a number of technical and procedural alternatives which will assure safe escape. We see no need to make a firm decision at this time on corrective or compensatory measures. We will continue an orderly examination of the problem and take appropriate and timely action.

Anderson: "The B–1 experimental planes have encountered severe vibrations during tests. Yet neither the cause nor cost of the buffeting have been determined 'In addition,' states the report 'it is uncertain whether buffet and vibration at the present levels would affect the ability of the B–1 to carry out a typical mission'."

Comment: The degree of vibration encountered during tests was neither severe nor unexpected. In accordance with normal engineering practice, no corrective action was taken on predicted virbration levels for the B–1 pending confirmation by flight test. The minor virbration actually encountered lends itself to a variety of technically easy fixes. The Air Force plans to conduct further testing before the most effective option is selected. Even if *nothing* were done, the vibration encountered to date would not affect the ability of the production aircraft to perform its mission.

Anderson: "The Air Force wants to go ahead with production without testing the B–1's all weather capability, weapons delivery and defensive avionics."

Comment: Weapon release and simulated weapons delivery tactics will be conducted prior to contract award. By design, and in accordance with the normal method of operation, we are delaying the defensive avionics to as late in the program as is feasible in order to incorporate countermeasures against the latest enemy threat.

Anderson: "An airframe strength test was also deleted from the B–1 program in 1970, despite military specifications requiring it, for cost reasons. The GAO believes the Air Force should reconsider this decision."

Comment: The B–1 structural test program is the most extensive ever conducted on a military or civilian aircraft prior to delivery of the first production aircraft. The Air Force has already completed over 6200 structural element tests of small pieces of the aircraft, over 680 tests of larger components, 84 static tests on eight major structural components of the aircraft, and a proof load test of an assembled aircraft. Fatigue tests of six major structural components are currently in work or completed. The Air Force has had the structural test program reviewed by the Structures Panel of the USAF Scientific Advisory Board, and they have advised the Air Force that they concur with the structures program.

Anderson: "The B–1 is supposed to carry Short Range Attack Missiles, known inside the Pentagon simply as SRAMs. According to the secret findings, it is 'questionable' whether SRAMs will be available as fast as the B–1s are scheduled to come off the production line. If the decision is made to go ahead with the B–1, therefore, its weapons system may have to be changed."

Comment: The current Five Year Defense Program will provide the necessary weapons for the B–1 force as they are needed.

Anderson: "The F–101 engines, which are supposed to be installed in the new bomber, don't meet the contract specifications for weight, fuel consumption and bird ingestion. According to the auditors, excessive weight will increase the fuel consumption and reduce the bomber's range. The overweight engine could also ingest a medium sized bird in flight, with dangerous consequences."

Comment: The B–1 engines are expected to be slightly overweight and will use slightly more fuel in some operational modes than called for in the specifications. The B–1 can still perform its operational mission perfectly well and the Air Force sees no need for any redesign. The engines will ingest small birds with no sustained power loss. In the event medium sized or large birds are ingested, damage will be contained within the engine.

Anderson: "The auditors called attention to anticipated cost overruns of $323.2 million from three of the four contractors—Rockwell, General Electric and Cutler-Hammer, Inc."

Comment: Anticipated contractor and Air Force cost estimates for the work on contract and the contract target cost for each contract are reported to the Congress quarterly. The cost estimates used for budgetary requests are based on the Air Force estimates which include any over target contractor costs anticipated. Since 1970, the cost of the program, expressed in 1970 dollars to eliminate the effects of inflation and allow a proper evaluation of Air Force management, has grown an average of 2% per year. This growth occurred in the early part of the program as the design evolved. The current cost estimate in 1970 dollars is the same as that reported in December 1973. Air Force program management has achieved an enviable record of zero cost growth over this period. The cost of the B–1 is under control.

Anderson: "The prestigious Brookings Institution, meanwhile, has conducted its own study and has concluded cautiously that the B–1 program is not needed."

Comment: The Department of Defense and the Air Force conducted an exhaustive comparative study of the B–1 and likely alternatives. This Joint Strategic Bomber Study, which was made available to Congress, confirmed that the B–1 was the most cost-effective and mission capable bomber modernization option. The GAO reviewed the study and concluded, "We are of the opinion that the study results now provide a basis for a more informed consideration of the strategic bomber question by the Congress."

The entire Brookings Institution study referred to by Mr. Anderson was based on a fundamental and, we believe, undesirable alteration in the strategic options and combat role for the bomber force. According to the authors of the study, ". . . the bomber force should be designed and sized to attack fixed industrial and urban targets." We believe such a narrow "people killing and city busting" role is neither militarily sound nor morally appropriate for a nation with our professed value system.

Based on their changed strategic premise, the authors' analysis would save money by buying a smaller number of a different weapons system. However, the unit cost of the system they recommended was higher than the unit cost of the B–1.

For these and other reasons, we consider that their conclusions regarding the B–1 program do not properly serve the security interests of the nation.

Mr. GOLDWATER. Mr. President, that concludes the remarks I have in opposition to the Culver amendment. I will have further comments to make on the McGovern amendment.

Mr. STENNIS. Mr. President, I thank the Senator from Arizona. I yield myself 2 minutes. I will use 1 minute to speak and 1 minute to ask questions.

The Senator from Arizona is not only a pilot but he is a renowned pilot as well, and I am not flattering him one bit. The Senator from Arizona has been following this matter through all its stages, development and so forth. Is that not true?

Mr. GOLDWATER. Yes.

Mr. STENNIS. Is there any real defect or anything that he has found or can find that is the matter with this plane which calls for a deferral?

Mr. GOLDWATER. In the testing of any airplane, the testing is not done alone on the airframe that is flying. They take parts of the aircraft, such as the tail section, the empennage, the landing gear, the nose section. Every section of that airplane is given different tests.

The other day, a crack appeared in a piece of metal involved in the left side of the landing gear assemblage that had no bearing on the gear itself. This piece of metal had gone through four lifetimes of testing at "G" forces far, far above any "G" force that ever will have to be on the B–1.

It is the most throughly tested airplane with which I have ever had any association, and I have been associated with this one for a long, long time—its whole life, in fact.

Mr. STENNIS. I thank the Senator. I know that he is highly qualified, and from year to year he has kept up with this and reported repeatedly to our committee. I think the Air Force has listened to his counsel, too.

Mr. President, I have been going along here, as a committee member, in considering this matter to some degree every year. I am not happy about what it will cost. However, as a layman, I think we will have to have a newer plane to replace the winged part of the triad. We have gone along with successful research and development to the point of $2.8 billion. Now we have to have this $1 billion-plus for procurement.

I believe there will be one certain result of deferring this project, even for this short time, and that is that it will cost more money in the long run. Successive Presidents and successive Congresses—committees and Congress—have passed on this matter already, and I hope this amendment is not agreed to.

Mr. CULVER. Mr. President, does the chairman yield?

Mr. STENNIS. I would like the Senator from Nevada to seek recognition, if he wishes to say a word. He is quite a student of this project.

Mr. CANNON. Mr. President, suggestion has been made that we might yield the time back on this matter and proceed then to the McGovern amendment, which is perfectly satisfactory with me, to talk on the McGovern amendment.

Mr. CULVER. With that understanding, Mr. President——

Mr. STENNIS. With that understanding, the debate will continue, and the Senator from South Carolina will be here in a moment.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

Do I correctly understand that Senator McGOVERN will offer his amendment as a perfecting amendment to Senator CULVER's amendment and there will be one vote instead of two?

The PRESIDING OFFICER (Mr. DOLE). The Chair advises that there will be two votes.

Mr. GOLDWATER. The first vote will be on the Culver amendment?

The PRESIDING OFFICER. The first vote will be on the McGovern amendment.

Mr. STENNIS. All right, Mr. President. So far as the manager of the bill knows, subject only to the Senator from South Carolina, I will be ready to yield back the time on this amendment.

I yield 3 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I favor going forward with the B–1 bomber. I realize that two arguments are made against the B–1 bomber. One is that it costs too much, and it does cost a great deal of money. But the question is, Can we afford not to build this bomber when our national security could be at stake?

I am convinced that we have to have this Triad strong on all three legs—land-based missiles, sea-based missiles, and bombers.

The other argument here, in addition to costing too much, is that missiles have advantages over bombers. That is true; they do have some advantages over bombers. But bombers have some advantages over missiles, too. They are reuseable. Once a missile is fired, it is gone. A bomber can be used and used and used for years.

Another advantage is if there should be a mistake, once a missile is fired, there is no way to recall it. A bomber is piloted by a man, a human being. And it can be recalled. It might be very vital in some cases that this be done.

Another thing is that a missile in a silo is a fixed target. The Soviets know where our silos are and they have zeroed in on them. A bomber will be moving from place to place, just like a submarine. It is not a fixed target. Therefore, it is essential that we have these bombers.

Then, too, the B–1 bomber is a supersonic bomber. The B–52 is a subsonic bomber. The B–1 will fly faster than sound. It is about two-thirds the size of the B–52, but it will carry more weapons than the B–52. This bomber is undoubtedly the finest bomber that the Air Force has ever come up with.

Again I say, it costs a lot of money; and I regret that. I regret that the taxpayers will have to pay such a big amount for these bombers. But after all, what is the price of freedom? What is the price of protecting the people of this country? What is the price of saving this Nation?

I think we cannot afford not to go forward. It is my judgment that we should, we must go forward with the B–1 bomber, and I think the sooner the better, because the longer we delay it, the more it will cost.

ADDITIONAL STATEMENTS SUBMITTED ON CULVER AMENDMENT

Mr. BUMPERS. Mr. President, I would first like to compliment my distinguished colleagues, Senators PROXMIRE, CULVER, and GOLDWATER, for their most impressive and informative debate on the B–1 issue. These gentlemen deserve the praise and thanks of the entire Senate for increasing our awareness of all of the problems involved in the B–1 controversy. I hope this will not be the last time that we in the Senate are privy to such a high-level discussion of the issues.

Last year I voiced my objections to procurement of long lead items for the B–1 as part of the fiscal year 1976 defense authorization bill. I have not changed my opinion. With all deference to my distinguished colleague from Arizona, too many questions still remain in my own mind about, first, the ability of the B–1 to perform its primary mission; second, the possibility of obsolescene due to our own technological development and the Soviet Union's vaunted air defense system, and third, the availability of a more effective alternative weapons system in the form of the stand-off bomber armed with air-launched cruise missiles.

Arguments have abounded in recent weeks over what the actual cost of the program will be. The Air Force estimates a total cost of $21.6 billion in "then dollars," which means including the inflation factor over the approximate term of production, while other assessors are not so sanguine. The Brookings Institution, for example, estimates the total cost of the program when personnel costs, missile costs, a new tanker fleet, and other direct and indirect costs are included as in excess of $90 billion.

The Brookings figure may be too high, but in any case the B–1 program will most probably be our most expensive weapon procurement for the next decade—outspending even our Trident program, which in everyone's view constitutes our first line of defense.

Moreover, there are simply too many reports that the B–1 has not lived up to its original contract specifications. We hear that:

It is behind in its flight test schedule;

Its secondary power system for faster takeoffs is faulty;

It has experienced buffeting and vibration at high speeds;

Its wing flaps and slats have failed to extend properly in all tests;

Its engine access doors have popped off on occasion;

Its turbo-prop engines have experienced cracked blades under extreme heat;

It now is over 30,000 pounds heavier than originally specified, and, consequently, its fuel consumption is up;

It has a bird ingestion problem with its engines; and

Finally, as late as this month a small crack was found in the tail section of one of the plane's test models.

Further, we hear that the plane has not been flight-tested at night, at its maximum low altitude, in bad weather, or in extremely mountainous terrain.

Most of this information comes from the March 5 GAO study, and has already been made public by Jack Anderson and other columnists. The study, while classified in some respects, marks the pages unclassified containing the information I have just cited.

What does this all tell me? As we say in Arkansas, you don't have to be "broke out with brilliance" to know that this plane is not yet ready to fly. Or at least we are not ready to commit $21 billion plus to its procurement. I will not say that all of these problems still exist. Some undoubtedly have been corrected since March 5. But if only one-half of them, or one-third, or one-tenth still do, the program should continue in its R. & D. phase until they are remedied. A November production decision, quite simply, is premature. It does not comport with good sense to commit to such a massive production program, when doubts still linger about the essential competence of the item to meet its objectives.

The Air Force argues that the plane continues to look good on paper and once these relatively minor problems are worked out, it will again be the superior aircraft we have all been promised. That may be, but it occurs to me the Air Force is asking us to assume a great deal on faith. These problems are hurdles in development, to my way of thinking, that must be crossed before the production decision is made. For the Air Force to assert that the plane will be perfect once the kinks are worked out is the same twisted logic that the British high command invoked during the Crimean War when they argued that the scarce medical supplies would be sufficient once their casualties were reduced. British casualties in the Crimea continued to exceed available medicine, and I am fearful that we today will rush precipitously into a production program that will continue to be fraught with problems.

Now let me turn to the obsolescence question. I worry about obsolescene in two forms. First, since our B–52 fleet will continue to be operational for the next decade and a half, there is no pressing urgency and we have time to put our technology to work. By the time the full 244 aircraft are operational in 1985 or 1986, they may well be technologically obsolete. The bitter example of the $6 billion ABM fiasco is only the most recent reminder that obsolescence can indeed overtake a weapons system between the date a production decision is made and the date of completion.

Kenneth Boulding, distinguished economist and imaginative social thinker, characterized the overwhelming technological change of our century in a very personal way. He said:

> The world of today is as different from the world in which I was born as that world was from Julius Caesar's. I was born in the middle of human history. Almost as much has happened since I was born as happened before.

His assessment is particularly appropriate for rapid transportation. It took us thousands of years to evolve from small caravans to chariots to a locomotive engine, but only a century to evolve from the locomotive to rocket planes and a missile capability.

One of Senator PROXMIRE's most persuasive arguments concerned the obsolescence inherent in the program if we proceed with it now. The supercritical wing to improve range, the increased use of composite materials to reduce weight, and NASA fuel efficiency programs are all budding technological improvements

that could well be incorporated into the B–1 unit at a later time. Senator GOLDWATER admits that these developments hold great promise, although he fears that they are presently in such an embryonic stage that incorporation into the B–1 is not realistic. I disagree with the Senator on this point. If the B–52 can perform its mission for 15 more years, and if the cruise missile and the stand-off bomber can be made operational, I strongly urge that we keep the B–1 in research and development in hopes that we might be able to take advantage of this improved technology. A 1-year delay could not be that devastating to our bomber proficiency but might well reap untold benefits in the form of B–1 improvements.

Senator GOLDWATER admits that it can be argued the B–1 is coming into inventory several years too soon. He follows this up, however, with the point that we really do not know the life expectancy of the B–52. I think the Senator, however, would agree with me that we can at least afford a 1-year delay to finalize our flight testing, work out the problems, and perhaps take advantage of some of these technological advances.

The Soviet Union has put into operation an air defense system that knows no equal. There are 12,000 surface-to-air missiles, 4,000 radar installations, and 2,600 manned interceptors forming part of this network, and, what is more sobering, they are constantly improving it.

Why should we develop a weapons system at a cost of billions, when it is the exact same system that the Soviets are most adept at stopping? No one seriously doubts that in the years ahead the Soviet Union will develop an AWACS competence with a look-down-shoot-down ability. They do not have it now, but they soon will have. What does this auger for our B–1? We, of course, can include in the B–1 unit, and in fact have included in the prototypes, jammers and short-range attack missiles. But rather than tailoring our weapons systems to suit the Soviets, it seems eminently sensible to me that we use our talent and our resources to develop weapons that are not so susceptible to existing Soviet defenses.

All I am saying is let us be more certain before we move ahead. Let us not make the same, tired mistakes of the past. Let us be calm and judicious in our major procurement decisions, especially those with the far-reaching ramifications of the B–1.

Boiled down to its essence, the B–1 issue has severe foreign policy implications and will directly impact on the SALT II talks. No doubt the Soviets are watching closely what this body does today. Indeed, the B–1 has become more than it really is—it has become a symbol for increased American commitment to defense and to arms race. Perhaps that is the best argument in favor of the program. Its procurement will show the strength of our resolve and commitment to a strong defense program, second to none. In Pentagon parlance, it represents a substantial bargaining chip.

Yet, we can send the same message but with a different emphasis—an emphasis on commonsense and good judgment. We can wait and improve our B–1 prototypes. Meanwhile, we can move ahead in our cruise missile development, our Trident program, the rebuilding of our Navy, and our missile improvements. Instead of authority approximating $113 billion, we can eliminate B–1 procurement funds and send to the President a defense bill totaling $1 billion less. No one could seriously contend that such a budget was weak. Its strength would be manifest. Our resolve would be clear.

Delay would have another salutary feature. It would give the next administration, whether Republican or Democrat, the opportunity to reassess the B–1 program and its value. Quite clearly, there is not unanimity of thought on the B–1 by objective defense analysts, or even by past Secretaries of Defense. McGeorge Bundy, in a recent Washington Post column, made the point that both Robert McNamara and Clark Clifford in their defense capacities opposed its development. Mr. Bundy makes another critical point. The decision to rush ahead with the B–1 bomber should not be made in the pressure cooker atmosphere of election year politics.

Ordinarily, I am a fierce opponent of delay. This body has a well-noted propensity to study and restudy an issue as a device for sandbagging and ultimately destroying innovative thought and change. I abhor that. But I am convinced that delay in this context is the better part of valor and even suggests mature wisdom as opposed to ill-considered judgment.

We in the Senate suffer from a marked disadvantage in defense matters. Our forced reliance on the Pentagon for statistics and information on weapons systems is almost total. To be sure, the Brookings Institution, GAO, and the Armed Services Committee render valuable analyses and in-depth review and comment which are exceedingly helpful. But even then, Pentagon data forms the basis upon which their opinions and conclusions are made. That leaves the Members of this body with only their commonsense to rely on. And my commonsense says to me, that we should defer production of this system.

Wait for additional test flights so that if the production decision is made, it is made at least for a technically perfect plane. "Fly before buy" is our procurement motto. Let us make sure we put it into practice.

Wait to correct existing and any future structural problems in the prototype.

Wait to see if we can and should take advantage of recent technological advances.

Wait to see if we in fact need the full fleet of 244 planes. I am convinced we do not.

And wait until the pressures of a Presidential election year are off. Attitudes toward the B–1 may change considerably.

We run the risk of extravagance in this program. Extravagance is a serious charge at a time of unprecedented inflation and dangerously high deficit spending.

We owe it to our constituents, and to ourselves, to be right on this matter.

Mr. GARY HART. Mr. President, the amendment offered by the Senator from Iowa (Mr. CULVER) makes good sense because it will force the Air Force to live up to a sensible method of weapon procurement, fly-before-buy. This is a simple concept which means the taxpayers of this Nation should not be asked to take on an enormous financial burden until it can be conclusively shown that a weapon system is fully capable of performing the mission for which it is designed.

In the case of the B–1, the situation is even more serious than the fact that the aircraft has not get completed tests and has even failed some critical ones. It is more serious because, contrary to Department of Defense directives, the Air Force has not even established the operational thresholds for the aircraft. This fact is documented by a recent GAO study which points out that "the same may be said about the cost and schedule thresholds which are also required by the DOD instruction."

The amendment does not address the question of whether we need the B–1 or whether some other system in development, such as the air-launched cruise missile, might not do the intended strategic job better and considerably cheaper. It leaves time for this subject to be further explored; but that is not its intended purpose. It merely requires that production money not be obligated and spent until such time as the aircraft meets the minimum flying test standards originally agreed to by the Air Force. It is an attempt not to make another C–5A mistake.

The management of that program so complicated research and development with production that enormously costly mistakes were made, mistakes so serious that the C–5A has not yet met a significant part of its design performance.

The example is not casually drawn because, even though the test aircraft have only flown half of their planned test hours, major structural defects in the wing have already shown up. The choice is now forced upon the taxpayer to pay for a costly redesign of the wing structure or to accept degraded performance standards to keep costs down.

Yet this new potential degradation of performance—and consequently mission performance—is only the latest of many which have been discovered in the tests so far. For example, supersonic speed has been reduced 37 percent, there has been a marked reduction—the exact figures are classified—of both supersonic and subsonic range, takeoff gross weight has increased 11 percent and takeoff distance has increased 15 percent. Furthermore, the Air Force has abandoned some crew safety and survivability features just to keep costs estimates from skyrocketing further but they may be added later. Examples of these are cancellation of the crew-escape pod in favor of less satisfactory although cheaper ejection seats and cancellation of engine-masking devices which would protect the aircraft from infrared missiles.

It has been said that the few months' possible delay which this amendment calls for will do grave damage to our national security, but we have testimony

by the Secretary of Defense that the present B–52 force, which has been extensively modified to keep up with the state of the art of Soviet defenses, will last until the 1990s. It is also alleged that even a short delay will mean that the contractor will lose its skilled personnel. In respect to that point, the GAO tells us that the factory workers on this project are already at a low level due to the program delays and that new contractor personnel could not be introduced fast enough to meet the existing schedule. Therefore, this amendment will not force the breaking up of the team at the factory.

This amendment does not ask for much. It asks that we not make a decision on the advisability of production of the B–1 before the Air Force, the technical expert, are able to make it. The Air Force admits it does not have the data to make a production decision since tests are not completed and operational capabilities to perform the strategic mission not proved. The Senate should not take the first, perhaps irrevocable, steps to produce an airplane which will cost the taxpayer $92 billion over the next 30 years since testing is far from complete. That is reason enough to support this amendment.

Mr. WEICKER. Mr. President, I rise to oppose the Culver amendment which delays authorization of funds for the B–1 bomber.

Unfortunately, many times in the past our examination of a military procurement bill has focused on ideological rather than technological considerations. Instead of carefully examining the function, practicality, and cost of a particular piece of military hardware, we debate it in terms of its symbolic importance to the general issue of defense spending. In that way, supporting or opposing a particular weapon system has sometimes become a test of one's feelings about détente, or the war in Vietnam, or even world hunger.

I believe the times demand something more. I believe the realities of today's world requires us to dissect each weapons system in careful, analytical, nonideological terms. Throw out party considerations, throw out your feelings toward the current administration, and throw out the ideological posturing. That is what I have tried to do during my 8 years in Washington.

In particular, I have tried to oppose defense spending which is wasteful, inefficient, or redundant, while supporting defense spending which is efficient, necessary and minimally expensive. And it is on that basis that I have opposed the ABM missile system, opposed the Lockheed loan, opposed the F–18 fighter plane, and opposed the continued support of the corrupt Thieu regime in Vietnam. I think history has borne me out on all those choices.

But that does not mean that I will oppose defense spending which is necessary to protect the security of the United States in the years and decades ahead. And that is exactly why I support the development of the B–1 bomber system.

Mr. President, the last B–52 bomber was produced in 1962. Some of the B–52's currently in service are already almost 20 years old. When you consider the long leadtime necessary to develop a new bomber, it becomes obvious that if we do not move ahead with the B–1 program, we may someday be sending American pilots into combat with 30-year-old equipment. Even Senator GOLDWATER with his record of courage in the air would have to think twice about such an assignment.

If we proceed with development of the B–1, and decide next spring to abandon the project, it would cost an additional $110 million. But if we delay the project now, and start again in 5 months, it will cost over $490 million.

For 5 years Congress has funded the development of the B–1. If anything, the reasons for continued development are even more compelling now. I believe in the need to reduce our overall level of defense spending. But the B–1 is not the place to begin the cutting. I believe it is one weapons system that makes sense.

Mr. President, I ask unanimous consent to place in the RECORD the remarks of the Honorable Secretary of the Air Force, Thomas C. Reed, on the need for the B–1 bomber in America's defense system.

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

REMARKS BY SECRETARY OF THE AIR FORCE

For the last 30 years we have avoided nuclear war and coercion because we have maintained our strength. Since the early Sixties that strength has had, as its foundation, a Triad of strategic nuclear forces: land based ICBMs, submarine launched ballistic missiles, and manned bombers.

The diversity of that Triad poses an insoluble targeting problem to any potential aggressor. Any attack that might seriously cripple one leg of the Triad constitutes a clear and unambiguous warning to the other two. There is no known way to attack all three simultaneously. At the same time this Triad provides options as well as a hedge against technological breakthroughs that could temporarily endanger any one system.

Today I would like to give you my views on why the manned bomber makes a unique contribution to the Triad. Obviously, the manned bomber provides the most flexibility, controllability, and mobility. In times of crisis, the manned bomber can be launched under positive control, dispersed from its main bases, or even placed on airborne alert. Its controllability provides time for assessment and decision on both sides. It reduces the potential for rapid, irreversible escalation during a crisis.

The manned bomber involves human judgment throughout its mission, from launch to final weapons delivery. It has been tested and proven in combat. During the 1972 Linebacker attacks on Hanoi, against the most concentrated ground defense environment ever assembled, B–52 attrition rates were only two percent.

The bomber force acts as a counter-balance to the Soviet four-fold advantage in missile throw weight. Today, over half of America's nuclear power—measured in megatons—is allocated to the bomber force.

But our current bombers are aging. In 1962 the same issue of Time Magazine that reported on the Cuban Missile crisis also noted, in an obscure six-line item, that the Air Force had accepted delivery of the last production B–52. Today, those aircraft are 14 years old. By the time we have any significant inventory of B–1s the newest B–52 will be 20, and some 25 years old.

At the same time, Soviet air defense systems are increasing in sophistication. We saw a first-hand demonstration in the Mid-East War of 1973—and they have progressed since then.

As a result of this projected threat and the aging of our bomber force, we have conducted extensive studies seeking the best, most cost-effective aircraft to maintain the Triad of strategic deterrence through this century.

Several necessary characteristics emerged: better range and payload, with an ability to carry a variety of armaments; a small radar cross section; enhanced electronic countermeasures; and a fast low-altitude penetration capability to fly under and mislead enemy defenses. Studies also showed a need for better pre-launch survivability through a combination of rapid takeoff, fast escape speed, as well as structural and electromagnetic hardness. All these characteristics have been incorporated into the B–1 bomber. It will be an aircraft capable of adapting to changing times and defenses, with a significantly greater weapons payload then the B–52, and it should have a long and useful life.

Full scale development work on the B–1 began in 1970, and in December, 1974, the first aircraft was flown. A second aircraft entered the flight test program on April 1. As of today, these two B–1 test airplanes have logged over 147 hours in the air.

Throughout its development, the Congress has watched the B–1 program closely. At their request, the Department of Defense last year completed another comprehensive analysis of the future of the manned bomber. That extensive study reconfirmed that the B–1 is the right solution.

The Joint Strategic Bomber Study was based on realistic and highly detailed modeling of strategic bomber launch and penetration against a comprehensive target structure. A study of this kind is no small task—it required over 6,000 hours of computer time and consumed 40 man-years of effort.

This extensive study looked at six force alternatives, composed of appropriate mixes of B–52s, FB–111s, and B–1s. Several of the force mixes also included conceptual aircraft, such as a "stretched" FB–111, a modernized B–52 with new engines, and a Boeing 747-type standoff cruise missile carrier.

In the study, each of the forces was designed to be of equal cost; effectiveness was assessed against several measures including the number of weapons that were delivered to target. Of the various forces examined, those consisting principally of B–1s were—by a wide margin—more cost effective.

We believe that a mix of B–1s and B–52s is what we need to insure a viable bomber capability into the next century. I say a mix because we are well aware of the tremendous cost of any new aircraft. We are currently planning to buy only 244 B–1s, as compared to the 742 B–52s built during the life of that program.

We envision over 300 B–52s remaining in the active inventory for the rest of this century. We expect to target the B–1s against the heavily defended, high value targets. The B–52, with the addition of air launched cruise missiles, would be used to attack the less heavily defended areas. We think this combination, with the penetrating bomber as the central feature, is the right solution for the future bomber force.

Not everyone in this country agrees with us. Others reach different conclusions, based on different perceptions.

A case in point is the recent study of modernizing the bomber force published by the Brookings Institution. The authors concluded that the B–1 program should be terminated and that we should begin development of an aircraft that would be able to launch long range cruise missiles while standing far off from enemy territory. They

viewed such an approach as a more cost-effective alternative.

But their conclusion was based, in part, upon a significant difference in assumptions about the bomber's role. The Brookings authors viewed the bomber force only as "insurance" for our ballistic missiles, and as such saw a need for it to perform only a minimum "1960s-type" mission—destruction of 50 of the largest cities in the Soviet Union.

But the world is not like it was in the 1960s. By no stretch of the imagination will it be so in the 1980s. The required tasks are much more complex.

Flexible response has replaced mutual assured destruction as our strategic doctrine. A bomber force that could only destroy major cities would be an airborne dinosaur, contributing little to our deterrent posture.

Even more, however, the Brookings authors were overly optimistic about the ability of cruise missiles, fired from a large aircraft outside the Soviet Union, to penetrate 1985 Soviet surface-to-air missile defenses. Those defenses will be very dynamic, and cruise missiles may not be very effective against the high value, heavily defended urban targets. Cruise missiles lack human judgment. Initially they will have no significant electronic countermeasures. They cannot maneuver to avoid unforeseen defenses.

Next is the matter of costs. To modernize the strategic bomber force will require a substantial financial commitment from the nation. The authors of the Brookings Study think the force could be modernized more cheaply, and with equal effectiveness, by a standoff 747-type cruise missile, rather than the B–1.

The B–1 program through 1985 is expected to cost 21.4 billion dollars, including expected inflation between now and then. By dividing that total cost by the number of airplanes we expect to buy over a ten year period, the average cost of each airplane is 87 million dollars in what are known as "then-year" dollars.

To look at it another way, let's look at "flyaway" costs, that's the cost of manufacturing a B–1 airplane. It doesn't include a proration of the development costs. You might think of it as the cost of adding, or replacing, one aircraft to the fleet. The B–1 flyaway cost, in fixed 1976 dollars, is $47 million.

To put these costs in perspective, consider the cost of a 747, about $40 million each. Those commercial transports must be hardened and upgraded to operate in the military environment: in-flight refueling and other endurance features, increased power supplies, structural and electromagnetic hardening, rapid start and fast escape features, and so forth must be added.

We have had experience in doing just that. We bought four 747s to use as airborne command posts. To simply "militarize" one costs an additional $25 million. That does not include any modifications for cruise missile carriage and launching. Thus, a military 737 starts at $65 million and could end up closer to the $100 million that our airborne command posts are costing. That's not exactly a "cheap and easy" alternative to the B–1.

None of this is to minimize a $21 billion investment. But let's put it in context. At the height of World War II, defense consumed almost 40% of our gross national product. During Korea that figure was about 13%. By the time of Vietnam, the figure was about 9%. Today it's under 6%. Development and acquisition of the B–1 will account for less than 2% of that total defense commitment over the next 10 years. To say that we cannot afford the B–1 does not make sense to me. The logical questions are whether it is needed and will work.

Recently the Government Accounting Office (GAO) performed a study of the cost, schedule, and performance aspects of the program, including flight testing, ground testing, and subsystems development. The GAO Report is a factual look at the current status of the B1 program and should prove useful to anyone assessing its merits.

The Report identifies some problem areas in the B–1 program, and there are some honest differences of opinion between the GAO and the Air Force about the significance of these problems. But I would like to point out that the B–1 has had more pre-production testing than any military aircraft yet produced. We have encountered some technical problems; that's why we have test programs. Any development, be it a new lawnmower or a new airplane, involves putting the pieces together to see how they work. The problems we have encountered are routine, typical of all developmental test programs, and corrective steps have been taken.

Nevertheless, some opponents of the B–1 program have been quick to take portions of the GAO report out of context and give them wide dissemination as evidence that the program has "run into technical problems."

One example: It was reported that a "crucial part of the wing . . . broke during a test." What was not said was that the test objective was to determine how much load the structure could take before it failed. We intended to make it break—and it did, exactly where we predicted it would, although it took a greater load than we thought it would. We made a public announcement prior to the test of what we intended to do so there would be no misunderstandings.

There have been no substantive technical problems that will interfere with successful completion of the test program nor that would preclude entering production.

Another proposal concerning the B–1 is dangerous because it assumes we live in a friendly, benign world. It is argued that we should wait awhile, see some more test results, let another Congress review the matter, and so forth.

This year we have asked the Congress for over a billion dollars to commence production of the B–1. By the time those funds are voted and we are ready to place them on contract, three aircraft will have logged over 250 hours of flight time. Key structures will have experienced two lifetimes of fatigue testing. By any measure of merit, it will be time to proceed. Even if we place these production funds on contract this fall, it will be 1980 before an operational aircraft appears at a SAC wing. It will take almost a decade until we have a full B–1 force in operation.

In sum, I believe that the strategic Triad of forces offers the best hope for maintaining a viable deterrent posture for the foreseeable future. A capable manned bomber force is essential to that posture. Agreement that it is essential is growing throughout the country, and is reflected in a vote taken in the House of Representatives on the 8th of this month. At that time, the House voted 210 to 177 not to defer B–1 production until February 1977. That vote reflects not only the awareness of the *need* for the B–1, but also shows a sense of *urgency*.

Just prior to that key vote, the House Armed Services Committee released a report that states, in part:

"The Committee has investigated all the alternatives presented by the various studies and concludes that the B–1 bomber . . . is required, is essential . . . , is complementary to the other legs of the Triad, is cost-effective . . . , and is meeting its major milestones."

The B–1 is the right solution—in terms of cost, in terms of effectiveness against sophisticated defenses, and in terms of flexibility. The B–1, with the other modernized elements of the Triad, will help us face the rset of this century with confidence.

Mr. STENNIS. I thank the Senator very much.

Mr. President, is there anyone who wishes to use time at this point in opposition to this amendment? If not, I shall be glad to yield back my time.

Mr. CULVER. I am glad to yield back the remainder of my time, too, Mr. President.

The PRESIDING OFFICER. Is all time yielded back?

The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President, I call up my amendment in the nature of a substitute to the amendment of the Senator from Iowa.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern) proposes the following amendment:

On page 15, line 4, strike out "$6.196,-300,000" and insert in lieu thereof "$5,146,800,000".

On page 37, after line 19, insert as follows:

"TITLE VIII—GENERAL

"Sec. 810. (a) None of the funds authorized by this or any other Act may be obligated or expended for the purpose of procurement in connection with the B–1 bomber aircraft program.

"(b) The Secretary of the Defense is directed to conduct a study of reasonable and effective national defense alternatives to the B–1 bomber aircraft program and to submit the results of such study to the Congress together with such recommendations as he deems appropriate."

Mr. McGOVERN. Mr. President, this amendment is offered as a substitute to the amendment that has just been described by the Senator from Iowa. There is approximately $1.5 billion in the committee bill for the B–1 bomber for the coming fiscal year. Of that $1.5 billion, approximately $1 billion is for procurement costs and approximately $.5 billion is for research and development. My amendment does not touch the research and development portion of the bill, $482 million, to be exact.

The amendment does two things: First of all, it would prevent the expenditure of any additional funds for procurement of the B–1 bomber. Second, it would require the Secretary of Defense to conduct studies on alternatives, the whole range of alternatives to the B–1 bomber, and report back its findings to Congress.

Mr. President, first of all, I agree with the Senator from Arizona (Mr. Goldwater), who is a recognized expert on the B–1 bomber. I agree with him on three points that he has made.

First of all, I think my substitute amendment is a more direct way of getting at the problem of whether or not we ought to proceed on this system. Second, I agree with him that the approach that I am suggesting here places the responsibility on Congress, where it belongs. It is our obligation to authorize and appropriate funds and we should not pass that obligation on to the President of the United States, no matter who he is. So, while I think there is a commendable purpose behind the amendment offered by the Senator from Iowa, I think it is much superior for us to face up to our responsibility ourselves.

We complain all the time about the encroachment of the executive on the powers of Congress. We complain about the growing concentration of executive power in the White House. If we are sincere about that, we ought to confront this problem here, in the Senate of the United States. On that point, the Senator from Arizona and I are in full agreement.

There is a third point on which I not only agree with the Senator from Arizona, but I agree with the chairman of the committee (Mr. CANNON) and others, that the B–1 is a beautiful bomber. There is no question in my mind that this is probably the best bomber that has ever been put on the drawing boards. I am willing to concede that it will do everything that its advocates say that it will. I think it will be just as destructive and just as devastating as they claim. There is nothing that I have heard claimed for the B–1 that I want to dispute here this afternoon. I am willing to concede all of these points.

If it carries any weight with anyone here, I would even point out that I used to be a bomber pilot, although that was a good many years ago, when bombers only cost about $200,000 apiece. The one we are talking about here this afternoon will cost about $100 million apiece.

The question that I should like us to focus on is not whether or not the B–1 is a good bomber. It seems to me that we can concede that it is the best of its kind. The question is whether we have any need for this additional destructive capability in the American arsenal.

At the present time, if we do not build another warhead for the bombers we now have or for the submarines or the land-based missiles that we now have, we have the capacity, this afternoon, to launch 40 nuclear warheads against every single city in the Soviet Union above 100,000 population. They have the capacity to launch 17 warheads against every American city above 100,000. What this adds up to, Mr. President, is the blunt and uncomfortable fact that either side has the capacity to utterly pulverize the other if nuclear war comes.

I do not think that any Senator, regardless of how he feels about the B–1, would seriously argue that there is going to be very much left, if nuclear war comes, in either country, to say nothing of the rest of the world.

What is our nuclear capability in brief, Mr. President? We have 5,000 nuclear warheads now in place on the 41 Polaris-Poseidon submarines that are already in operation. We are preparing another 4,000 warheads that we can launch from 10 Trident submarines. Each one of those submarines carries 408 weapons. But we shall not count that. Let us eliminate that from consideration, since they are not presently in place.

We have 420 B–52's and FB–111's that are capable of carrying some 1,600 warheads. The thing we need to keep in mind, Mr. President, is that no one denies that those B–52's and FB–111's, which are superior to the bombers the Soviets have in their bomber force, are going to be operational until well into the 1990's.

So I am not suggesting here that we abandon any leg of the triad. We have the best bomber fleet of any country in the world and that bomber fleet will continue to be operational until well into the 1990's.

The third area of nuclear warhead capability is the 2,300 warheads that we have on our Minuteman missiles.

The Secretary of Defense, in his most recent report, has told us that we have 8,900 nuclear warheads on these three legs of the triad, and that the Soviets might reach as many as 3,500 by this summer. In other words, we have them outnumbered by approximately 3 to 1. And yet what is being proposed here is on top of all this superiority that we add another system at an eventual cost over the life of that system of nearly $90 billion.

What I would plead for Senators to consider, Mr. President, is whether at a time when we are already faced with the inflationary pressures that now confront the country, at a time when the President has found it necessary to veto legislation in the last couple of weeks, including the child care bill which is estimated to cost about $125 million, a bill that he vetoed on the ground that it was inflationary and would strain the budget, that we think seriously before we move ahead on the procurement of a system that is going to cost almost as much for a single bomber as it would have cost for this entire child care bill that the President saw fit to veto.

Keep in mind, Mr. President, that in this bill that is now before us there is about a 29-percent increase in strategic spending in the face of these overwhelming figures that I have already cited.

I suppose it is possible for people on both sides to cite distinguished authorities in support of their position, but I would call the attention of the Senate to the fact that the Federation of American Scientists has come our foursquare against the B–1 bomber. Mr. McGeorge Bundy, whom no one has ever described as a dove, has come out strongly against it, has said it would be outrageous for us to proceed with this unnecessary overkill.

The former Secretary of Defense, Mr. Clark Clifford, has taken the same position, and so on down the line.

So, Mr. President, without burdening the Senate with arguments that everyone has heard over and over again, I hope that in the light of the circumstances the Senate would agree to prevent any further expenditure on procurement of the B–1 bomber in this current fiscal budget, and that we move ahead with a reasonable study on alternatives to it, and I hope this amendment will be adopted.

To save the time of the Senate, Mr. President, I ask unanimous consent that several supporting documents going into the arguments more in detail be printed at this point in the RECORD.

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

TESTIMONY SUBMITTED BY SENATOR GEORGE MCGOVERN TO THE SENATE ARMED SERVICES COMMITTEE

Mr. Chairman and members of the Committee, I would like to emphasize two portions of the fy 1977 Department of Defense authorization request which I believe have, for different reasons, the most serious implications for our strategic posture in the years ahead. They are the B–1 strategic bomber and the strategic cruise missile.

As members of the Committee know, my reservations about the B–1 bomber go back to the days when it was still called the Advanced Manned Strategic Aircraft. My concern is not that this is an unnecessarily provocative system—indeed, I suspect even the Russians would like to see us build it, on the grounds that if we do not, the funds might well go into something that poses a more significant threat. On the contrary, my objection to the B–1 program is simply that it calls, needlessly, for more expenditures than can possibly be justified for the limited roles strategic bombers can be relied upon to perform.

The cruise missile is a different matter. Again, it is a subject I have raised before, in an amendmnet to the defense appropriations bill last year. That was an attempt to postpone flight tests of modern cruise missiles until we had a chance to examine thoroughly the arms control consequences of these systems.

As I will argue in more detail later on, I think the cruise missile is a prime example of technology outrunning good sense. Either the sea launched or the air launched version has the capacity to destroy our remaining opportunities for comprehensive, verifiable limits on strategic arms. Beyond that, if we can bring ourselves to look beyond the satisfaction of a temporary technical lead, I think we will find that we are touching off a competition that will, a few years hence put us at a relative disadvantage in the overall strategic balance with the Soviet Union.

Let me make one other preliminary observation. I do not propose to make a technical challenge to either of these systems. The members of this Committee are as well equipped as any member of Congress can be to discriminate between promise and performance, and to separate hopes from expectations, on whether these systems will work. To some extent our conclusions in that regard must come down to a reliance on the military and civilian managers of these programs. We have neither the time nor the expertise to make the necessary scientific evaluations. Even so, the hearings and the inquiries undertaken by the Committee and by the Research and Development Subcommittee—and I have been following the printed records—have generated an abundance of information upon which disinterested technical judgments can be based. I certainly need not repeat for the Committee what has already been said.

But as we have no special competence in the technical areas, there is an area where every member of this Committee has more skill than even the loftiest official in the Department of Defense. And they know it too. If they are best equipped to tell us what a specific system will do, we have the ability—and the responsibility—to decide whether it is something this country needs to be able to do. The Congress has an obligation to think beyond the performance of this or that weapon, and to consider how it squares with the rest of the Pentagon program, with the rest of the national government's responsibilities, and with an appropriate American role in the world.

These are not military or technical questions. They are political questions, and they are beyond the competence of the military. Indeed, I think we have gone too far in the direction of vilifying the Armed Services for what should be regarded as civilian mistakes. That does not mean the military tends more often to be right. On the contrary, I think some of the requests in this budget are wholly unreasonable. The problem is that civilian managers both in the Executive Branch and in the Congress have relied on the military for judgments they should not be expected to provide. We have expected too much of them, and too little of ourselves.

The B–1 Bomber

The B–1 bomber is the most prominent current example of my point.

There have been some technical and management problems over the life of the program. We now know that it will weigh more, require more distance to take off, have a shorter unrefueled range, and fly slower than originally planned. At the same time the costs have jumped from a little over $12 billion in June of 1971 to nearly $22 billion now, due in substantial part to a ridiculously low inflation factor in the 1971 projection.

Thanks to a recent study published by the Brookings Institution, we also have what we have needed for a number of years—an authoritative estimate of what the entire manned bomber program will cost, not just to buy the B–1 but to carry out the entire bomber program planned by the Air Force. According to Alton H. Quanbeck and Archie L. Wood, authors of the Brookings study, *Modernizing the Strategic Bomber Force*, the bomber force now envisioned will cost the American taxpayer a little under $92 billion over the next ten years.

Now those matters are on the table. I find little reason to doubt either the procurement cost estimates supplied now by the Pentagon or the operational program costs projected by Brookings. And I do not doubt that the B–1 will perform roughly up to the standards described by the Air Force, especially since the first prototype has been flying for a number of months.

But that is hardly the end of the issue. On the contrary, it is just the beginning. Granted the B–1 will do what they say, do we need it? Is it worth it?

That obviously requires some examination of the bomber's role in our overall strategic posture.

Much of the argument starts with a given—that we must maintain a triad of strategic systems, implying three legs of equal importance. I recall hearing the principle described once as similar to the three-legged milking stool; it is axiomatic that one leg cannot be shorter or longer than the other two, lest the stool be unstable and the milkman fall off.

That is the premise which requires constant modernization of all three legs of the deterrent. The managers of each of the three legs—ICBMs, SLBMs and bombers—operate on the assumption that if there is even a brief gap in the ability of their one system to deliver its warheads on target, then the whole strategic purpose will fail.

Yet, all of these systems have an identical purpose—to deter nuclear conflict. There are arguments over variations in the scope of the disaster we must prepare to prevent. But there is no dispute over the fact that the job of all three strategic offensive systems is to prevent, by guaranteeing an appropriate response, any nuclear attack upon the United States, whether it is a surprise all-out attack on our cities or, say, the distruction of a single U.S. military target.

So I suggest that since they are all designed for the same job, the first point at which Congress must take a broader view is in setting aside parochial concepts and in considering the Triad as a whole.

Once that is done it becomes clear that by the very nature of the systems, the bomber leg is, in fact, shorter than the other two.

As members of the Committee know, we now maintain 1054 operational ICBMs—84 heavy Titans, 450 Minuteman IIs, and 550 Minuteman IIIs with multiple independently targetable reentry vehicles. ICBMs are our most accurate missiles. They can strike a variety of targets, from "soft" urban and industrial centers to military bases or, possibly, missile sites. They will hit those targets in 30 minutes or less after launch. Under the new Command Data Buffer System and silo upgrade program, we will be able to retarget individual Minuteman III missiles within 36 minutes after such a decision is made.

Deterrence is a mental, rather than physical, condition. It cannot be precisely quantified, since there is no way to measure how much assured destruction it takes—one city, ten, one hundred, or more—to convince Soviet decisionmakers that an attack would be a foolish, no win, suicidal proposition.

But there is plainly a point of diminishing deterrent returns. If the Kremlin is not deterred by the guarantee that we can strike 1,000 cities, it will not be the more deterred by our ability to strike a few more villages and towns.

So it seems to me that just our ICBM force, with a capacity to strike more than 2,000 separate targets, constitutes an ample deterrent alone. And it, alone, can be a deterrent against both large and small wars. Because of its accuracy, we can threaten to respond with a few missiles or many, against cities or military targets, depending on the nature of the attack. I frankly have grave doubts about this thesis that there may be a gentlemanly nuclear war in which each side singly shot at a few of the other side's missiles or bases. But if it is our doctrine to have a flexible response to deter smaller wars, the ICBM still fills the bill.

There is, of course, one matter of concern. Both we and the Soviet Union have agreed, in SALT I, that neither side will deploy active defenses against incoming ballistic missile warheads. But we do have to consider the possibility that large Soviet SS–17, SS–18, and SS–19 missiles, with MIRVs, could conceivably strike fixed-base ICBMs before they are launched.

I am frankly not as alarmed as some by that development, because I doubt whether it has much effect on the deterrent impact of Minuteman. First of all, it has no significant impact on the ability of Minuteman to deter an attack by a few missiles—even if, as seems most improbable, the attack were on a portion of the Minuteman force. Any commander contemplating such an attack would certainly know that we could still respond, in measured fashion, with those Minutemen which had not been struck.

Beyond that, even if ICBMs were all we had, consider the logical obstacles a Soviet leader would have to leap in order to contemplate a full scale counterforce attack upon Minuteman.

At the outset he would have to have absolute confidence in the reliability and accuracy of his missiles—in complex systems which have never been tested in numbers or in anger. For he would be certain that if even a small portion failed, his society would be wiped out. Would we have such faith in our systems?

In that process he would also have to discount the fratricidal effects of his own missiles—a condition which many experts believe consigns the concept of a comprehensive counterforce strike to the realm of the absurd. Our Minuteman fields are clusters of silos. If one Soviet ICBM struck one Minuteman, the explosion would at the same time destroy other incoming Soviet ICBMs, or at least blow them off course. So if these were an attempt to destroy all Minutemen at once, most would probably be spared. If, on the other hand, the attack were staggered to avoid fratricidal effects, we would have ample warning, from the time the first Soviet missiles struck, to launch the remainder.

Further, perhaps still more decisively, the Soviet leader would have to be thoroughly confident that we would not launch our missiles from under attack; that we would not respond until *after* his missiles had struck. We do not want to establish a "launch on warning" posture. Our surveillance systems could be wrong, after all; it is safer to wait, and be sure. But the point here is different. It is not our *intentions*, but the Soviet leader's *perceptions*, that control. He knows that physically we can launch on warning; hence there is no way he can be certain that we will not. A leader who would launch a first strike under those conditions would have to be mad. And madness is something we cannot deter no matter how large or varied our force.

Finally, this analysis leaves out steps we are preparing to take to protect our ICBMs from counterforce attack, without even considering the other legs of the Triad. Secretary Rumsfeld points out in his posture statement, for example, that,

"To ensure that there will be an option to deploy a modernized and survivable ICBM force in the future . . . the Department proposes to move forward in an orderly and deliberate manner with the key components of air- and land-moveable ICBM systems."

So if we are still concerned about the ICBM leg of our deterrent, we have this further assurance that a Soviet ability to attack our ICBMs will remain beyond the Soviet's reach.

And, we must remind ourselves, our ICBMs are not alone—far from it.

We also operate a combination of 41 Polaris and Poseidon submarines, with 656 sea-launched ballistic missiles. Twenty-seven of those submarines, out of a planned 31, have now been equipped with Poseidon MIRVed missiles. Though less accurate than ICBMs and therefore not as well suited for responding against military sites, those SLBMs make up another independent deterrent force, capable of striking thousands of targets. Because they are stationed closer to Soviet territory, their flight times are even shorter than those of ICBMs.

Although there is no fear that the submarine force is vulnerable to counterforce attack, we are already moving, nonetheless, to expand it and make it more secure. The Trident construction program will add ten larger and quieter submarines, with longer range missiles, giving the system millions more square miles of ocean to hide in.

So our Soviet leader planning a first strike would have to make yet another senseless assumption—that if he did attack our ICBMs, we would, for some reason, withhold our SLBMs. It is an assumption no rational being would make.

Hence, between our ICBMs and our SLBMs we are maintaining and modernizing two independent forces for maximum deterrence of nuclear war. Between them they have sufficient flexibility to attack a full range of targets, and sufficient explosive capacity to destroy any adversary many times over. Between them, I suggest they can perform virtually everything we can expect of our nuclear arsenal. Further, since deterrence is as much a mental process as a physical one, I also suggest that the greatest threat to our deterrent of late has been the constant litany of comparative weakness we keep hearing from the Department of Defense. Our deterrent is secure. I only hope Soviet leaders do not start believing what we keep telling ourselves.

I stress, again, that conclusions are based far less on technical matters than on a per-

ception of how rational beings benave. At bottom this is a political question—an evaluation of what we must have, to avert a *political* decision by any adversary to launch a nuclear war.

What role remains, then, for manned bombers?

They begin as the shorter leg of the Triad for a fairly straightforward reasons. ICBMs and SLBMs have flight times measured in minutes, and—because of SALT and technical limitations—we postulate no defense against them. Manned bombers take hours to reach their targets—upwards of eight hours even for the supersonic B–1. And while there is little doubt about the ability of even the existing B–52/FB111 force to penetrate, there is no negotiated bar to bomber defenses, and it is conceivable that an effective system could be built. So long as we place missiles, then, they form the front line of defense. If nuclear war were to happen, it would most likely be over before the bombers arrived.

Nonetheless, Secretary of Defense Rumsfeld explains in his FY1977 Defense Department report that bombers,

". . . provide for a measured warning in crisis, offer an essential hedge against failure in our missile forces, and complicate Soviet attack and defense planning. They also provide a visible show of resolve and constitute a flexible, multipurpose system."

I do not dismiss all of that. But I do question how important it is, and how much it should cost.

It may be useful, for example, to put bombers in the air in a tense situation, as a show of resolve. It has been argued the manned bomber is the only system with which we can take visible steps toward war and then stop short, by recalling the bombers.

That is true. But the proponents of this argument must admit that it assumes a rather primitive level of intelligence in the Kremlin—that they can be deterred by the bombers because they can see them, but that they will not be deterred by the missiles because they are immobile until they are launched.

It may also be useful to use bombers to "complicate Soviet attack and defense planning." On the defense side, however the issue has been substantially resolved by the SALT I treaty, in which both sides have agreed to remain vulnerable to missile attack. It is true that an ABM system would not work against low-flying bombers. But they have agreed not to build an ABM. And if they should violate the treaty, we can still forecast one of two options—either that our best and least costly choice would be to flood the defense by deploying more MIRVs, or else that the new defense will be in a realm, such as lasers, which would be equally effective against missiles *and* bombers. In either case the investment in bombers does not seem worthwhile.

There is more, however, to the argument that manned bombers further complicate the situation for a Soviet leader who is thinking about launching a counterforce strike. For accuracy, he would have to use ICBMs against our ICBMs. But the alert bomber force could be launched from underneath the attack. Soviet SLBMs might be able to strike our bombers on the ground, but that certainly gives sufficient notice that an attack was underway to cause us to launch our ICBMs. Given the warnings and flight times involved, it would be impossible to attack both at once.

But I have just reviewed a series of fatal complications any Soviet first-striker must weigh before he even starts worrying about bombers. He must have absolute confidence in his systems; he must worry about fratricidal effects; he must be—and cannot be—certain that we will not launch our ICBMs on warning; he must count on our being so cooperative as to not thwart his strategy by deploying land mobile or air mobile missiles; he must—and cannot—discount thousands of SLBM warheads which he cannot strike before launch and cannot intercept. On top of all of that, the bomber is a sixth level of complication. How much complication is enough? And how much is it worth, compared to programs that would directly reinforce the first five.

We are told that manned bombers are "flexible." Again, it is a small incremental value. In response to a limited attack, a few bombers can be sent to strike a variety of targets. But it is also possible to send a few ICBMs with greater assurance, against the same kinds of targets, as a measured response. Or in the midst of nuclear war, it is conceived under some scenarios that bombers have a unique damage limiting role—that they could observe and strike any Soviet ICBMs which had not yet been fired. Frankly, I have always wondered how we can presume that the Soviets would be so solicitous as to wthhold those missiles until our bombers could get there to knock them out. And if the mission is to destroy empty silos to assure that they cannot be reloaded, I wonder how much value that will be to a society which has already absorbed thousands of warheads from submarines and ICBMs. Any damage the bombers could prevent would have already been done.

Next, consider the bomber as a "hedge against the failure of our missile forces." The warheads have been tested. The missiles have been tested at full operational ranges. We have the fullest confidence that they will work. More importantly, regardless of our level of confidence, any adversary planning an attack must assume that they will perform. And if nuclear war comes nevertheless, they will have failed before they are fired.

Finally, it is said that the strategic bomber is a "multi-purpose" weapon. I assume that is another way of saying that it has roles beyond that of participating in the deterrence of nuclear war. There is one such case: If we are engaged in another Vietnam-type war, it might make some military sense to send strategic bombers against undefended targets, as we did in Vietnam. But it would be foolish to use them against defended targets, as we also did briefly in Vietnam with B–52s. Strategic bombers are cost-effective in nuclear war because of the enormity of their payload and the fact that only one mission is involved. In conventional war, even a three percent attrition rate would wipe out the entire bomber force assigned in about 90 days time. It makes far more sense to do what we are doing—to build tactical aircraft at lower cost, to increase the number of targets for the defense.

It should be apparent from this that the strategic bomber itself is a marginal case. I do not say that the risks at which it is aimed can be wholly discounted. But I do say that they are so remote as to be beyond the range of practical vision. And that is the context in which we must examine the B–1.

If I have been reading the reports properly, this Committee has been concerned for a number of years over the escalating costs of modern weapons—over the tendency to build every capability we can into every program, with the end result that for a given amount of money we get less and less defense. That is a serious military matter, especially when you consider that the Soviet Union seems to be spending its defense rubles better than we are spending our dollars.

I submit that the B–1 bomber is today's extreme example of that problem.

We hear a great deal about its ability to carry more payload in fewer planes. Where is the military sense in that? If anything, it seems to me that we should be seeking to carry the payload in more planes, at less cost, to flood the defenses.

The B–1 is a supersonic aircraft, and that increases its cost. But it is supersonic only at high altitudes, and it cannot penetrate at high altitudes because it will be vulnerable to detection and destruction by SAMs. Why is it supersonic? I think it is because no one can bear to think of building a subsonic aircraft in the 1970's. And that is no reason at all.

The B–1 is deemed cost effective by virture of a competition—the Joint Strategic Bomber Survey—which opened with the premise, according to last year's hearings, that our manned strategic aircraft must be able to guarantee delivery of 2,000 nuclear weapons and on hardened Soviet targets. Granted that the B–1 can do that; why *need* we do it? Why not count our ICBMs and MIRVs, and design a bomber force to deliver 500 weapons on soft targets, as a hedge against the incalculably remote risk that the other systems will somehow dissolve?

These and other assumed and almost entirely untested requirements account for the fact that we are asked to spend $22 billion to modernize the hind leg of the Triad. They explain why it is proposed that over the next ten years we lay out $92 billion—over $9 billion a year—to buy, arm, operate, and maintain the one strategic system that has the least to do with deterring nuclear war and that will be the least likely to participate if nuclear war ever comes.

We cannot blame the Air Force for asking. But this, of all times, must certainly be the time to say, "no." It is time to point out that the national budget is only so big; that there are other priorities, in and out of the military budget, which demand our attention; that if a strategic bomber is to be had, it must be one that bears some reasonable relationship—in capabilities and costs—to the limited roles bombers can play.

To that end, Mr. Chairman, I have introduced an amendment to terminate further work on the B–1, and to inspire and support the development of a more realistic alternative program. A copy is attached to my statement.

CRUISE MISSILES

My concern about modern cruise missiles rests on different grounds. The B–1 is an inflated, wasteful program, but it poses no particular risk. Highly accurate, advanced cruise missiles are a different matter. I believe they threaten to discredit and then dismantle the mutual American-Soviet hope for negotiated limits on nuclear arms.

Again, it is primarily a political question. We have to decide whether it makes more political sense to exploit a temporary technical advantage, or to try to avoid, on both sides, a new system which could literally transform the Triad into a centipede, all for no gain in the end.

The cruise missile is not a new concept. Indeed, the V–1 rocket used by the Germans in World War I was essentially a cruise missile. We have deployed them in the past, and so have the Soviets.

What is new is the technology which can make the cruise missile a highly formidable strategic weapon. We have just begun testing systems through which cruise missiles can travel thousands of miles, following the terrain to penetrate beneath radar surveillance, correcting their own courses through onboard computers, and striking predetermined targets with accuracies in the low hundreds of feet, and with 200 kiloton weapons.

Cruise missiles could be fired from submarines, from surface ships, from aircraft, or even from land. And therein lies the problem.

To verify strategic arms limitation agreements we rely on good faith to police the agreements. We can see for ourselves.

But once advanced cruise missiles have been developed and deployed, there will be no way to count them. Further, there will be no unilateral way to discriminate between

nuclear and conventional versions. One will look just like the other. Indeed, one can become the other, by substituting a nuclear warhead for a conventional one and using the space and weight saved for fuel.

We are well ahead in the technology. But there is no reason to believe that condition will last. So it may be most instructive to turn the issue around. Assume that the Soviet Union follows our lead and begins a few years hence to test both land and sea based cruise missile systems. It is my understanding that if they conducted a test and we would almost certainly detect it. But there is nothing to stop them, and we can expect that it will be no simple task to persuade them to forego the system if we have gone ahead on our own.

Then, if we know they have the ability to deploy cruise missiles, the question is, will we simply accept their word on what they have done.

We might argue that it would make little sense for them to deploy cruise missiles—and especially sea-launched versions—in large numbers, because they maintain their Navy for other purposes, just as we do. As far as I have been able to detect our own Navy has yet to come up with any compelling case for diverting ships and attack submarines into more legs of the deterrent.

But, for arms control purposes, the question is not whether they would but whether they could, without being caught. Once they have completed the tests, we will lose our ability to count and verify, with any confidence, the size and location of their strategic forces.

If we are to prevent that result, the time to do it is in the testing stage. Considering the implications for arms control, and the lack of any clear military need, I think the prudent course would be to suspend our own test program at least until we determine, through SALT, if we can avoid these systems entirely, on both sides.

This proposal is similar to one that was made some seven years ago on another system—multiple independently targetable reentry vehicles—by Senator Brooke and Senator Case. They argued that it would be better to prevent MIRVs than to build them, and they urged a postponement in our tests until a SALT ban had been tried.

Of course they lost. We operated instead on this strange thesis that the best way to prevent something is to build it, as a "bargaining chip." Now we hear that the Soviets are building MIRVs, that there is a throw-weight gap, that their MIRVs are bigger than ours, and that they may post a counterforce threat.

Meanwhile both sides are in the process of jumping from a few thousand warheads to ten thousand or more, for not the slightest gain in our safety. I suspect Senators Brooke and Case have a hard time being sympathetic toward these belated fears over Soviet MIRVs.

I submit that with cruise missiles we are buying exactly the same sort of problem. Only this time it is worse.

At least with MIRVs we can count submarines and silos and calculate the maximum force. Cruise missiles will be beyond counting.

Further, once again the potential strategic balance is not in our favor. Surface-to-air missiles can afford some protection against cruise missiles. The Soviet Union has a large number of SAMs, and they are continuing to build low altitude SA-3 sites; our air defenses have been reduced to little more than a surveillance system. Therefore, to maintain an essentially equivalent ability to either inflict or avoid damage in the cruise missile realm, we would have to invest far more than the Soviets in cruise missiles, defenses, or both. And if we cannot avert these systems, I would almost be willing to guarantee that we will hear such requests just a few years from now.

Again, it falls to the Congress to take a broader perspective. I do not expect to hear sound recommendations from arms control from the Department of Defense. That is not their job. After seeing the outline of a SALT II agreement, I do not even expect to hear sound arms control concepts from the Secretary of State, and it is his job.

But, especially after we have learned from bitter experience, I do think the American people have a right to expect that the Congress will apply a more sensible view—one that guards our safety not only by paying for adequate arms, but by preventing superfluous arms which can only increase our peril.

B–1 BOMBER FACT SHEET

1. *The B–1 is the most expensive weapons program in history*—This year it will cost $1.5 billion. For the years to come, it will cost $21 billion to build and then over $70 billion to arm and maintain. This represents a total cost of $91 billion or $88 million *per unit* and does not include cost overruns and additional design changes that will probably be necessary. (The new FBI building cost the taxpayer $101 million). Child care bill vetoed—cost $125 million.

2. *The cost of this weapon will result in a serious drain on other areas of the defense budget*—Defense budget money is not unlimited, so the billions of dollars spent on the project will cut into other programs and seriously reduce our ability to procure other, and possible more cost-effective, weapons.

3. *The design of the B–1 has been compromised so that it cannot function as originally designed*—To hold down the possibility of high cost overruns, the designed speed of the B–1 has been reduced from 2.2 mach to 1.6 mach, thus cutting its supersonic capability by 50%. Simultaneously, the weight of the airplane has been increased by 30,000 pounds, which decreases its carrying load. The vital crew-escape-capsule has been totally eliminated.—While all this has occurred, the per unit cost has risen from $25 million to $88 million, with the possibility of even further increases in the future.

4. *The supersonic function of the B–1 accounts for one-third of the total B–1 cost.* Furthermore, under the present planning for the B–1's strategic use, the supersonic ability will *never* be used.

5. *The unrefueled flight range of the B–1 is half that of the B–52.* The B–1 can go 6,100 miles without refueling. By contrast the unrefueled flight range of the still-useful B–52 is 12,000 miles. The shorter the range of an airplane, the greater the vulnerability to enemy attack.

6. *Better, cheaper, and more effective options to the B–1 are readily available*—The B–52 bombers can be refitted to have performance characteristics similar to those of the B–1, and at a fraction of the slated cost.

7. *The Pentagon is seeking funds before enough information is known*—According to the GAO, the development, testing, and evaluation program for the B–1 bomber will not be completed until early 1977; almost a full year *after* the Congress authorizes money for the production of this airplane.

8. *Performance standards for the B–1 bomber have been lowered*—Again, according to the GAO, certain criteria such as airframe and engine performance requirements, which are crucial to the effectiveness of this plane, have been altered and weakened.

9. *The B–1 will have a negative economic impact.* Forty-four states will pay out more in taxes than they will receive in subcontracts for the B–1. This has been demonstrated by the production of the research and development models. More jobs can be created through nonmilitary contracts, and defense spending contributes to the national inflation by producing goods which do not, in turn, contribute to the economy.

10. *The B–1 could destroy the atmosphere's delicate ozone layer, generate unacceptable noise levels and waste scarce natural resources.*

11. *B–1 deployment will not increase security*—The current over-kill ratio is so high, that the addition of the B–1 will serve to increase the number of nuclear warheads in the arsenal *without* enhancing our national security.

12. *The B–1, if ever needed, is not needed now or in the immediate future.* The present B–52 and FB–111 bombers will be good into the 1990's by the Defense Department's own admission. Rushing ahead with a new bomber program when the old one is adequate is poor judgment.

THE JOINT STRATEGIC BOMBER STUDY

A STACKED DECK FOR THE B–1

For more than a year the Office of the Secretary of Defense has been conducting a cost-effectiveness analysis of the B–1 bomber and other possible strategic air options. In response to an amendment by Senators McGovern and Brooke to the military procurement bill last year, Chairman Stennis of the Senate Armed Services Committee wrote on June 10, 1974, to the Secretary of Defense and to the Comptroller General of the United States, setting forth specific alternatives to be included in the study and calling for a review by the General Accounting Office.

The original McGovern-Brooke amendment would have required that the study include an analysis not only of the various strategic bomber options, but of the underlying strategic assumptions and missions. That recommendation was not followed. As a result the Joint Strategic Bomber Study ignores completely the most critical issue Congress must address: Assuming the B–1 can do all of the things defined in the Study, the question is, do we need those capabilities? Are they worth $20.6 billion more to arm, operate and maintain an extensive bomber fleet over the first ten years?

Both the Joint Strategic Bomber Study and the GAO analysis are classified. Therefore, the following discussion is drawn entirely from unclassified descriptions which appear in the Armed Services Committee hearings and other public sources.

APPROACH OF THE JOINT STRATEGIC BOMBER STUDY

Far from analyzing roles and missions, the Study actually begins with the assumption that the United States wants to spend the full $20.6 billion development and procurement cost of the B–1, and that we have an unquestioned need to be able to carry out the missions and hit the targets assigned to it. It then measures equal cost forces—$20.6 billion forces—against those predetermined missions and forces.

Senator McIntyre described the grave deficiencies of this approach in a letter to Secretary Schlesinger on March 14 of this year:

"The Joint Strategic Bomber Study's most fundamental bias was its design and evaluation of alternative bomber forces on the basis of the cost of the B–1 rather than designing a precise military mission and comparing each alternative bomber force's capability to fulfill that mission.

"The Study assumed at its center that as a nation we wished to spend the cost of the B–1 force and that indeed we needed the full range of its military capability. If the Study had defined the mission which our bombers should be expected to perform, and measured the efficiency of various alternatives in accomplishing that mission, such an evaluation may have led you to conclude that we may not have needed a follow-on to the present bomber force at all.

"This flawed logic is particularly apparent when the Study compares the various bomber forces in terms of the number of military targets that each can destroy. It did not demonstrate that we need such a capability. Bombers are inherently ill suited to attack well-defended, hardened missile silos, the most difficult military targets. Obviously, the long flight times of any bomber force would make it unlikely that Soviet missiles would remain in such silos. The destruction of political economic targets is the appropriate task of our bomber force and if that is defined in detail, your Study may well have been forced to conclude that the sophisticated capability of the B–1 with its high cost was a capability that our national security did not require."—Page 5564, Part 10 Armed Services Committee hearings on S. 920.

Considering that this is the central point of the entire debate, the Pentagon response—forwarded by Deputy Secretary W. P. Clements—was startling indeed. He said in part:

"This criticism addresses a real problem associated with the methodology of any detailed study of force effectiveness . . . However, it is really only practical to enter the analysis with a postulated force and then determine its effectiveness, rather than work backwards from a desired effectiveness to a desired force level. Let me explain: To obtain a force capable of particular effectiveness requires an iterative procedure whereby a series of forces are developed and their effectiveness determined until convergence is reached on a desired effectiveness. Because of the massive computational workload required by this procedure, it was decided at the beginning of the study to compare forces on the basis of equal cost, rather than on the basis of equal effectiveness."—Page 5568, Part 10, hearings on S. 920.

The statement goes on to say that the study gave them some "approximate" techniques for covering a range of effectiveness, which they then used to analyze "pure" forces (i.e., no mix of different aircraft), at various levels of target coverage, including "two substantially lower than in the basic study."

In other words, the study failed to consider at all the most critical question—how many of what kind of targets we need to be able to hit—simply because it required too much computation. On a $20.6 billion program, they didn't want to spend too much on computer time!

Comptroller General Elmer Staats wrote in his March 4 cover letter on the GAO analysis of the Joint Bomber Study that,

"Two important considerations influencing the results of analyses conducted by the OSD study team are the assumptions of the postulated threat confronting bombers and the desired level of destruction to inflict in a retaliatory strike."

In fact the Joint Bomber Study makes clear that the cost-effectiveness case for the B–1 rests entirely on three assumptions:

(1) A presumed American need, notwithstanding all other strategic systems, to kill some 2,000 Soviet hard targets with manned bombers,

(2) A very severe pre-launch threat from Russian SLBM's, which would require rapid take-off and flyout and a hardened aircraft,

(3) A very ambitious Soviet defense against bombers, including an Airborne Warning and Control System and look-down, shoot-down fighter interceptors.

The assumptions used in all three of those areas are implausible.

TARGET COVERAGE

The B–1 force would carry an extremely large payload—a total of some 38 million pounds in 244 aircraft, compared to about 21 million pounds in the 463 B–52 D, F, G and H models and FB–111s that were in the force in mid-1974. Through 1990, since it would be an addition rather than a replacement for the later model B–52s and FB–111s, it would represent a dramatic expansion of from 21 million pounds to nearly 52 million pounds in the total payload of the U.S. strategic bomber force.

Like other strategic bombers the B–1 could carry a mix of gravity bombs and stand-off missiles. Each one could, for example, carry 24 nuclear-tipped SRAM missiles internally, plus—with fuel tradeoffs—another 8 outside. That comes to between 5,856 and 7,808 separately targetable weapons.

Some of those weapons would be used for defense suppression. But in a discussion of supplements to the Joint Bomber Study, Brigadier General John Toomay, military assistant to the Deputy Director in the Office of DOD Research and Engineering, told the Research and Development Subcommittee April 10 that—

". . . since we don't know what we will require to achieve deterrence in 1988, the time at which these exercises were projected, we did a set—1,000 weapons, 1,500 weapons, and 2,000 weapons on target."—Page 5167 and 5168, Part 10, hearings on S. 920.

Deputy Secretary Clements' response to Senator McIntyre cited earlier pointed out:

"Accordingly, these techniques were incorporated into the supplemental analyses, which were then able to display for three different levels of effectiveness (*including two substantially lower than the basic study*), the relative cost effectiveness of various pure forces as a function of the postulated threat." (emphasis added)—Page 5569, Part 10, hearings on S. 920.

It follows that the Joint Strategic Bomber Study began with a requirement to penetrate the much more hostile airspace which the Pentagon believes could prevail in the 1980's, to make massive investments of weapons in defense suppression, and to still deliver at least 2,000 weapons on target.

On what kind of targets? Major General Robert P. Lukeman, Air Force Assistant Chief of Staff for Studies and Analysis, explained to the Armed Services Committee on Research and Development that,

". . . the kind of accuracy built into the avionics system of the B–1, which gives it a CEP of about (deleted) is very important to us for the attack of these very hard targets."

As Senator McIntyre's letter of March 14 suggested, the destruction of targets assigned for deterrence—soft political and economic targets such as population and industrial centers—is the only practical role for a bomber force. Bombers serve in a back-up capacity, to cover the exceedingly remote risk that the Soviet Union might find ways to counter both ICBMs and SLBMs, and to do so with such great confidence that they would be tempted to launch a first strike.

The limited "insurance" nature of the bomber role is obvious from the fact that while SLBMs have flight times of some 15 minutes, and ICBMs take only 30 minutes, even an advanced bomber like the B–1 would take some eight hours to fly to the Soviet Union. If it were used in conjunction with those systems, the war would be over before it arrived. Any war fighting role for the B–1, as opposed to deterrence, is patently ludicrous.

But by no stretch of the imagination does back-up deterrence require an ability to strike some 2,000 targets. Most Soviet population and industry is concentrated in some 160 major towns and cities. And none of those targets are hardened, requiring a close-in highly-accurate launch of gravity bombs or SRAMs.

Target coverages and missions obviously have a decisive bearing on what kind of a manned strategic aircraft the United States should buy. Under a more realistic definition of what bombers should be expected to do, there would be no need for such high accuracy or large numbers. Such options as a stretched FB–111, a stand-off cruise missile carrier, or an updated B–52 would become far more practical. But those options have been ruled out by the Joint Strategic Bomber Study because, as Pentagon managers have admitted, it began with target coverages and mission profiles and costs designed precisely to fit the B–1.

It also requires mention that the bomber is supposed to have a role in Secretary Schlesinger's so called "flexible response" doctrine, which would involve an ability to strike selected military targets. The Secretary's thesis is that in order to make a point or get our attention, the Soviet Union might launch a small nuclear strike against some remote point in the United States, or perhaps against our ICBMs or other military targets. He argues that the United States must be able to respond in kind. And he claims that if we cannot do that, we have no credible deterrent to small scale nuclear war, for the Soviet Union cannot be expected to believe that we would respond with a society-destroying blow to such a limited provocation.

Since the Soviet Union has no significant strategic bomber force, a response "in kind" would more likely involve a very small ICBM retaliation, with appropriate communication to the Soviet Union of the limited nature of our retaliation. But in these circumstances the relatively slow flight of the manned bomber is seen as a virtue, since a bomber response would be more easily seen by the Soviet Union as a measured response.

But 2,000 weapons on hardened targets is no measured response. Existing bomber forces, including the FB–111, would be fully adequate for such purposes. In fact, no strategic bomber at all would be required. In last year's military procurement hearings, on April 25, 1974, Major General James R. Allen, Special Assistant to the Chief of Staff for B–1 matters, admitted that even tactical aircraft stationed in Europe could accomplish that purpose:

Senator MCINTYRE. "General, can't our European based tactical fighter bombers, with nuclear missiles, provide the same strategic bomber capability for 'high reliability, accuracy, low-yield, minimum collateral damage and a mode of attack which will allow the enemy to discern unmistakeably that he is indeed facing only a limited response from the United States?"

General ALLEN. "Yes sir; in a peripheral sense against targets within range of the theater forces, that is certainly true . . ."

Mr. FINE. "Adequate to convey a message of intent?"

General ALLEN. "Depending on the message that you are attempting to convey, yes sir."

This discussion ignores, of course, the question whether Secretary Schlesinger's limited nuclear war scenarios should be regarded with any seriousness. The understanding on both sides of the overwhelming force of nuclear weapons and the deadly danger of nuclear adventurism is likely to keep the nuclear threshold high regardless of the Secretary's attempt to lower it. But even if his thesis were accepted, it would not rescue the case for the B–1.

PRELAUNCH THREAT TO BOMBERS

The Soviet Union could not attack our bombers on the ground with ICBMs because the bombers would have ample warning for escape. They would have to use submarine launched missiles, which are less accurate (too inaccurate to strike hardened Minuteman silos) but which could be launched from fairly close in to U.S. shores, so they would have shorter flight times.

Of course the Soviet Union already has SLBMs and they are not considered a serious pre-launch threat to our existing bombers. What would be required is a flat trajectory SLBM which would have a shorter flight time.

Major General Robert P. Lukeman, Assist-

ant Chief of Staff for Studies and Analysis, discussed the problem before the Research and Development Subcommittee on April 17:

". . . Instead of the minimum energy trajectory with a higher apogee, they would use a lower apogee using the energy to drive the missle through the air, through a denser atmosphere for a lower apogee, and more rapid time to target . . ."—Page 5522, Part 10, hearings on S. 920.

In his prepared statement to the Committee on March 7, Dr. Malcom D. Currie, Director of Defense Research and Engineering, described how the bomber is supposed to defeat such a threat:

"For all (bomber) forces, survivability against an SLBM patterned attack depends most upon reaction time. Dispersed basing, threat levels, air vehicle hardness and speed are substantial but secondary considerations . . .

"Warning of submarine launched ballistic missiles (SLBMs) is provided by dual satellite coverage of most of the close in threat areas and backed up by short-range coastal radars. Complete and continuous coverage of probable Soviet launch areas continues to be our goal . . .

"Present SLBM-detecting coastal radars are obsolescent and have a low availability. These radars will be replaced by two phased array radars approved in last year's budget. The phased array radars, referred to as PAVE PAWS, will increase radar coverage of advanced threats and be capable of providing better attack characterization information."—Pages 2697, 2703 Part 6, hearings on S. 920

There are several problems with the assumption of a Soviet scheme to hit our bombers on the ground.

One is that we already have aircraft that can defeat it—the FB–111. The Air Force doesn't think the FB–111 has enough range, even with stretched versions that have been proposed, the FB–111B and the FB–111H. That issue depends on the question of what target coverage policy and missions Congress approves. But on escaping from SLBM attack, Air Force Secretary John McLucas testified on April 17:

"Well, this airplane (the FB–111G) looked very good in terms of its survival during the prelaunch phase and the launch phase. The airplane is hard. The airplane can get off the ground quickly, and is small enough so that you can get a number of them off on a given base rather quickly."—Page 5529, Part 10, Armed Services Committee hearings on S. 920

Another problem that has been raised is with the tankers upon which the B–1 would have to rely in order to complete its mission. The B–1 can get off in something like four minutes. But what if the Soviet Union decided to attack the tankers, which take roughly the same amount of time as the B–52? The Air Force responds that since we have some 600 tankers, we could afford to lose some, and that they can be located at dispersed bases to minimize the risk.

A related problem is the likelihood that the Soviet Union may well not bother to build a flat trajectory SLBM. The Bomber Study assumes that they will simply because it is feasible. But it is a dubious assumption. First, it is not all that simple a technology—it would require extensive testing. High accuracy with flat-trajectories would be extremely difficult to attain. Further, if they placed any significant priority on attacking U.S. bombers on the ground, it seems likely that they would have at least begun a program of this kind by now—particularly since it is theoretically possible to strike B–52s. But on February 25, the following exchange took place between Senator McIntyre and Lt. Col. John C. Pettyjohn, chief of the Strategic Arms Limitations/Strategic Force Branch of the Defense Intelligence Agency:

Senator McINTYRE. "Are there any tests of SLBM's in a depressed trajectory? Have you seen any signs of that?"

(Colloquy deleted.)

Colonel PETTYJOHN. "No, sir."—Page 1742, Part 4, Armed Services Committee hearings on S. 920

In the same context, Mr. T. J. King, Director of the Strategic Forces Division, Office of the Assistant Secretary of Defense for Program Analysis and Evaluation, responded to questions about the alert status of existing bombers. None are on either airborne alert (in the air) or strip alert (ready to go at the ends of the runways):

Senator LEAHY. "How long are you talking about getting the bombers off the ground, from the time they see the rockets with their present capabilities?"

Mr. KING. "(Deleted) minutes in an advanced alert posture. We don't stand that alert today because the threat isn't there."—Page 1743, Part 4, Armed Services Committee hearings on S. 920.

Even if this advanced SLBM capability were developed by the Soviet Union, it is, of course, extremely unlikely that we would be presented with an "out of the blue" attack on bombers. It would, of course, be preposterous for them to consider such an attack if they did not also have ways to neutralize the other two legs of the U.S. TRIAD, the ICBMs and SLBMs. Beyond that, a period of high tension which could lead to attack would develop slowly enough to allow whatever bomber was in the force to be placed on airborne alert, a practice not followed on a day to day basis because of the high costs involved. And there is even some evidence that we could detect Soviet submarines positioning themselves for an attack, as suggested by the following exchange:

Senator McINTYRE. "Would not the B–52 fleet survive an SLBM attack considering that we would have ample warning if the Soviets began the relatively slow deployment of their SLBM submarines to launch sites and ranges?"

Dr. CURRIE. "That is an argument that has been made, and it is somewhat speculative, and I just cannot speculate."

Senator McINTYRE. "Do you agree or disagree with this statement: We have the ability to track Soviet submarines; they do not have the ability to track our submarines?"

Dr. CURRIE. "'(Deleted)."

Senator McINTYRE. "Who do we get in touch with, then?"

Mr. FINE. "Last year when the Navy presented their ASW (anti-submarine warfare) briefing to us they went into great detail as to their capabilities, (deleted). Now is what you have said in disagreement with that?"

Dr. CURRIE. "No, I think that is true. And everything is a matter of degree. The reason why I answered that question (deleted) is that it is not absolutely true."

* * * * *

Mr. SMITH. "Dr. Currie, DIA testified before this subcommittee (deleted). If they began that, would that not be another signal to us (deleted)."

Dr. CURRIE. "Yes, I think so, (deleted)."—Pages 2819 and 2820, Part 6, hearings on S. 920

Finally, and most decisively, all of the concern about a Soviet SLBM neglects the significant impact of the SALT I treaty on this question. The agreement against ABMs amounts to an agreement that the Soviet Union will remain vulnerable to ICBMs, at least after they are airborne. That had two implications for bombers. First, as discussed later, it eliminated the requirement for a third force, i.e., bombers, which would not be vulnerable to an ABM. Second, and of direct relevance here, it narrows the prelaunch survivability issue. It is obvious that, short of total madness, the Soviet Union will not contemplate a first strike against the United States unless it can neutralize all three legs of the TRIAD. Assume for a moment that they found a way to neutralize our SLBMs, forcing us to rely on the insurance bomber and ICBM forces. But under those circumstances to assure that at least one of the remaining forces would get through, all that would be necessary would be a bomber that could launch within the 20 to 30 minute warning time provided by Soviet ICBMs. We do not want to go to a destabilizing launch on warning policy with our missiles. But an SLBM attack on the bomber force would give ample notice that an attack was underway and that we should launch our ICBMs. And all that is required for that warning purpose is an assurance that a Soviet ICBM attack could not knock out both our bombers and our missiles—which means bombers that can take off within 20 to 30 minutes, well within the capability of B–52s or any one of a number of other options.

For these reasons the SLBM threat to bombers which the Joint Bomber Study postulates—and the corresponding requirement for a bomber like the B–1 that could launch in four minutes—is not an important consideration.

SOVIET DEFENSES

The second major assumption of the Joint Strategic Bomber Study is a very ambitious Soviet defense against penetrating bombers.

It has been clear for many years that a manned bomber must pentrate at low altitudes to escape detection if it is to have much hope of reaching its targets. Both the FB–111 and the late model B–52s—the G and H models—have that capability. The need for it is the fundamental reason why the B–70 was scrapped, since it was designed to penetrate at very high altitudes where it would have been vulnerable to surface to air missiles. It is axiomatic that, once it is detected and a missile has locked on, no manned bomber can fly fast enough to outrun a SAM.

The Joint Bomber Study postulates a heavy Soviet defense against bombers, involving an airborne warning and control system which would detect the bombers from above instead of relying on ground-based radars. It would also include fighter-interceptors with the capability to look down and shoot down.

Dr. Malcolm Currie, director of Defense Research and Engineering, described the nature of the problem and the solution in his March 7 statement:

"Bomber penetrativity against advanced fighters (having look-down, shoot-down capability) depends most on ECM effectiveness. Yet, because of the low altitude supersonic SRAM which can penetrate terminal SAMs and suppress fixed barrier SAMs and because of warning receivers which permit evading mobile SAMs, bomber effectiveness is not significantly affected by SAMs . . ."—Page 2697, Part 6, hearings on S. 920.

But what this suggests is that advanced capabilities of the B–1 over those of the B–52 really have no major bearing on the question of penetration. The B–1 is not supersonic at low altitudes, so it could not outrun supersonic interceptors. It has a smaller radar cross section and infra-red signature, but it is obviously far short of disappearing in those categories so the size of the signal probably makes no real difference. As Dr. Currie points out, what is really important is the nature of the electronic countermeasures available to the bomber. And in that category the same basic tools are available to both the B–1 and the B–52. There is no significant difference in their ability to avoid detection and fool defenses.

Further, if it cannot accomplish those tasks, no manned bomber will likely be able to penetrate—a point Dr. Currie also acknowledged in his March 7 testimony:

"The ECM suites for both the B–52 and the B–1 were shown to be effective, but the extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM was manifest. This sensitivity is so crucial that continuous reevaluation of the ECM interactions are required over the long term. Furthermore, we believe viable alternatives to the penetrating bomber must be pursued. Our cruise missile programs . . . constitute such an alternative, and we are searching for others . . ."—Page 2697, Part 6, hearings on S. 920.

So if the full postulated threat were to develop, the B–52 would likely have serious problems penetrating with target range. But the B–1 would have precisely the same problems. Again, the elaborate performance characteristics of the B–1 make no real difference.

There are alternatives, such as an air launched cruise missile—or air mobile ballistic missiles—which could be fired from beyond Soviet defenses. In theory low-flying cruise missiles could be intercepted by surface to air missiles. But, considering their relatively low cost and small size, they could also saturate defenses. Large jets built for this purpose could carry as many as 100 missiles if necessary.

But there is also the very real possibility that this assumption of the Joint Strategic Bomber Study is wrong.

Major General Robert P. Lukeman elaborated on the status of Soviet bomber defenses in his April 17 testimony:

"They have from (deleted) of these MOSS airborne warning and control aircraft, a converted CLEAT aircraft, which we call SUAWACS, or Soviet Union airborne warning and control system. That, of course, is far less capable than the U.S. AWACS. It cannot detect low-flying aircraft over land. If the Soviets pursue this technology on a priority basis, it is the judgment of the intelligence community that they would have an advanced AWACS with (deleted) . . .

"The Soviets as you know, are currently (deleted). The introduction of an AWACS similar to ours would, of course, correct those deficiencies, and we show here illustrative orbits for those kind of AWACS which could (deleted).

"The Soviet strategic defense fighter interceptor force is expected, of course, to decline in numbers. However, there is a significant trend away from austere day fighters avionics and weaponry.

"Most importantly, the Soviets could develop and deploy an interceptor equipped and armed to detect and attack low-flying aircraft. This so-called look-down shoot-down capability is, of course, possessed by our F–14 and F–15 fighters."—Page 5524, Part 10, hearings on S. 920

So the Soviet Union has no air defense system that would be effective against low flying bombers, whether it is the FB–111, the B–52, or the B–1. The threat postulated in the Joint Strategic Bomber Study is based entirely on our own technology, which suggests that they could build a heavy bomber defense if they wanted to.

But it would be an exceedingly foolish investment for precisely the same reasons that it has been deemed a foolish investment on the part of the United States. As then Air Force Chief of Staff General George Brown testified to the Armed Services Committee on February 7, 1974:

"The U.S. agreed in the AMB treaty not to deploy a total defense against ICBMs. Thus, as has been testified by the Secretary of Defense, it was concluded that it was not logical to maintain a vast air defense system against a bomber attack when we remain vulnerable to ICBM attack."

That point is so compelling that the Pentagon U.S. bomber defenses have been steadily declining and our own proposed Airborne Warning and Control System has been shifted entirely out of the strategic context, in an attempt to find some conventional war rationale.

When we must project far into the future to design strategic systems, there is some merit in projecting the threat on the basis of presumed technical capabilities rather than on changeable intentions. But there must be some limit to that approach. Surely it can be modified when, as in the case of the Soviet bomber defense assumed in the Joint Strategic Bomber Study, it requires an assumption of illogic and a taste for expensive futility on the part of the Soviet Union.

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

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

Mr. STENNIS. Mr. President, I think we have an odd situation here about control of the time. I think the Senator from Iowa is entitled to some of the time, whether under strict rule or not, and if he wants it, I will yield it.

Mr. CULVER. Mr. President, we are going to yield back our time.

Mr. CANNON. Mr. President, will the Senator yield 5 minutes to me?

Mr. STENNIS. Yes, I yield 5 minutes and more, if he wishes, to the Senator from Nevada.

Mr. CANNON. Mr. President, I did not speak earlier on the Culver amendment when it was before the Senate, expecting that I would speak some at this time.

I must say I agree with the distinguished Senator from Arizona that we are better off to face this issue squarely, either to kill the B–1 or to go ahead with the program.

The proposal offered by the Senator from Iowa would simply be another deferral, a very costly deferral, I might add, to a system that is already too costly. I wish there were some way we could bring the cost down with relation to this particular program, but it is a fact of life.

We have had heavy inflationary rises in the country that affect these weapons systems. The cost of everything has gone up, and this system is too much, but it is a question of whether it is something we need or whether it is something we do not need.

The Senator from South Dakota has put it very squarely in focus by saying he wants to take the money out for the procurement of this program. I do not know why he makes the point that he would not touch the R. & D. money, because we either need it or we do not need it. We have gone through the R. & D. program up to the present time, and it is true there is R. & D. money in this year, but if he favors killing the program we ought to kill it,we ought to cuts its head off completely and not just cut it off a piece at a time, a leg and a tail, and so on.

So I think that is something this Congress has to determine: Do we want this airplane, this system, this weapons system?

I wish we could say here on the floor of the Senate today we have no need for it, that we have complete assurance on the systems we have at the present time, and that we do no need his triad.

The only time we will know whether or not we need it is when we find out is too late, and the whole object of the triad system is to deter any possible aggression by a foreign power against us in the nature of a surprise attack.

If that surprise attack were to take place, and we had one leg less of the Triad, obviously we have a lesser chance to survive, and we have only one possibility of retaliation then, and that is basically only one because I am thinking now in terms of when the B–1 would come into the program, far on downstream. The B–52's, many of them, have outlived practically their usefulness at the present time and, as the Senator from Arizona pointed out, you could do any kind of modifications to those B–52's that you wanted, and you still have not modified the basic aircraft. You cannot make it any faster, you cannot make it much more durable to fly at low altitudes, you cannot make it fly any higher, you cannot give it any more bomb-carrying capacity without your going and build a whole new weapons system out of it, and if you are going to do that you are going to be up against costs that I think are greater than a B–1.

Here you have an aircraft, as the Senator from South Carolina pointed out, that is only about two-thirds the size of the B–52; it carries a much, much greater load than the B–52; it is much faster, it has more equipment on it, electronic devices and equipment, to give it survivability to get in and do its job and get out, if we need it, and I, for one, certainly hope we never see the day we will need it. But I would feel much more comfortable, Mr. President, if we have this as part of our Triad system, often the time frame in the future at a time it would come into the inventory, to assure us, and help assure us, at least that no other country tried to attack us.

In summary, Mr. President, I just simply say that if we are going to talk about studying alternatives, the alternatives have been studied; they have been studied up one side and down the other, because everyone would like to find alternatives that were less expensive, that were more effective. This has been the decision, and I support the decision. I hope that my colleagues will vote down the McGovern amendment just as they did back on June 5, 1975, when this same approach was made at that time.

Mr. McGOVERN. Mr. President, will the Senator yield very briefly?

Mr. CANNON. Yes.

Mr. McGOVERN. I just wanted to remind the Senator that in my remarks I did not suggest we abandon the Triad at all. I tried to point out to the Senator, if he will recall, that we have a far better bomber fleet right now.

Does not the Senator agree with that, that the American bomber fleet is infinitely superior to the Soviet bombers, without our building any additional bombers?

Mr. CANNON. No question but what the American bomber fleet is superior to the Soviet fleet at the present time. There is a question as to whether or not the American bomber fleet could penetrate into the Soviet Union. We could penetrate to a degree by sheer force of numbers, that is true, at the present time. But we do not have the capability for

penetration in the B–52 that you have in the B–1 program.

The Senator made the point that we have the triad. We do have the triad now, and he said we will have that off into the 1990's. I am not sure exactly what the timeframe is, but I am sure that the B–52 fleet starts to go down certainly very markedly before you get to the 1990 time period.

Mr. McGOVERN. I agree with the Senator. It is not going to last forever. But if he is conceding the point, we have a bomber fleet now in operation that is clearly superior to the Soviets, and I know the Senator would concede that——

Mr. CANNON. Yes, I do not think that is a concession. I would certainly agree it is a fact. No question but what our B–52 fleet is better than any Soviet bomber fleet.

That is not a valid comparison as to whether we do or do not need the B–1 bomber in that particular reference.

Mr. McGOVERN. Does it not make the point that those of us urging us not to proceed with yet a new bomber are not arguing against the triad?

I hope the Senator will not leave the impression that I am trying to knock off one leg of the triad when he himself recognizes the bombers we already have are better than anything the Soviets have.

The PRESIDING OFFICER. Time has expired. Who yields time?

Mr. STENNIS. I yield 1 minute.

Mr. CANNON. I see no rationale in that comparison whatever.

The B–1 is not here now. It is not prepared to replace the B–52 today. I think we will have the B–52 off into the seventies and I hope into the mid-eighties. But that is the period of time when the B–1 would be coming into the inventory in sufficient numbers to do the job and replace the B–52, which is the whole point.

I thank the Senator for yielding.

Mr. STENNIS. I thank the Senator for his remarks and fine statement.

I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I will be very brief in my remarks.

I just want to point out some things that we do not think of in this body enough.

Our costs are going up. We talk about not building the B–1 now, putting it off until the eighties or nineties.

Let me just recite a few figures.

I know my good friend from South Dakota is an experienced and very fine pilot of the B–24. That airplane he flew cost $224,000 and was the most expensive airplane we had in World War II.

All of the aircraft and aircraft engines built in World War I cost about $400 million. The P–51, which was in my opinion, one of the best piston fighters we ever built cost $37,500. Today, the F–14 and F–15, our fine fighters for the Navy and the Air Force, cost about $14 million apiece.

When we get into tanks, we used to pay around $50,000 in World War II for a main battle tank. We do not have a new one yet and we are talking about over $1 million a copy.

In the weapons systems, for example, when we launch an F–14, the Navy fighter with its array of—I have to say it—Phoenix missiles—of course, I love that name—they cost a total of $1 million.

We could have flown a B–24 for 2 or 3 months before we dropped a million dollars worth of bombs.

I am trying to say, in other words, we have got a tiger by the tail when we talk about weapons systems. Everything has increased.

Metro, the underground system in Washington, has gone over three times its original cost. The cost of sustaining the Kennedy Center has gone up almost three times.

All of us who spend money on anything, including our wives, know inflation has come and there is not much we can do about it.

So, Mr. President, the argument that we might do better if we wait just does not hold water.

In closing, I will point out the question the Senator has been addressing himself to about the Soviet bomber fleet, and we overlooked this when we agreed to destroy or mothball our B–47 medium bomber and the Russians agreed to destroy their Badger, they did not destroy theirs. So they still have a fleet of Badgers which, if added to their heavy bombers, gives them about the same number of bombers as we have in our strategic air fleet.

It is true, their medium bomber is not coming over to bomb the United States and go home—but they have got Cuba, or they can land it some place, they do not care about getting back.

Mr. President, I hope this amendment is defeated.

I ask unanimous consent that two fact sheets I have prepared, one on the "Survivable Penetrating Manned Bomber Is Necessary for the Triad"; second, "The Need for the B–1"; and the third, "Common Questions Concerning the B–1 With Answers" be printed in the RECORD at this point in my remarks.

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

FACT SHEET ON A SURVIVABLE PENETRATING MANNED BOMBER IS NECESSARY FOR THE TRIAD

THE PRIMARY ROLE OF STRATEGIC FORCES

The primary role of strategic forces is:

To deter direct attack against the United States.

To assist in deterrence against coercion and intimidation by the threat of such an attack.

Strategic forces consist of three primary elements, land-launched intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and manned bombers—the Triad.

THE ROLE OF THE TRIAD

These three elements—ICBMs, SLBMs, and bombers—possess delivery accuracy, diversified basing modes, and responsiveness which:

Prevent the enemy from structuring a force that could successfully perform a disarming first strike.

Prevent the enemy from concentrating his resources, including research and development, against a single leg of the Triad.

Ensure that a technological breakthrough against any single system will not render the whole force ineffective or vulnerable to attack.

The Triad of forces, operating in concert, provides a total deterrent value which exceeds the sum of the contributions of each element operating separately.

THE CONTRIBUTION OF THE MANNED BOMBER

The manned bomber contributes a unique capability to the Triad—the manned bomber can launch on warning under positive control and then be recalled or redirected before penetrating enemy airspace.

Manned systems may be used to demonstrate resolve by maintaining an advanced state of readiness.

Furthermore, bombers retain residual value after initial weapons expenditure.

Bombers offer an important means of balancing the asymmetry in the throw weights of U.S.S.R. and U.S. missile forces and thereby maintain essential equivalence with the U.S.S.R.

Today, bombers constitute less than one-fourth of our strategic delivery systems.

Yet, bombers carry over one-half of our total strategic megatonnage.

The long range, heavy payload capacity, and precision delivery capability of bombers not only allow effective employment in nuclear contingencies, but also offer utility in limited nuclear options, utility in conventional warfare, and capability to perform mine-laying, reconnaissance, and strike assessment missions.

The bomber's inherent capability to adapt to changing situations forestalls obsolescence in an extremely dynamic technological age.

THE INADEQUACY OF A STANDOFF CRUISE MISSILE FORCE

Although the concept of a stand-off cruise missile carrier is intuitively attractive, the use of cruise missiles can only complement, not replace, the penetrating bomber force.

The performance characteristics of cruise missiles render them vulnerable to mobile SAM defenses.

Cruise missile flight path is predictable.

Lack of electronic countermeasures makes cruise missiles unable to avoid or surprise mobile surface to air missile defenses.

A stand-off force is potentially susceptible to a reactive defense comprised of airborne warning and control systems and long-range interceptors which could attack the missile carriers before the cruise missiles are launched.

The cruise missile carrier is slower in fly-out speeds and less resistant to nuclear effects than is the manned stategic bomber.

A force of stand-off cruise missile carriers would place approximately one-half as many weapons on target as would an equal cost force consisting primarily of penetrating B–1s.

CONCLUSIONS

There is no currently envisioned substitute for the manned bomber in the strategic Triad.

FACTSHEET ON THE NEED FOR THE B–1

THE STRATEGIC BALANCE

The strategic superiority of the United States has been replaced by the doctrine of essential equivalence.

Strategic parity appropriately reflects the national policy toward détente and SALT.

Soviet military expansion is unprecedented in both magnitude and scope. In the last decade:

The Soviet military establishment increased by over one million men.

Continued emphasis on ICBMs.

Force size increased sevenfold.

Three new ICBMs already fielded with a fourth in the making.

The continued emphasis on submarine-launched ballistic missiles is evidenced by the deployed force of over 700 missiles.

The Soviets have fielded the most advanced operational bomber in the world today, the Backfire.

WHY A BOMBER?

The foundation of deterrent capability rests upon a Triad of forces.

Manned bombers, far from being obsolete, possess unique characteristics not possessed by either land- or sea-based missiles.

Only bombers can be launched on warning and recalled or redirected in flight.

Bombers are capable of greater delivery accuracies with more diverse weapon loads than are missiles.

Human intelligence provides discriminate weapons delivery based on real time damage assessment.

Bombers can perform a variety of collateral missions due to range and payload capabilities.

In conventional conflicts.

In sea lane surveillance.

In attacking surface ships.

The design of an advanced bomber to modernize the bomber force in the 1980s was therefore initiated in the 1960s.

WHY THE B-1?

An exhaustive series of studies, culminating in the Joint Strategic Bomber Study, has demonstrated clearly that the B-1 is the most cost-effective means of modernizing the bomber force.

WHERE ARE WE TODAY?

Ten years of design, study, and ground tests, as well as over 100 hours of flight tests, put us at the threshold of full-scale production.

By the time of program review and fund commitment in November, the B-1 will be among the most thoroughly tested aircraft in history.

The B-1 represents an impressive advancement in technology; it is essential to the continued credibility of our strategic deterrent and is therefore essential to this nation's security.

COMMON QUESTIONS CONCERNING THE B-1 WITH ANSWERS

1(a) Question: The Brookings study begins from a base of comparison predicated upon equal capabilities to hit and destroy a certain number of targets—i.e. a "capabilities" oriented procurement. Comparisons are then made of the costs of relevant systems needed to deliver 400 megaton equivalents on Soviet targets. The JSBS proceeds from an "equal cost" basis and compares capabilities of the system. With the emphasis in debate placed on cost, why is the JSBS approach better than the Brookings approach?

Answer: In a cost-effectiveness analysis, it makes no difference which side of the equation is held constant—either cost or effectiveness—as long as both elements are based on valid data. The Quanbeck-Wood analysis is invalid for both the cost and force effectiveness sides of the equation for the following reasons:

(a) Cost:

1. The Quanbeck-Wood report under costed the stand-off cruise missile force. In addition, it failed to provide cost for adequate maintenance and combat crew personnel to sustain their concept of airborne alert.

2. It assumed procurement of unnecessary numbers of SRAM and decoy missiles, and new tankers not required for B-1.

(b) Force Effectiveness:

1. The threat selection (highly effective airborne interceptors) was biased against the B-1 force in the Quanbeck-Wood analysis, and failed to allow for the most effective threat against the cruise missile force (mobile SAMs).

2. The Quanbeck-Wood model, stressing quantity over quality, made small penetrating forces (B-1) appear inferior and large penetrating forces (cruise missiles) appear superior. Further, though the emphasis in debate may be on cost, the important point centers on how much the U.S. gets in force effectiveness for each dollar spent.

1(b) Question: Is the Brookings study correct when it asserts (p. 20) that "We could have specified a larger task without affecting the broad trade-offs among alternative bomber forces?"

Answer: It is likely that such an increase in the target base would affect the trade-off among these forces. For example, an increase in the target base could result in a corresponding increase in the number of terminal defenses that would have to be suppressed for effective cruise missile employment. A concomitant increase in the wide-body missile carrier/ALBM force would have to be made to suppress the defenses around this expanded target base to support the effective employment of standoff cruise missiles. On the other hand, the penetrating bomber force they used already had adequate SRAMs to engage these additional terminal defenses and would not require additional funding to support the defense suppression mission for such an expanded target base.

As an aside, the task specified was much larger than the authors thought; the task of eliminating one-third of the Soviet population and three-fourths of Soviet industry would require seven times the target base used in the Quanbeck-Wood study.

2. Question: What is the projected mission profile for the Backfire bomber—refueled? Unrefueled? What percentage targets could it reach refueled? Unrefueled? Low level penetration capability? Any evidence of air-to-air refueling development?

Answer: The Backfire bomber is a versatile aircraft. All Backfires are capable of aerial refueling and are compatible with the Bison tanker. It can perform intercontinental and peripheral missions against land and naval targets as well as accomplish reconnaissance and electronic warfare tasks. With inflight refueling, Backfire can cover virtually all of the U.S. on two-way missions staged from Arctic bases. On one-way missions, recovering in friendly or neutral territory Backfire is capable of carrying out missions from most home bases against targets anywhere in the U.S. even if unrefueled.

The principal purpose of low altitude tactics is to avoid detection and interception by SAMs and interceptors. While it is likely that the Backfire could fly a low level penetration profile, the number of Conus based high altitude SAMs which the Backfire must avoid is minimal. Further, current Conus radar detection systems have limited capability against low flying aircraft. In this regard, the addition of the AWACS to the Conus air defense system will increase the effectiveness of our interceptor force greatly. Nevertheless, the state of our air defense is nowhere near that of the Soviets and, thus, the demands for an effective penetrating bomber such as the Backfire flying towards the United States are less.

3. Question: Could we get an effective cost breakout listed in both FY 1975 dollars and then-year dollars for:

R&D.
Procurement.
Additional Weapons.
O&M:
Direct.
Indirect.
Life Cycle Cost Per Unit.
Total Life Cycle Costs.

It would be helpful if we could get rough estimates of these for all the alternatives listed in JSBS.

Answer: In constant FY 1975 dollars the total Life Cycle Cost (LCC) of the B-1 fleet is $22.7 billion (see attached chart). This includes a nominal 15 years of full fleet operations, roughly FY 1986–FY 2000. Most of the research and development funding has been appropriated. Therefore, the unsunk LCC is $19.5 billion or about $80 million per unit.

The then-year dollar LCC of the B-1 fleet has not been derived since we do not have means to predict economic escalation through the year 2000. Moreover it is our view that inflation compounded over three decades—which would be applied to GNP, to revenues, and to all purchases—not just defense purchases—would obscure the real cost of manpower and material required.

The then-year dollar cost of B-1 acquisition is estimated at $21.6 billion, of which $18.8 billion has yet to be appropriated.

B-1 life cycle cost—LCC

[In billions]

	Fiscal year 1975 dollars	Then year dollars
R&D	4.2	4.1
Procurement	11.8	17.5
15-year full O&S	6.7	----
B-1 LCC	22.7	----
B-1 LCC/Unit	.093	----
SRAM acquisition	.9	1.3
SRAM 15-year full O&S	.9	----
B-1 & SRAM LCC	24.5	----
B-1 & SRAM LCC/B-1	.100	----

4. Question: "While costs on the B-1 have gone up, 9 out of ten original performance standards have been relaxed." Is this statement true? If so, why have performance standards been relaxed?

Answer: This statement is not true. With some minor changes in operational employment, the B-1 aircraft, as currently designed, can perform the same strategic mission as the B-1 envisioned in 1970. With no changes in operational tactics, the current B-1 can carry the same payload at the same speed and altitude with the same navigational accuracy as the 1970 B-1.

The three performance standards that have been relaxed—low level mission range, supersonic mission range, and takeoff distance—are directly attributable to the aircraft weight increase and slightly greater fuel consumption of the engines. The weight increase resulted from many factors. As the aircraft design progressed from the drawing board to hardware fabrication, the Air Force improved its understanding of the aircraft structural loads, added fracture mechanics requirements to insure a structurally sounder airframe and refined design acoustic levels. Additionally, the Air Force decided to use off-the-shelf offensive avionics equipment rather than to initiate a new development. This decision was a cost effective means of providing the required avionics but resulted in a heavier system.

The reduction in supersonic speed was based on a detailed analysis of the difference in capability against the projected threat provided by a speed of Mach 1.6 vice Mach 2.2. The Air Force determined that this additional capability was not worth the additional cost. The development aircraft will demonstrate the Mach 2.2 capability and, should threat circumstances change such that the higher speed is required, it can be added to the production aircraft. It should be noted that the supersonic mission is a secondary employment mode for the B-1.

The reduction in crew escape capability at high speed was also based on a cost benefit analysis. Development problems occurred in the crew capsule and, at that time, high technology ejection seats became available which could provide approximately the same escape capability as the capsule. The cost to

complete development of the capsule was estimated to be high and the ejection seats provided a lower operation and support cost than the capsule. Therefore, the decision was made to accept the slight degradation in capability provided by the ejection seats.

In real terms, the cost of the B–1 is under control. In 1970 dollars, the development estimate was $9.9 billion. The current estimate, in the same 1970 dollars, is $11.1 billion, a cost increase of 12%. The current estimate is, however, within 1% of that made in December 1973 showing that the Air Force has achieved a significant degree of cost control since that time.

In "then year dollars" i.e., dollars adjusted for economic escalation, the cost of the B–1 has grown to a current estimate of $21.6 billion. Almost half the total cost of the program is attributable to inflation, a national economic problem over which the Air Force has little control.

In terms of capability, the current B–1 can perform the same strategic mission as the aircraft proposed in 1970 with minor changes in operational employment. In terms of real cost the program has grown a modest 12%.

5. Question: The Brookings study estimates the cost of the B–1 at $71 billion over 10 years. The Scoville article in the Sunday Star for April 11 puts that figure at 91 billion dollars. Are these figures wrong? By how much? What accounts for the difference between JSBS costing and Brookings? What makes the assumptions of Brookings wrong if they are?

Answer: Neither cost estimate was intended to represent the cost of the B–1. Specifically, the $71 billion figure in Brookings represents their cost estimate for one of the five strategic forces presented in their study. This figure includes $8 billion for new tankers, extra SRAMs, and SCADs which are not programmed to support the B–1. It also includes substantial operating and support (O&S) costs for B–52s, which they phase out beginning in 1980, and a portion of the current tanker fleet which is used by general purpose as well as strategic forces. It also includes indirect overhead costs for the entire strategic force which in the Brookings study constitute about one half of the total operating costs. The Air Force estimate of direct and indirect costs of a comparable force mix of B–52s, FB–111s, B–1s, KC–135s, and SRAMs for the same 10 years is about $45 billion. The cost of the B–1 alone over the same period is estimated to be about $20.4 billion. All of the above costs are in constant FY 1976 dollars.

Brookings also estimated the Air Force "projected program" of bombers and tankers for 10 years at $73 billion in FY 1976 dollars. Our 10 year estimate of the direct and indirect cost of the forces they show is about $55 billion. The Brookings then-year dollar estimate for this force—again, a mix of B–52s, FE–111s, B–1s, tankers and air-to-surface missiles—is the $91.5 billion referred to by Scoville.

Thus, neither cost estimate was intended to represent the cost of the B–1, and does not do so. A detailed analysis of the Brookings study is attached. Part VII addresses the cost issues in general.

6. Question: One of the biggest arguments that is being made is that bombers are an "after the fact" weapons system—the "it will just make the rubble bounce" argument. What task can the bombers perform 6 hours after initiation of hostilities that warrant the expenditure of x billions of dollars that could not be performed by other systems?

Answer: The utility of the bomber force must first be measured in terms of its primary mission—deterrence—and second, in terms of its warfighting capability given that deterrence has failed. The knowledge that a target complex *will* be destroyed conveys as important a perception as does the timing (whether three, six, nine or more hours delay) of such destruction. To discuss "rubble bouncing" alone is to ignore the integral and irreplaceable contribution made by bombers to the deterrent value of the Triad.

In the event that deterrence is unsuccessful, then the bomber force would perform strikes against hard target complexes as well as against softer urban/industrial targets. The flexibility of the bomber force equates to several unique capabilities: bomber payloads are not fixed, and can be either conventional or nuclear; bomber weapons and delivery accuracy can be matched effectively to the intended damage; bombers can be retargeted after launch; bombers can attack unused or reloadable silos and strategic reserves; bombers can perform real-time damage assessment of targets struck previously and restrike if necessary, or withhold weapons for possible later use; bombers can be recovered and reused after the initial mission. The additional time required for bomber-delivered weapons may prove to be a distinct advantage if the hostilities have resulted in stalemate.

7. Question: The argument is made that the B–52 force will last into the 1980s and 1990s under the Air Force's own plan. If this is so, and even if penetrativity is severely degraded, then why are not the B–52s armed with long range missiles equal to the task and why can't the B–1 then be postponed until the 1980s to enable us to get a more realistic threat assessment?

Answer: In the JSBS the standoff cruise missile force was found to be only half as cost-effective as the B–1 force. The cruise missile cannot penetrate areas defended by good quality, low altitude SAMs; however, they are useful as an adjunct to the penetrating bomber force against less well defended targets.

Postponement of B–1 production would cause us to fall behind Soviet developments. Deployment of new Soviet systems takes only three to five years. As much as ten years could elapse from production go-ahead to a fully operational B–1 force if the decision is delayed. The reasons for such a delay are time for production set-up, retooling, and personnel skill development. A large increase in program cancellation and restart costs would be incurred if the production decision is delayed.

8. Question: The Soviet development of a look-down, shootdown capability coupled with SUAWACS threat will render the bombers vulnerable to Soviet interceptor interdiction whereas cruise missiles would be relatively invulnerable?

Answer: Exclusive reliance on cruise missiles would simplify enemy missiles. The SAM is the primary threat to cruise missiles. Cruise missiles have moderate penetration speeds and low radar cross sections in their favor against the look-down, shoot-down interceptor. The cruise missiles' low penetration altitude and avoidance of known SAMs would provide reasonable penetration capability against SAMs with known locations. However, mobile SAMs which are effective against cruise missiles would extract high attrition.

The B–1 is specifically designed to counter the look-down, shoot-down interceptors. The B–1 because of its speed, low altitude performance, small radar cross section, and its advanced avionics and penetration aids, will be able to avoid, degrade, or destroy Soviet SAMS and fighter interceptors. For example, low altitude flight by the B–1 at high subsonic speeds essentially precludes a co-altitude tail chase intercept by current Soviet interceptors.

9. Question: Could Soviet deployment of a laser intercept capability in the 1980s significantly alter JSBS penetration assessments?

Answer: Because of inherent problems with weather and other propagation phenomenon, and technical problems, a Soviet strategic antiaircraft air defense weapon does not appear practical in the next decade. Without more definitive development of a weapon grade air defense laser, it is not possible to evaluate how such a system would affect bomber penetration.

10. Question: The Brookings study shows little if any differece in survivability betwen the B–1 and other systems—both could survive with strategic warning and neither with only tactical warning plus use of depressed trajectory SLBMs. Why do their figures diverge so much from JSBS?

Answer: The Quanbeck-Wood study acknowledges that a hard, fast aircraft (their label for B–1) is clearly superior in surviving a surprise enemy attack. The study then dismissed this fact by labeling as implausible the response postures which SAC has already demonstrated. Incorrect facts in the study were:

Crew response times.

Aircraft nuclear vulnerability.

Aircraft flyout speed.

The JSBS thoroughly addressed the three items above and revealed B–1 survival to be entirely satisfactory in the expected nuclear environment. However, significant attrition occurred in the case of the slower, softer, wide-body transport carrying cruise missiles.

11. Question: The supersonic capability of the B–1 is a waste. There is no need for it under any conceivable mission profile. It only adds significantly to the cost of the bomber?

Answer: A supersonic penetration is a viable B–1 option, especially for an attack on perimeter defenses and perimeter high value targets. This speed range will provide a broad range of operational tactics to counter future threat uncertainties. The thrust-to-weight ratio and variable geometry wings which provide a supersonic capability are essential elements for successful base escape and high subsonic low altitude penetration. The very low altitude subsonic capability and supersonic high altitude penetration capabilities of the B–1 force the Soviets to contend with an expanded array of attack options, thus further complicating their air defense problems.

13. Question: Since the B–1 is so superior to the Backfire and since the Backfire is so capability limited, we do not need the B–1 to maintain essential equivalence?

Answer: The term "essential equivalence" refers to the equivalence of the overall strategic balance, not to the equivalence of strategic weapon systems on an item for item basis. The B–1 is an integral element of the Triad and its importance to the question of essential equivalence derives therefrom rather than from a comparison with the Soviet Backfire bomber.

The bomber leg of the Triad carries over 50% of the striking power of the United States as measured in megatons. The interactions among the elements of the Triad retain credible deterrent value only so long as each element remains strong and credible in its own right.

Critics who cite such specious B–1/Backfire comparisons rarely note that the B–1 would not oppose the Backfire. Should deterrence fail, the B–1 would be forced to penetrate Soviet air defenses and the Backfire would oppose the far less extensive U.S. air defenses.

14. Question: Brookings concluded: "air launched cruise missiles provide the most economic means of coping with sophisticated area defenses." If the Soviets employ a heavy low altitude in-place or mobile SAM system for the 1980s and 1990s is the cruise missile vulnerable? Is the B–1 vulnerable? How do they compare?

Answer: Both cruise missiles and B–1s are vulnerable to SAM area defenses; however,

the B–1 is markedly less vulnerable. Separate excursions during the JSBS examined the potential effects of mobile SAMs against both cruise missiles and penetrating bombers. Cruise missiles were found to be relatively ineffective at even modest mobile SAM employment levels while bombers were affected far less at even the highest SAM levels.

15. Question: How vulnerable would a cruise missile carrier be to fighter interdiction before launch? Are the Soviets moving toward development or procurement of a LRAWI and what impact would this have on the cruise missile carrier? What about OTH radars in the Soviet threat scenario as it would affect B–1 and cruise missile carriers?

Answer: The cruise missile carriers (CMC) are very vulnerable to interceptors. If we were to rely on CMC, longer range interceptors already possessed by the Soviets could be employed. In conjunction with AWACS or OTH radar, long range interceptors could degrade the penetration and attack capabilities of CMC by forcing them to adopt evasive tactics before releasing their weapons or to launch farther from the border.

CMCs lack design characteristics and countermeasures to defeat airborne interceptors. Their primary advantage is relatively cheap transportation of weapons. The cost of modifying a CMC to provide any substantive defensive capability would be prohibitive.

The CMC has a severe limitation in that it is tied to the range of the cruise missiles that it carries. As the range performance of future interceptors increases, the CMC would have to launch the cruise missiles farther from the border. With this retreat comes a reduction in target coverage until ultimately the cruise missile target coverage and concept is negated entirely when the combat radius of interceptors equals the range of the cruise missile.

Contrasted to that, the B–1 is designed to operate in an air defense environment. Thus, if long range interceptors and OTHB radar were employed, the B–1 would still be able to effectively penetrate although attrition could be expected to increase somewhat. Since OTHB radars are soft targets, a likely tactic would be attack them using early arriving ballistic missiles thus substantially reducing their potential effect.

18(a). Question: I am convinced there are 3 basic questions which are plaguing everyone. They are: Why do we need a manned bomber in this day and age?

Answer: The bomber is an essential part of a Triad of United States strategic forces. These forces are mutually supporting to produce an integrated, effective deterrent force. With the other elements of the Triad—ICBMs and SLBMs—bombers add a degree of diversity that precludes a successful disarming first strike. The important consideration is that each of these elements of the Triad contributes its own unique and essential capabilities. In that regard, bombers provide unmatched flexibility. They compound the offensive and defensive problems of anyone attempting to attack or defend against our forces; they provide a hedge against many uncertainties of the future; and they ensure that a temporary weakness or vulnerability in any single strategic force element will not negate the effectiveness of the entire force.

18(b). Question: What is the most cost-effective system and how much more is the B–1 going to cost than the others?

Answer: The Air Force believes that there are no alternatives which would be as cost-effective as the B–1. The express purpose of the Joint Strategic Bomber Study, which has ben provided to the Congress, was to examine on an equal cost basis the most feasible alternatives for maintaining the viability of the bomber leg of the Triad. The study examined such alternatives as a "stretched" version of the FB–111, a wide-bodied cruise missile carrier system, and a re-engined B–52. Six different equal-cost bomber forces were examined which were composed of various mixes of existing or postulated weapon systems. These forces were then employed against a constant target base and defensive threat. The results show that those forces composed principally of B–1s were clearly more cost-effective in all of the measures of bomber force effectiveness used in the analysis. The least effective forces, and by a wide margin, were those composed primarily of FB–111s and wide-body standoff aircraft carrying cruise missiles. The study concluded that a force consisting principally of B–1s was significantly more cost-effective than the alternative forces.

Regarding costs, remaining costs on the B–1 are $53.5 million per aircraft in current dollars, while a wide-body cruise missile carrier would be about $65 million per carrier in current dollars. Stretched FB–111s would cost about $23 million each, but twice as many would be required as B–1s. A modernized B–52 would cost about $26 million just to modify a 25 year old airframe.

18(c) Question: What operational advantages does the B–1 have over the B–52 and cruise missile alternatives?

Answer: The Air Force needs the B–1 because the B–52 will not be able to maintain the degree of effectiveness required of our primary strategic bomber against the threat that is now evolving for the future. The B–1, on the other hand, was specifically designed to be effective against the projected threat. Its hardness to nuclear weapon effects, its rapid acceleration and high speed flyout capability, and its relatively short runway take-off requirements combine to produce an aircraft with extremely high prelaunch survivability. Its small radar cross section, its advanced electronic countermeasures, and its ability to fly at lower altitudes and significantly higher speeds than the B–52 ensure a high degree of success in penetrating even the most advanced Soviet defenses projected for the future. Moreover, the B–1 can carry twice the nuclear payload of the B–52, and it can deliver those weapons with greater precision—in fact, far more accurately than any other leg of the Triad.

The cruise missile will be a useful adjunct to a penetrating bomber force. However, cruise missile performance characteristics make them vulnerable to mobile SAM defenses because they lack electronic countermeasures. For this reason, the ALCM would be used primarily against targets that are not defended by low-altitude capable SAMs.

The ALCM could enhance the effectiveness of the bomber by diluting enemy air defenses, allowing for more economical bomber route planning and effectively extending the range of targets the bomber could attack without extending its penetration.

18(d) Question: What difference will different crew ratios and alert rates if any have on cost comparisons?

Answer: The Air Force assigns bomber and tanker crews based on a requirement to be capable of fully generating the force. This level of manning results in an inherent ability to sustain approximately a 30 percent ground alert rate. As the requirement for a sustained alert rate rises above the 30 percent level, there is a fairly direct cost relationship between the aircraft alert rate and the ratio of crews assigned.

Excursions performed in the JSBS which increased the B–52 and FB–111 alert rates so as to be equal to the B–1 and cruise missile carriers had no effect on the relative cost-effectiveness of the force alternatives. The B–1 was still a clear choice.

Mr. STENNIS. I thank the Senator for his remarks.

Mr. President, I yield 2 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. I thank the distinguished Senator from Mississippi.

Mr. President, this amendment reminds the Senator from Oklahoma of the saying, "He who hesitates is lost."

I think this Nation has been hesitating in a lot of very important areas. We hesitated in the Indian Ocean as far as our decision to go ahead with the Diego Garcia and, as a result of that, I think we have seen the littoral nations look to the Soviet Union for leadership, whereas they would be looking to us to effect events.

In Angola, we hesitated, and we decided not to continue the support for the UNITA FNLA forces.

As a result of that, the world has known we have not had a military foreign policy as far as Africa is concerned, and we do not have it today. No one knows what would happen if another Angola came along. I think we know what the administration would do, but no one knows what the Congress would do.

So here is another proposal for hesitating and I think that this would seriously disrupt the orderly pace of the program.

By October, there will be three aircraft flying and two lifetimes of fatigue testing that will have been accomplished. I think we can see that there would be an increase in cost.

I asked for an estimate of this and it came out to the estimate of $490 million, or 2 million per aircraft.

Perhaps the most important thing that I see is in hesitating further, that we are going to send messages to the rest of the world that we are not sure about our plans for strategic preparedness.

But I think if we proceed with our plans to support the B–1 bomber program, we will signal very clearly to the Soviets that the United States resolve about remaining No. 1 in military preparedness still is in existence. This would endorse the triad concept for our strategic nuclear forces.

I urge my colleagues, Mr. President, to defeat the amendment that has been offered and to show support for the triad concept, to show support for strategic preparedness of this Nation.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent that a letter to the Secretary, Department of the Air Force, dated April 14, 1976, and his response thereto to all questions except question No. 6 be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C., April 14, 1976.

Hon. THOMAS C. REED,
Secretary, Department of the Air Force, the Pentagon, Washington, D.C.

DEAR MR. SECRETARY: In the near future, Congress must decide on further development and procurement of the B–1 bomber. Since this decision involves billions of dollars of federal expenditures, I feel that we are entitled to all the facts—pro and con—with respect to this new intercontinental strategic bomber.

Recently, an article by Herbert Scoville, Jr., a former official at the Central Intelligence Agency and the Arms Control and Disarmament Agency, was brought to my attention. Mr. Scoville outlines many alleged deficiencies of the B–1, and, I must say, some of his arguments are persuasive. Before deciding which way to vote on B–1 procurement, I would appreciate having a detailed response from the Air Force to several questions raised by Mr. Scoville's article, a copy of which is enclosed.

Please respond, number by number, to the following questions. If you have additional comments on other points not covered by the questions, please feel free to include this information separately in your response.

(1) With the procurement decision officially scheduled for November, 1976, why is Congress being asked to authorize in advance $1 billion to start production? Since development of a new bomber is admittedly not an urgent priority, why should not a decision of further authorizations be delayed until completion of development and evaluation tests?

(2) If the full complement of B–1 bombers is procured, what is the estimated additional cost for the armament, such as missiles and tankers which would be required to make the B–1 fully operational?

(3) How certain is the Air Force that the B–1, and accompanying tanker aircraft, can fly through the debris clouds which would follow a nuclear explosion?

(4) What is the estimated life of the B–1 force? Is it correct that the B–1 will have a much shorter useful life than the present generation B–52?

(5) As I understand it, because of Soviet radar capabilities, it will be necessary for bombers to fly close to the ground to avoid being detected. Since the B–1 must fly subsonically at low altitudes, what is the advantage of its supersonic capabilities?

(6) What is the range of the B–1 at supersonic speeds? What is the range of the B–1 at subsonic speeds? How does the B–52 compare in terms of subsonic range?

(7) Is it possible to design engines for the B–1 with supersonic capability which also operate optimally at subsonic speeds?

(8) What evidence do you have to counter reports that when the B–1 flies in the stratosphere at supersonic speeds it will release large quantities of pollutants, thus posing a threat to the ozone layer? I refer specifically to the report entitled, "Boom and Bust: The B–1 Bomber and the Environment," a study by the Environmental Action Foundation.

(9) On average, how much more fuel will be consumed by the B–1 than the B–52?

(10) Since it appears likely that the Soviet Union will develop and deploy intercepting missiles with a capability to destroy low-flying aircraft, would it be wiser to optimize our new generation bomber for stand-off missions rather than for penetrating Soviet air space? Is it true that a bomber with stand-off optimization could loiter and stay airborne for longer periods of time than a penetrating bomber?

(11) Does the Air Force support for development of the B–1 bomber reflect, in any way, an attitude that an intercontinental strategic bomber is a more important line of defense than submarine or land-based intercontinental ballistic missile systems?

Since Congress will be asked to act on funding B–1 production in the near future, I would appreciate a prompt response to this inquiry.

Sincerely yours,

BOB DOLE,
U.S. Senator.

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., May 11, 1976.

Hon. ROBERT DOLE,
U.S. Senate.

DEAR SENATOR BOB DOLE: I welcome the chance to provide the information you requested in your recent letter. A detailed discussion of the questions which you posed is included as an attachment to this letter.

These are some important facts concerning the B–1 which I would like to stress:

a. The manned strategic bomber is vital in maintaining strategic sufficiency with the Soviet Union. Without the bomber, the imbalance which we currently have in megatonnage would become larger and the deterrent capability of the United States would be in question. The B–52 will not be able to effectively penetrate the sophisticated defenses which we postulate for the 1980's.

b. The Department of Defense and the Air Force have accomplished detailed studies of alternatives to perform the bomber mission. These studies included stand-off cruise missile carriers, as well as penetrating aircraft. In all cases, the B–1 proved to be the most cost effective alternative.

c. The test program is proceeding well. Since the inception of the development program in 1970, thousands of tests have been performed to prove the aircraft's design. In the crucial areas of aircraft performance, structural integrity, flying qualities and engine operation, these tests are showing that the B–1 is ready for production.

d. The Air Force has structured an efficient program to transition from development to production. It started with the long lead funds provided by the Congress in the FY 76/TQ budget and will continue with production contract award in November of this year. A delay in this schedule will result in an inefficient use of personnel and an unnecessary cost increase.

e. The Department of Defense has made an explicit commitment to procure the B–1. This position was clarified in a letter from Secretary Clements to Senator Stennis on March 9, 1976.

I hope that these facts and the detailed answers will allay any concerns you might have about the B–1. I believe that production of this aircraft is vital to the future security of the United States and I solicit your support in the upcoming Congressional actions.

Sincerely,

THOMAS C. REED,
Secretary of the Air Force.

Attachment.

QUESTIONS AND ANSWERS

Question No. 1. With the procurement decision officially scheduled for November, 1976, why is Congress being asked to authorize in advance $1 billion to start production? Since development of a new bomber is admittedly not an urgent priority, why should not a decision of further authorizations be delayed until completion of development and evaluation tests?

Answer. The Congress is asked to authorize B–1 production at this time because the benefits to the production program which accrue from spending on development efforts have reached their optimum point. In the early years of development, technical risk was reduced at a fairly high rate per dollar of expenditure. As the program proceeded, however, the rate of risk reduction declined to the point where any further production program delay results in costs which are higher than savings from risk reduction. We have reached that point in the B–1 program—production should begin.

The Department of Defense has made an explicit commitment to produce the B–1. We have extensive test data which shows that there are no substantive problems. We are confident the B–1 will perform its mission. We have provided the Congress with a review of the testing to date and are asking it to confirm our decision to produce the B–1. While we will not commit procurement funds for the first three production aircraft until we have thoroughly reviewed the contractor's planning, negotiated contracts and reviewed some tests which will be accomplished between now and November, it is essential that the funds be available at that time to proceed with an orderly program.

Other factors also affect the time phasing of the beginning of production. One of the major assets produced by the expenditure of developments funds is a team of skilled personnel who have manufactured and assembled the development aircraft. Should production be delayed after the completion of the development aircraft, these personnel would be lost, and a new team would subsequently have to be trained. Even if the team could be kept together, the familiarity with individual manufacturing operations would be dulled. Either of these situations would result in program cost increases.

The development and procurement of a new bomber is an urgent matter. It is the most urgent strategic program of the Department of Defense. From the inception of development until final deployment to the operational forces requires from 12 to 16 years for an aircraft like the B–1. Since the B–1 is required to defeat the threat postulated for the 1985 time period, production must start now to assure aircraft availability.

Question No. 2. If the full complement of B–1 bombers is procured, what is the estimated additional cost for the armament, such as missiles and tankers which would be required to make the B–1 fully operational?

Answer. SRAM missiles will be required for the B–1. About $900 million in 1975 dollars will be required to provide the planned unit equippage. This equates to $1.3 billion in then year dollars.

No additional tankers are required to make the B–1 operational. The B–1 was designed to be compatible with the current KC–135 tankers and has demonstrated this compatibility through numerous refuelings during the course of the flight test program.

Question No. 3. How certain is the Air Force that the B–1, and accompanying tanker aircraft, can fly through the debris clouds which would follow a nuclear explosion?

Answer. Each bomber sortie is planned in considerable detail, mindful of the host of factors which could influence mission success. One critical phase of the mission, which is common to both the penetrating bomber and its supporting tanker, is routing of these aircraft as they are outbound from launch bases. Special care is taken to insure that all outbound aircraft avoid overflight of likely target areas. In this way, the Air Force attempts to eliminate bombers and tankers from having to fly through any nuclear clouds caused by incoming ICBM/SLBMs. Using radar, aircrews can also circumnavigate a nuclear cloud in the same manner thunderstorms are avoided. Thus, both the routing of these aircraft toward their refueling rendezvous and the actual refueling should occur over areas where nuclear detonations would be unlikely. The hazard posed to incoming bombers in hostile territory from the weapons delivered earlier by U.S. ICBM/SLBMs and other penetrating bombers has been considered by coordinating all arrivals on target to provide a sufficient time interval or physical distance for "safe escape" from previous weapon effects.

Question No. 4. What is the estimated life of the B–1 Force? Is it correct that the B–1

will have a much shorter useful life than the present generation B–52?

Answer. No, we estimate that the useful life of the B–1 will be on the order of 30 years. The B–52 is an extraordinarily long lived aircraft and we fully expect the B–1 to have a comparable period of operational effectiveness. The B–1 has been developed with long life in mind. The structure was designed using fracture mechanics techniques which retard crack propagation and contribute to structural integrity. An avionics growth capability, which has allowed the B–52 to remain a viable weapon system for so many years, has been designed for in the B–1. The flexibility provided by the B–1's supersonic capability will preclude a sudden change in available operational tactics from making the aircraft obsolete. Finally, the aircraft incorporates a structural mode control system which reduces the high stresses placed on the aircraft in low level speed operation.

Question No. 5. As I understand it, because of Soviet radar capabilities, it will be necessary for bombers to fly close to the ground to avoid being detected. Since the B–1 must fly subsonically at low altitudes, what is the advantage of its supersonic capabilities?

Answer. The supersonic capability of the B–1 is inherent in the requirement for successful base escape and high subsonic low altitude penetration. These operational characteristics are essential to the B–1's survivability during flyout from under an ICBM/SLBM attack and provide the high assurance of penetration capability in the face of technologically advanced Soviet defenses.

Nevertheless, the supersonic capability is useful for other reasons. The very low altitude subsonic capability and supersonic high altitude penetration capabilities of the B–1 force the Soviets to contend with an expanded array of attack options, thus further complicating their air defense problems. B–1 high speed penetration through perimeter radars in coordination with low altitude attacks could seriously degrade the enemy's defensive effectiveness.

Question No. 7. Is it possible to design engines for the B–1 with supersonic capability which also operate optimally at subsonic speeds?

Answer. The B–1 engines were optimized for performance at three points, (1) subsonic low altitude penetration, (2) takeoff, and (3) aerial refueling speed and altitude. The design limiting factors occur at subsonic low altitude penetration. If the requirement for supersonic capability were deleted, the change in engine performance at low level subsonic mission conditions would be insignificant. The low level speed and altitude characteristics were finalized in 1970 and are being met.

Question No. 8. What evidence do you have to counter reports that when the B–1 flies in the stratosphere at supersonic speeds it will release large quantities of pollutants, thus posing a threat to the ozone layer? I refer specifically to the report entitled, "Bomb and Bust: the B–1 Bomber and the Environment," a study by the Environmental Action Foundation.

Answer. Since the primary mission of the B–1 is low level penetration of enemy airspace much of the training will also be accomplished low level and in the lower atmosphere. It will not be necessary to fly the aircraft in the stratosphere on a routine or frequent basis. Under current plans, the entire B–1 force will accumulate only about 245 hours per year in the stratosphere which is infinitesimal compared to projections for commercial activity. B–1 flying in the stratosphere will result in an ozone reduction of about 0.0032 percent. The natural ozone concentration varies continually by four orders of magnitude, thus, the net effect of ozone reduction due to B–1 operations will be unmeasurable in view of natural perturbations.

Question No. 9. On average, how much more fuel will be consumed by the B–1 than the B–52?

Answer. The B–1 engines incorporate significant advancements in technology which provides for far more efficient use of fuel. On a typical training mission, the B–1 will use about 25 percent less fuel per hour than the B–52. In addition, B–1 training will place heavy emphasis on the use of simulators, so a lesser number of actual flying hours will be required.

Question No. 10. Since it appears likely that the Soviet Union will develop and deploy intercepting missiles with a capability to destroy low-flying aircraft, would it be wiser to optimize our new generation bomber for stand-off missions rather than for penetrating Soviet air space? Is it true that a bomber with stand-off optimization could loiter and stay airborne for longer periods of time than a penetrating bomber?

Answer. A bomber flying at high altitude can stay airborne longer than it can at low altitude, regardless of whether or not the aircraft penetrates enemy territory. Unfortunately, aircraft optimized for high altitude, subsonic flight and for the delivery of large numbers of cruise missiles are, by themselves, incapable of performing the mission required for the bomber leg of the strategic Triad. High flying, loitering aircraft are easily detected. Soviet development of an AWACS capability, along with its existing advanced interceptors, could pose an unacceptable threat to such vulnerable attackers. The length of time such an aircraft can remain airborne depends on its fuel capacity, its rate of fuel consumption, and the amount of refueling support available.

Question No. 11. Does the Air Force support for development of the B–1 bomber reflect, in any way, an attitude that an intercontinental strategic bomber is a more important line of defense than submarine or land-based intercontinental ballistic missile systems?

Answer. The Air Force, as well as the JCS and Department of Defense, supports development and deployment of the B–1 to maintain the bomber force's vital and irreplaceable contributions to deterrence in the 1980s and beyond. The aging of our existing bomber force and projected trends of the Soviet threat and strategic posture make modernization of this essential element of the Triad imperative. The Air Force fully supports the Triad concept in which ICBMs, SLBMs and strategic bombers provide a highly effective, viable deterrent to nuclear war and intimidation or coercion by other nuclear powers. Both the real and perceived capability of our nuclear deterrent is maintained by the diversified—but mutually supporting—elements of the Triad. This force mix of systems, each with unique qualities, provides the flexibility to deter all levels of nuclear conflict, presents an enemy with an insurmountable attack problem, severely compounds his defensive problems and provides a valuable hedge against an enemy technological breakthrough or an unexpected weakness in any element of the Triad.

Mr. DOLE. Mr. President, after giving this matter long consideration. I have concluded that continued development and procurement of the B–1 bomber is justified. Thus, I must oppose the amendment of the Senator from South Dakota (Mr. McGOVERN) to delete B–1 bomber production funds.

I do not cast this vote lightly. For we are embarking on a project with direct costs of nearly $25 billion and associated costs which could push total expenditures associated with the B–1 to over $90 billion. In short, we are being asked to proceed with the most expensive weapon system ever built by the United States.

Because of the substantial cost of the project and because legitimate questions were raised about the efficacy of the B–1, I raised many questions before deciding to vote for continued funding. On April 14, 1976, I wrote a letter to the Secretary of the Air Force, in which I propounded several serious questions about the B–1 project. In addition, I have examined the very useful series of colloquies between the Senator from Arizona (Mr. GOLDWATER) and the Senator from Wisconsin (Mr. PROXMIRE) on the merits of the B–1 bomber. After careful consideration of the Air Force's response to my letter and other valuable information, I have concluded that the B–1 is a necessary element of our strategic deterrent. In combination with the other two elements of the U.S. Triad I believe the B–1 will insure that we are able to maintain the essential second strike capability in the event an enemy nation attacks the United States with nuclear force.

Although a final review of the B–1 project will not be made for a few months, I am satisfied with the Armed Services Committee conclusion that there are no serious deficiencies in the B–1 program to date that are of sufficient significance to further delay further development and procurement of the initial B–1 aircraft.

I am especially pleased that my home State of Kansas is likely to play a significant role in development of the B–1 bomber.

I am convinced that deployment of the B–1 will further our national policy of modernizing and strengthening our strategic deterrent. For all these reasons, I must oppose the amendment of the Senator from South Dakota and support continued development and procurement of a new generation of strategic bombers—the B–1 force.

Mr. STENNIS. Mr. President, I do not propose to detain the Senate. I will use only 1 minute and then yield back the remainder of my time.

Mr. President, we tell everyone, we tell our constituents, we tell each other that we are in favor of the triad. What does that mean? First, we want a modern triad, a first-class triad, the ultimate that we can have in a triad.

This amendment says to take out one leg, take out the B–1.

I am like the Senator from Nevada. I have been hoping and hoping from year to year that something would happen we would not have to go into this one. But we are here and we have to go into it, as I see it.

"Take out that leg."

Tomorrow or sometime soon there will be another amendment, as I understand, to take out part of the ICBM, take out the second leg, or do not add anything to it.

We have to face the issue here, as I see it, to stand up and be counted on whether or not we want a modern, forwardlooking, representing our best technology in every way, triad.

If so, vote no against the McGovern amendment.

ADDITIONAL STATEMENTS ON M'GOVERN AMENDMENT

Mr. MONDALE. Mr. President, last year I voted to continue research and development on the B–1 bomber. I did so in the context of other new Pentagon research and development programs which I regarded as dangerous and destabilizing. These programs which included a new counterforce ICBM would not, in my opinion, add to our security; instead they would only undermine the situation of deterrence on which our security has rested for several decades.

My vote for the B–1 research program was aimed at supporting the maintenance of a secure yet nonthreatening American deterrence. I believe that instead of undermining the security of our enemies' deterrence forces, we should be giving first priority to preserving our own.

Nonetheless, there are serious questions as to whether the B–1 bomber ought now go into full production. Full testing has not been completed. The performance of the aircraft, despite the publicity flights by the Secretary of Defense and others, does not merit the multi-billion dollar investment required for full production.

There are also unanswered questions as to whether America might not be better off if it pursued alternative means of maintaining the survivability of our bomber forces and assuring that capacity to reach their targets if necessary.

Mr. President, approving production of the B–1 is a fateful decision for this country. This bomber will be in America's strategic forces for decades to come; indeed, perhaps until the year 2000. Is it good enough for the year 2000? Based on the record so far, I do not think so.

I see no reason why we are rushing into this decision. Not only are there serious questions about the weapon system itself, its performance, and its costs, but it is likely that any new President would want to make a basic reappraisal of our startegic posture. A decision now to produce the B–1 would tie a future President's hands.

For these reasons, I will continue favoring the completion of the research and development phase of the B–1. But I will oppose giving the go-ahead on production. With the completion of testing we will have a better basis for making the fateful decisions about America's future bomber force.

QUANBECK AND WOOD RESPOND TO AIR FORCE CRITIQUE OF BROOKINGS INSTITUTION STUDY ON THE B–1

Mr. PROXMIRE. Mr. President, it was with great interest that I noted the Air Force rebuttal to the excellent study of the B–1 bomber and its alternatives produced by Alton H. Quanbeck and Archie L. Wood, formerly of the Brookings Institution.

This Air Force rebuttal was placed in the RECORD on May 6, 1976 and can be found on page 12747.

Mr. President, it is only fair that the authors of this book be entitled to examine the Air Force remarks and provide a public statement as to their thoughts. Therefore, today I will place in the RECORD the preliminary comments of Quanbeck and Wood.

I note with dismay the tendency to criticize any opponents of the B–1 as ill informed or as not being military experts. Of course, this assertion is completely false. The list of defense experts who have opposed the B–1 has grown to over 20—all men of national reputations and countless years of detailed experience in the most complicated weapon decisions in the history of the country. Further, it is clear to any objective observer that the credentials of Mr. Quanbeck and Mr. Wood are extraordinary in terms of depth of experience and level of decisionmaking. There are few in the Nation with this combination of background.

Mr. President, I ask unanimous consent that this rebuttal be printed in the RECORD.

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

AUTHORS' PRELIMINARY COMMENTS ON THE AIR FORCE CRITIQUE OF "MODERNIZING THE STRATEGIC BOMBER FORCE, WHY AND HOW"

(By Alton H. Quanbeck and Archie L. Wood)

These comments are the work of the authors of "Modernizing the Strategic Bomber Force," hereafter referred to as MSBF or simply, "the book." They should not be attributed to the Brookings Institution or to the current employers of the authors. The Air Force critique was inserted in the Congressional Record by Senator Goldwater on May 6, 1976, p. S6618 and following; the authors use these pages as their source.

In introducing the Air Force reaction to the book, Senator Goldwater said "I have yet to detect any expertise any place in the organization (the Brookings Institution) relative to weapons systems;" because of this statement and because of the implications in the Air Force critique that the authors are biased, they believe more information about their qualifications to analyze and their material interests in the bomber force is of some importance.

The authors are both retired regular Air Force officers; both reached the rank of full colonel; both are graduates of West Point; both hold advanced engineering degrees—Quanbeck a PhD from Stanford University in aeronautics and astronautics; Wood, a masters degree from MIT resulting from successful completion of what was in 1953–1955 called the weapon systems engineering course. Wood also holds a masters degree in management from the Sloan School of Management, MIT. Both are graduates of senior service schools—Quanbeck, the Industrial College of the Armed Forces; Wood, the National War College.

Both participated during combat phases of the Korean War—Quanbeck as a fighter pilot; Wood as an armament systems officer. Quanbeck taught engineering at West Point and at the Air Force Academy. He also held senior positions in the Air Staff and in OSD. His last position on active duty was Director, Strategic Retaliatory Division, Office of Systems Analysis, OSD. Wood was an Air Force research and development officer with almost six years of duty in the Minuteman System Program Office. His last Air Force assignment was as Systems Program Director of the Subsonic Cruise Armed Decoy (SCAD). Wood also served about six years in the Office of Systems Analysis, OSD, rising to the position of Deputy Assistant Secretary of Defense for Strategic Programs.

Both Quanbeck and Wood hold several military decorations awarded for meritorious service; Quanbeck also holds decorations for combat in the Korean war; in addition Wood also holds the Department of Defense Distinguished Civilian Service Medal, awarded in January 1973. The citation read in part "Through his exceptional knowledge of United States Strategic interests and weapon systems, his astute assessment of the threat . . . he has identified essential issues and directed innovative analyses to illuminate policy alternatives regarding the strategic and nuclear posture . . . of the United States . . . He has provided great initiative and strong leadership in clarifying and reformulating the basic nuclear policies of the United States . . . By virtue of his intellect and demonstrated ability he has earned the respect and confidence of senior national security officials throughout the United States Government."

Neither Quanbeck nor Wood have any material interest in the outcome of decisions about modernizing the strategic bomber force. Their purpose in writing MSBF was to provide a factual, analytical and strategic basis for the debate on an important national security issue. This they did under the sponsorship of the Brookings Institution and the Ford Foundation. Neither individual nor these institutions has any financial or bureaucratic interest in the B–1 program as such. (In contrast, critics of the book have virtually without exception been groups or individuals representing the interests of the Air Force or major contractors of the B–1 program.) While the manuscript was in draft form, the authors invited comments from senior people both inside and outside of government. Thus, an early draft of the text was subjected to widespread review by acknowledged experts in the field of strategic analysis.

The authors in their analysis developed alternatives that in their judgment would maintain the military effectiveness of the strategic bomber force against threats which were at least as severe as (and in some cases more severe than) any suggested by Air Force officials. However, in their analysis, they sought the most efficient or economical method of sustaining this constant level of effectiveness. Their cost analysis showed that some alternatives would result in savings of between 10 and 15 billion dollars over a ten year period in comparison to forces which relied on the B–1 bomber. Savings of this magnitude could be translated into increased military capability for strategic or general purpose forces. As a rough guide, the U.S. could acquire and operate for a comparable period 10 Trident submarines, or two Army divisions, or two aircraft carriers, or two tactical fighter wings with the savings resulting from the alternatives developed by the authors. Another example: the $10 billion savings could be used to buy 600 F–15s. A measure of the burden of proof imposed on advocates of the B–1 is that with the money a B–1 force would cost the U.S. could buy both a standoff force of equal effectiveness and about ten Trident ships. These ships could alone deliver to the USSR in the event of a surprise attack over 1200 weapons. The Tridents would be unopposed by defenses or pre-launch threats. Given strategic warning, the Tridents could deliver over 1600 weapons, a number substantially in excess of the number calculated for the B–1 against severe threats in MSBF.

The Air Force highlights the fact that the book and the DoD Joint Strategic Bomber Study (JSBS), carried out in DoD in 1973 and 1974 and summarized in DoD testimony in early 1975, arrived at diametrically op-

posed conclusions. DoD reached the conclusion that the B–1 is the most cost effective weapon system with which to modernize the strategic bomber force.

The authors concluded that standoff bombers using long range cruise and possibly ballistic missiles would be most cost effective, and they further recommended that the B–1 program be terminated as soon as practical. The authors of the book were, of course, aware of these opposing conclusions at the time their manuscript was completed.

The JSBS is in the main still classified, but, in the author's view, enough about it has been publicly revealed to permit identification of the most important reasons for the differing conclusions:

1. The pre-launch survivability analyses in the two studies seem to be in rather good agreement for short crew reaction times. The Air Force evidently claims that short (but unspecified) reaction times can be maintained indefinitely; the authors believe short reaction times can be maintained during crises lasting days or weeks or even months, but that maintaining such a high state of alert, day-in, day-out for years in the absence of a crisis, is probably not practical (see pp. 46, 47 and 62, MSBF). The authors believe that differing judgments about reaction times during non-crisis periods explains most of the differences in the two survivability analyses.

2. The authors argued that ECM should not be relied on when deciding how big or what type of a bomber force to buy. DoD in the JSBS did rely on ECM, at least for penetrating bombers like the B–1, even though senior DoD officials cited in their testimony on the JSBS the "extreme sensitivity" of their results to the quality of ECM (see p. 70 of MSBF).

3. Both studies assumed that very high performance SAMs might someday be deployed by the USSR that could severely attrit long range cruise missiles. The authors included in their standoff forces air-launched ballistic missiles (ALBMs) to destroy or overfly such SAMs. DoD in the JSBS evidently made no such adjustment, and consequently standoff forces equipped only with cruise missiles suffered severe attrition from these high performance SAMs in DoD calculations.

4. The authors assumed that any new bomber force which relies on tanker support must eventually be equipped with a new tank to replace the KC–135s. The May 10, 1976, Aviation Week and Space Technology, devoted almost exclusively to SAC and obviously prepared with extensive SAC cooperation, reports that these aircraft currently have an average age of about 15 years. Thus by 1990 when a new fleet of bombers will be only about five years old, the KC–135 tankers will be about 30. The Air Force claims the KC–135s will suffice even though efforts are currently underway to develop a new tanker based on such aircraft as the Boeing 747. (See pp. 22 and 23 of the May 10, 1976, AW&ST, for a two page photograph, in the lead article of a special report, "SAC in Transition," of a prototype Boeing 747 advanced tanker refueling a B–52G.)

5. DoD believes that mobile high performance SAMs could severely attrite long range cruise missiles, but not penetrating aircraft such as the B–1. The authors argued that such SAMs are likely to face formidable practical problems, are vulnerable to up-to-date intelligence, and in any event could be overflown by air-launched ballistic missiles (pp 80, 81, MSBF).

6. The authors believe that Soviet long range cruise missiles could someday be a serious threat to the U.S. bomber force and that such a threat could impose the need for expensive new warning systems to flush the bombers on warning of such an attack (pp. 57, 58, MSBF). The Air Force dismisses this threat with an assertion that "U.S. warning systems would be capable of providing adequate detection and warning for strategic aircraft." The Air Force does not identify which of existing or planned U.S. warning systems could detect such an attack; no current deployed systems are known to have this capability.

The Air Force is very critical of the book on other counts—too many for a one-to-one response. Moreover, much of the critique contrasts MSBF, which is unclassified and open to public scrutiny, to the JSBS which is classified and not available for a similar critique. However, the JSBS was severely criticized by Senator McIntyre. In the following numbered paragraphs the authors discuss a number of Air Force comments on MSBF.

(1) Perhaps the most mystifying error in the Air Force critique is the assertion that we utilized only the largest fifty cities in our target base. It is common knowledge among strategic analysts that several hundred cities must be attacked to destroy one third of the population and three fourths of the industry in the USSR with the equivalent of 400 one megaton weapons. It is also not uncommon when dealing with as yet undefined terminal defenses to assume that the 25 or 50 largest cities will be defended with such systems. The authors encountered no one else either during the review of the manuscript or after the book was published who made the mistake made by the Air Staff. All calculations and comments in the Air Force critique which rest on the assumption that the authors used only 50 cities in their target base, e.g., those backing up the zeros in column 2, Table 2, p. S6622, are wrong.

(2) The Air Force misstates the conclusions of MSBF when it says that the authors concluded that cruise missile forces are more cost effective than the B–1 force. Their conclusion was that standoff forces utilizing both cruise and air launched ballistic missiles (ALBMs) are more cost effective. Moreover, all standoff forces were costed with ALBMs included; Air Force comments to the general effect that ALBMs will be expensive and that their costs will be in addition to the costs of cruise missiles are therefore of no consequence to the conclusions of MSBF. While the distinction between "standoff" and "cruise missile" forces may seem unimportant, it is likely, as pointed out earlier, that it is one of the reasons the conclusions of MSBF differ so significantly from those of the JSBS.

(3) The Air Force asserts that the utility of ALBMs "can be easily circumvented by an effective low altitude mobile SAM defense." This assertion is wrong since the ballistic missiles could attack the targets directly, overflying such SAMs; this possibility and its implications to the standoff forces are discussed on pp. 79–80 of MSBF."

(4) The Air Force strongly objected to the treatment of ECM in MSBF, citing it and the use of a "subtractive" penetration model as a major source of bias—"Their penetration model was chosen to bias the outcome in favor of forces containing large numbers of penetrators, i.e., standoff cruise missiles." The Air Force also asserted that the authors did not justify their assumptions about ECM or do sensitivity calculations. These assertions are wrong, and they ignore material on pages 69 through 72 of the book specifically addressing the confidence that can be placed in ECM and presenting on page 71 the numerical implications of relying on ECM in a B–1 force. Though the Air Force does not like to face it, if high performance Soviet area defenses are eventually deployed, the B–1 must rely on ECM or SCADs to generate mass in the attack, or ALCMs.

Impressive testimony from Dr. Currie, DDR&E, is on the record about the danger of relying on ECM and the need for backup such as cruise missiles. But the Air Force has been exceedingly reluctant to give ALCMs prominence in its force planning. The authors believe their judgment about relying on ECM, explained on pp. 69–72 of the book is fully justified by DOD testimony, DOD plans to procure a B–1 force of a size that can be justified only if ECM won't work and the authors' estimate of the consequences of being wrong about the efficacy of ECM. The authors' choice of a penetration model flows directly from the judgment about ECM. Finally, with respect to the Air Force defense of its detailed simulation of bomber penetration of Soviet air defenses, the authors are unimpressed. The problem is clearly dominated by the vast uncertainties necessarily present in projections ten and more years in the future. When the Air Force utilizes tens of man months and hundreds of hours of computer time doing bomber penetration calculations, it is, figuratively speaking, trying to put a micrometer on a smoke ring. Such analyses tend to obscure the real issues; they are just as vulnerable to error and perhaps more vulnerable to purposeful manipulation than simple models of the sort used by the authors.

(5) The Air Force implies by seizing on the reference to DOD testimony that a 2,000 pound cruise missile will be able to fly 1,500 miles at low altitude and high subsonic speed that no satisfactory cruise missile is feasible. The authors, too, found this testimony optimistic, so they assumed that such missiles would weigh about 2,500 pounds and they treated the missile carriers conservatively—loading them with only 35 to 50 cruise missiles. The authors did not specify the details of the cruise missile in the book simply because they did not feel the need to justify the feasibility of such a weapon, given Air Force and DOD testimony and the fact that DOD had itself analyzed such a system in the JSBS.

It is worth pointing out, too, that DoD loaded wide bodied aircraft in the JSBS with 60 cruise missiles 10 to 25 more than were used in MSBF. Each of these ALCMs must have been of sufficient range to reach targets of interest to DoD. The authors know of no responsible estimates of cruise missile performance that would lead to a 4,000 pound or larger missile as set forth in the Air Force critique. In any event, development of Navy and Air Force cruise missiles has progressed to the point that the size and performance of such missiles should be well defined. Such data are probably classified, but it need not be controversial.

(6) The Air Force claims the authors "loaded the B–1 force cost" by including $6 billion for a new tanker. The Air Force asserts that a new tanker will not be needed by the B–1. The authors do not believe this assertion. Just such a new tanker is now being developed. Moreover, the B–1 will last 30 years or until about 2010. The KC–135s were procured in the late 50s and early 60; thus, by the late 80s they will be approaching 25–30 years of age. It seems highly likely that if the United States then has a new bomber force requiring substantial tanker support that new tankers, if not already procured, will be bought to replace the KC–135s. This would probably occur sometime in the 1980s, perhaps toward the end of that decade. The options considered in the book included options that require no tankers; thus, the authors judged that all forces (not just the B–1 force) needing tankers should be charged for a new tanker force. The authors remain convinced that new tankers will be needed, that this was the correct treatment of this question, and that this is the proper way for Congress to think about the cost of the B–1 force.

(7) The survivability analyses of the JSBS and "Modernizing the Strategic Bomber Force" come remarkably close together. Where the authors calculated 87% B–1 survivability for quick reaction time, DoD cal-

culated "more than 95%." The differences between these numbers no doubt come from differences in details as suggested by the Air Force. The big differences come in judgments about reaction time in a day-to-day alert posture. The authors remain unconvinced that SAC, as a practical matter, can maintain reaction times of the order of two minutes, from SLBM lift off to brake release, day in day out, for years, in the absence of international crises. The Air Force carefully hedged its comments in its critique on this point, saying, "The major factor that drove the Quanbeck-Wood analysis was a failure to accept combat crew reaction times that have been *proven sustainable when necessary* (italics added). The SAC force does not operate that way today because SSBNs are not patrolling off U.S. beaches." The Air Force leaves open the possibility that SAC will find it necessary to operate at such high states of alert only when Soviet subs are known to be patrolling close in. The authors grant the feasibility of this providing it does not go on indefinitely. The more interesting case occurs when the U.S. can no longer be sure whether or not Soviet subs are close to our beaches. Can the U.S. then maintain the very high alert status indefinitely? The problem is not technical, but human raising questions of crew morale, crew retention, etc. The authors believe a common sense answer to this question is "no."

(8) The Air Force critique asserts that the authors should have utilized armed decoys launched from the B–1s to attack targets after SRAMs were used to suppress terminal defenses; the Air Force presents calculations which they claim show that the B–1 force outperforms the standoff force by at least "116%." This figure is wrong since even the Air Force data in their Table 2 shows the B–1 to be at least only 16% better (1800 weapons for the B–1 compared to 1550 for the standoff force). Moreover, Force 3, to which the Air Force compares the retargeted B–1 force, costs more than $15 billion less than the B–1 force and has an average unit weapon delivery cost of about $36,000,000. Therefore, to deliver the same number of weapons it would be almost $6.0 billion less expensive to buy a larger version of Force 3 than to buy the B–1 force and use it as suggested by the Air Force. Aside from the fact that the Air Force analysis contains at least two serious errors, it also fails to demonstrate for this case the point the Air Force is arguing—that the B–1 is more cost effective.

In addition, the Air Force seems to have used only 100 SRAMs to suppress 140 SAMs; this can be determined by comparing the first line first column of Table 2 with the fifth line first column. A more reasonable number would have been 280 (2 for each site to overcome the possibility of unreliable SRAMs). If 280 had been used, Force 3 would have been more cost effective by about $5.0 billion than Force 2 delivering 1520 (1700–180) weapons on targets (the fifth case considered by the Air Force). The authors have already pointed out that the zeros in Table 2, column 2, are caused by a serious error in the Air Force critique relative to the target system. In addition, the Air Force cites only one way the ALBMs might fail (preferential attack before launch on the missile carriers loaded with ALBMs). This possibility requires as a minimum that (1) a surprise attack occur and that it consist of depressed trajectory SLBMs, (2) it is successful and (3) the Soviets have prior knowledge of which airplanes carry ALBMs. The Air Force gives no arguments to induce the reader to suspend his disbelief long enough to accept this necessary sequence of events.

(9) The use of SCADs to attack targets as suggested by the Air Force was not considered by the authors primarily because the Air Force has held rather consistently to the line that manned bombers must deliver weapons at close range to the targets. The authors, therefore, thought of SCADs only as penetration aids and in a backup mode to mitigate the consequence of decoy failure. Moreover, using SCADs as suggested by the Air Force effectively converts the B–1 force into a standoff force since the "killing" weapons—SCADs—would be little more than long range cruise missiles. Force 5 in our study was in essence just a force. The main difference between it and the B–1 force with the suggested Air Force targeting (aside from the difference in the sizes and costs of the two forces) is only that the B–1s would have to fight their way through area defenses to destroy the SAMS while the aircraft in Force 5 would launch ballistic missiles over these defenses thus avoiding this source of attrition. The authors are of course delighted to find an official Air Force paper which departs so substantially from previous somewhat dogmatic Air Force positions. Air Force calculations for Table 2, even though riddled with errors, demonstrate the greater cost effectiveness of bombers used in a standoff mode.

MARTHA ROUNDTREE REBUTS NEW YORK TIMES ARTICLE ON THE B–1

Mr. HELMS. Mr. President, on April 14, 1976, the New York Times published an article, "The B–1: A Dissent," written by Gordon Adams. This article, needless to say, has been used—no doubt as intended—to support the argument that production of the B–1 should be delayed until February 1977.

Today, however, I received a very informative rebuttal to the Adams article, written by Martha Rountree, the eminent president of the Leadership Foundation. Martha Rountree for many years was comoderator of the "Meet the Press" program on NBC, along with Lawrence Spivak. She is a distinguished, articulate and well-informed citizen. She is a lady whom I have admired greatly for a long, long time.

Mr. President, in order to share this persuasive rebuttal with my colleagues, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

REBUTTAL BY MARTHA ROUNTREE

We believe the public is entitled to information on both sides of an issue. This is especially important when something as critical as national defense is at stake. We also believe that if and when facts are not substantiated or can be proved wrong the public should have the benefit of a rebuttal. Therefore, we would like to respond to Gordon Adams' article, "The B–1: A Dissent".

WHAT PRICE FREEDOM?

Mr. Adams opens his argument saying: "Congress is considering the largest peacetime military budget in American history, $113 billion, for the coming fiscal year." It is true that the budget now under consideration comes to $113 billion; however, it is not true that this is the largest budget in peacetime history if we consider the impact of inflation and convert all previous defense budgets to 1977 dollars.

Just about eveything we buy today costs more than it did in the past. For example, in 1970 a pound of margarine cost 35¢. Today, that same pound of margarine costs over 80¢. In 1984 it is projected to cost $1.17, an increase of 234%!

This is what we call inflation, and every housewife understands what this means. She only has to compare the price of groceries with the prices she paid five, ten, or fifteen years ago. This same inflation is reflected in the defense budget. Like everything else labor costs are higher, raw materials are more costly, utility bills are up, and so on.

In 1963, which is considered peace-time, our defense budget was $53 billion (in 1963 dollars). That same budget today would be $125 billion, thanks to inflation. Taking inflation into account, the defense budget for 1963 was actually greater than today's. $53 billion bought more in 1963 than $113 billion can buy today.

In effect, Mr. Adams is questioning the need to spend so much money today on defense. Senator Herman Talmadge (D-Ga.) commented in his April newsletter to his constituents: "Critics of the defense budget contend that peace is costing us more than war."

Observes the Georgia Senator: "It ought to. Peace is worth more than war. However, facts do not support the claim that the U.S. is on a military binge."

The big issue today is: With the Soviet military build-up, can we afford to allow our defenses to become weaker than theirs? A credible deterrent against war requires strength.

Mr. Adams goes on to say, "At an officially projected cost of $21.4 billion for 244 of the bombers, the B–1 is the costliest weapons system ever . . ." Mr. Adams' figure of $21.4 billion is correct; however, he does not mention the following: This $21.4 billion is in then-year dollars, with the anticipated inflation included. This $21.4 billion also includes research, development, testing, evaluation, tooling up, and production.

Mr. Adams comments that "the B–1 bomber is a successor to the B–52 as a manned strategic bomber, complementing the Minuteman (land-based) and Poseidon (sea-based) missiles as means for delivering nuclear weapons on the Soviet Union and deterring attack." He then asks: "Does the United States need all three systems?"

The experts, those whose job it is to keep us free and out of war, and those who have access to up-to-the-minute sensitive defense intelligence, believe we do. In fact, our entire strategic defense is based on a three-prong system known as Triad (land-based missiles, submarine-launched missiles, and manned bombers). Each element of Triad backs up the others, guarding against failure of one of the others, protecting against technological breakthroughs by the enemy, and greatly complicating the enemy's defensive job. If you eliminate one part of Triad, you dramatically weaken our total defense posture. Triad is our defense team—everyone has a special assignment. The total teamwork can mean the difference between victory and defeat. America, like other great nations, has maintained flexibility through strong, diversified forces. Early in our history we relied on an Army and Navy. As technology advanced, we motorized our forces, we developed submarine capabilities, we added the Air Force. Continuing advancements in technology present serious challenges to our capabilities.

The bomber element of TRIAD is the only element which can carry conventional weapons, as well as nuclear weapons. It is also the only element of TRIAD that can be sent out on alert and then recalled before it completes its mission. The bomber alone is manned. These factors combine to give the strategic bomber tremendous potential as an active deterrent that can demonstrate our strength and our willingness to use that strength when necessary, but avoid war if at all possible.

Mr. Adams charges: "In a nuclear war, a subsonic bomber like the B–1 would arrive in enemy territory after as many as six exchanges of nuclear missiles." Correction, please. First, the B–1 is a supersonic bomber. Second, Mr. Adams seems to have the impression that the B–1 bomber force would be parked in aircraft hangars here in the United

States. To the contrary, much of the B–1 force would be strategically located in striking distance of the potential enemy. In fact, many would be airborne.

In case of an attack, here is what would happen: The B–1 bomber on alert and in striking distance would head for enemy territory. Long before reaching its destination, the B–1 would fire short-range attack missiles which would neutralize the enemy's defenses. This would clear the way for the B–1 to move in for attack on hand-picked targets.

The B–1 can jam enemy radar, evade detection, and withstand the effects of nuclear blast. It can also take off on shorter, narrower runways, get airborne faster, and carry two times the payload of the B–52.

Mr. Adams further contends that "The Soviet Union has not had a strategic bomber for years, and relies on ballistic missiles for its deterrent." This is not true. The Soviet's latest strategic bomber is called the Backfire. It is supersonic and has about the same range as the B–1, although intelligence experts say that the B–1 could carry about six times as much payload as the Backfire. There are over 25 Backfires now in service in the Soviet Air Force. More are coming off the production line. Operating from bases under Soviet control, the Backfire can attack the entire U.S. without refueling.

Mr. Adams complains that the B–1's weight "has increased over the five years of research and development to the point where it is little faster than a rocket-assisted B–52 would be at taking off and getting out from under an enemy attack." Technologists say that the extra weight is more than compensated for by the B–1's speed.

Mr. Adams claims that "the improved Soviet air defenses, however, could seriously limit the effectiveness of any bomber." Mr. Adams misses the point. The B–1 forces the Soviets to reallocate funds from offensive and aggressive weapons to the upgrading of their air defenses. Air defenses cannot hurt the United States. In addition, in the entire history of air warfare, no bomber attack has ever been stopped by a defensive force. The reason. A bomber force can attack from any and several directions and at any or several altitudes. Simple geometry prevents the defender from being impregnable everywhere on its whole boundary. This is especially true of the Soviet Union with its very large borders.

Mr. Adams points to a recent monograph on the B–1 written by two young men for the Brookings Institution, funded primarily by the Ford Foundation and Rockefeller Foundation, to the effect that: "The Brookings Institution has challenged the Air Force assertion that the B–1 adds to the U.S. deterrent or war fighting capabilities."

Two points can be made in response to this. First, as stated in the preface of the bomber study, "interpretations or conclusions in Brookings publications should be understood to be solely those of the authors and should not be attributed to the Institution, to its trustees, officers, or other staff members, or the organizations that support its research." Second, these writers, who are no longer with Brookings, admit that they used only unclassified material. Current defense intelligence would provide the background information on the world situation, our defense capabilities, and the enemy's, which is necessary to an understanding of the Department of Defense's rationale for the B–1. Furthermore, the authors were both heavily involved in the Cruise Missile program while working for the Department of Defense. Is it any wonder they favor this program?

Mr. Adams goes on to assert that: "Overruns of more than 60% have already occurred in the research and development program." We have already explained the impact inflation has had on everything. This holds true for the B–1, too. The Department of Defense estimates that at least 80% of the over-runs experienced thus far in the B–1 program are due to inflation.

Mr. Adams says: "Although the Pentagon and Rockwell International, the B–1's prime contractor, attribute most of this to inflation, they have never given Congress or the public detailed cost information that would allow an intelligent evaluation of their assertion." This is not true. The Department of Defense has testified before all appropriate committees and subcommittees in the House and Senate providing detailed information regarding the funding of the B–1. Access to this information is totally open to the Congress. The General Accounting Office (GAO), which is an investigative arm of Congress, completed an in-depth analysis of the B–1, which is updated this year. According to a spokesman in GAO's Procurement and Systems Acquisition Division, which performed the study, they had no trouble whatsoever with any detail of the report, including cost information. In addition, the Brookings B–1 study evaluates the cost factor, apparently using readily accessible data. These findings have received relatively wide circulation among the public. Indeed, the B–1 may be one of the most thoroughly reviewed and publicized Federal government programs, in terms of expenditures, in American history.

Mr. Adams elaborates on this point: "Moreover, the projected cost is not the cost of the full system. It does not include the B–1's weapons, or the cost of operation and maintaining the fleet." This is begging the question. When you buy an automobile, the sticker price does not include the gasoline or the cost of repairs over the years. All precision machines must be maintained, including the B–52s. More to the point, the B–1s would be less expensive to operate and maintain than the current B–52 fleet and would be the least expensive member of TRIAD to operate and maintain.

Mr. Adams tells us that "the Air Force is also asking for a new tanker whose primary task would be to refuel the B–1." Not so, according to the Air Force. The B–1 is compatible with the tankers currently in use with the B–52 fleet and has no special requirement for a new tanker.

Mr. Adams bemoans the fact that Rockwell International "created an internal planning board, "Operation Common Sense", which spent the early 1970s arranging local programs to support the B–1 and targeting key members of Congress for political pressure." What Mr. Adams fails to point out is that there are over 30 nationwide groups, including the National Council of Churches and Common Cause, which have organized together to pressure the Congress against the B–1. In fact, they held a meeting earlier this year at which they distributed strategy instructions and a list of Congressmen and Senators who should receive special pressure. Details on the meeting and the groups cooperating in the "National Campaign to Stop the B–1" are contained on page 9186 of the *Congressional Record* dated April 1, 1976.

Mr. Adams completes his argument by saying that the Congress in the upcoming votes "will be making a choice among priorities: real economic benefits for the public versus the most expensive weapons system in the history of man simply to replace an aging, but upgradable, strategic bomber fleet." At best, this is a misrepresentation of choices. Real economic benefit? The Chase Econometric Associates study, to which Mr. Adams alludes, showed that the difference in the impact of the B–1 and other areas of public expenditure on our gross national product would not be significant. In short: the B–1 would be approximately as beneficial to the economy as the programs he might prefer—housing, public works, mass transit.

Aside from this, the real issue is national security. The defense experts on whom we rely to keep the peace and protect us in war say that even with an expenditure of over $40 million per plane, the B–52 will be no match for the B–1. The technology of the B–52s dates back to the late 1940s and there are limites to what upgrading can do. When liberty is at stake, can we afford anything less than the best? The millions who live in the Captive Nations were weak in the face of a powerful foe—they have their answer. I agree with Senator Talmadge—Peace is worth more than war. Ultimately, the question is: What price Freedom?

Mr. ROBERT C. BYRD. Mr. President, ever since the B–1 began being considered as an alternative and follow-on bomber to replace the B–52 as our main manned bomber, the feature which has united most of its critics has been its high cost. Advanced weapon systems have suffered greatly with this country's inflation spiral and the B–1 is no exception. The latest Air Force statistics show the B–1 project would cost more than $21 billion up to 1989 when the last of the 244 bombers would roll off the assembly line.

This estimate, made in December 1975, represents a 100-percent increase over the $10 billion originally forecast, using base year 1970. One of the reasons for this 100-percent increase in estimates was due to the Air Force's artificially low inflation factors used in earlier estimates. As an example, the Air Force computed unrealistic inflation rates of 2.6 percent up to fiscal year 1975 and 1.9 percent during the production phase. The current estimate utilizes more realistic inflation factors, although they are relatively low toward the end of the project, for example, 4 percent for fiscal year 1989.

Funds for the B–1 already appropriated through fiscal year 197T total $2.8 billion. Requested funds for fiscal year 1977 include $483 for continued research and development and $1.049 billion for advanced procurement of the first three production aircraft.

The fiscal year 1978 authorization request contains funding for procurement of the next eight aircraft. The Air Force plan is to build up over the fiscal year 1977–82 period to a production rate of four B–1's per month. In the Secretary of Defense's annual report for fiscal year 1977, he said that the additional money is needed for advanced procurement because the resulting delay in a production program would increase the cost substantially, owing to the necessity of reconstituting the work force and the cost escalation that occurs from the delay.

This advanced procurement stems from the fact that it is not until November 1976 that the Air Force will officially convene their DSARC panel to decide whether or not the project merits the production decision. By asking for the advance procurement before this panel even meets and judges the evidence is sufficient indication of what that decision will be in November.

The House Armed Services Committee has authorized the DOD request for the $1.5 billion, and the House Appropriations Subcommittee on Defense has also approved the request.

One important factor that must be kept in mind is that the funds for the

B–1 program are for the aircraft alone. The estimated $21 billion will buy only 240 production bombers and four test models and nothing else. All weaponry—a considerable expense—and other important costs such as maintenance, training, personnel, testing, and tanker support must also be considered. These full life cycle costs will certainly add several billions to the B–1 program if it is approved. The Air Force conservatively places a figure of $8 billion on these costs but critics have pointed out that full life cycle costs could go as high as $40 billion when all support and ancillary costs are figured.

The Air Force has long maintained that the B–1 program has been very cost effective. It is also said that the cost of ownership of the B–1 force during its lifetime will be substantially less than for the B–52 force which they say is recognized for its outstanding cost-effectiveness. What they do not point out is that the B–1 program calls for only 244 bombers, much fewer than the several hundred B–52's which have been flying since the 1950's. The present inventory is between 450 and 500 B–52's, of which the majority are the G and H advanced models.

Several features of the B–1 have been eliminated during the development and testing stages in order to keep costs down. Of particular significance has been the deletion of the capsule escape module for the crew, the titanium skin, and the variable intakes on the engines. Critics of the program say that some of the cost-saving decisions the Air Force has made have been to keep the program costs at a low level until after the Congress gives the official go-ahead decision on the program.

MISSION FEATURES OF THE B–1

In testimony before the Congress, the Air Force and Department of Defense officials expressed their unequivocal support for the B–1 as the logical follow-on bomber to the B–52. In general, they say that the TRIAD system needs a reliable and sophisticated penetration bomber to provide for the most effective balance between land-based, sea-based, and manned bombers. This balance, they say, will present a credible nuclear deterrent against the threat of an enemy first strike attempt.

Officials have conceded that missiles are much faster and more effective in penetrating enemy air defense networks but they say that ballistic missiles do not have other features which might be necessary in a hostile situation. They say that bombers are highly visible weapons that can be launched in an international crisis and be recalled when tensions ease. Ballistic missiles cannot be used in a similar scenario.

The commander of the Strategic Air Command, General Dougherty, is on record as saying—

A hardened, long-range, supersonic manned bomber offers a uniquely capable and dependable strategic delivery system that spreads itself reliably and capably across the broadest possible spectrum of required military capabilities. When modernized and manned with skilled, ingenious military crews, such a penetrating bomber offers the U.S. an overall flexibility of choice and application that is unmatched by any other weapon system.

More specifically, General Dougherty said that the B–1 is needed for the following reasons:

First. It can carry a large number of conventional or nuclear weapons;

Second. It will achieve unequalled accuracies in long range delivery;

Third. It provides a highly visible deterrent force;

Fourth. It can adapt readily in tactics and/or avionics to negate or avoid unanticipated defenses or selective delivery;

Fifth. It will force an enemy to build up his air defense system which requires an extensive diversion of military resources;

Sixth. It will provide the most effective and economical way to redress the already serious imbalance in deliverable megatonnage vis-a-vis the Soviet Union; and

Seventh. It can be recalled after alert and be used again.

The major features of the B–1 which make it preferable to the existing B–52 are: supersonic capability; great hardness against thermal overpressure from nuclear effects; improved takeoff capabilities; higher penetration speeds; lower radar cross-section; and larger payload. The key design features cited by the Air Force are its maximum launch survivability and its penetration capability.

However, even the most important features of the B–1 have been subjected to scrutiny by technical and analytical experts and been found to be questionable. The statement has been made that no major weapon system has ever had such feeble support from defense and technical experts. An impressive list of these experts have spoken out against the B–1. The list includes a former Secretary of Defense, two Deputy Secretaries of Defense, a President's National Security Adviser and a Director of Defense and Engineering, an Under Secretary of the Air Force, a three-star admiral, a Special Counsel to the President, various chairmen of high level science committees, and others.

In a statement released by these former officials, they said that they objected to the program because—

The tens of billions of dollars required to build and operate the B–1 bomber are not warranted by any contribution to our security which it might make.

Former Secretary of Defense James Schlesinger did not press for the B–1 while in office although he believed that at some time in the future another bomber should replace the B–52. He felt that a higher budgetary priority should go to conventional needs.

Of the technical features which receive the most criticism, the B–1's supersonic capability is probably the most questionable. Originally designed to fly at high altitudes at a supersonic speed as well as to attack at low level at high subsonic speed, the B–1's flexibility is being questioned as unnecessary and expensive. Soviet air defense at high altitudes is very good so it would seem that this alternative would not be considered. And at low levels, supersonic speed is taking on the plane and its crew and is very vulnerable to SAM's.

Designing the B–1 to fly at supersonic speeds has been one of the main contributors to the plane's high cost. And by flying at supersonic speed the B–1 will be denied a longer range, will have a higher infrared signature, have less target flexibility, heavier payload, less evasive maneuverability, and a much higher fuel consumption rate.

From original specifications, the Air Force has reduced the supersonic capability from Mach 2.2 to 1.6. And even at this speed the B–1 would not be able to out-run Soviet tactical fighters.

It has been charged that the supersonic capability for the B–1 is strategically useless and degrades the vital subsonic capability which would be necessary in a low-level attack. This very expensive supersonic capability for the B–1 appears to be both over-rated and misleading.

Of some of the other features which the Air Force says makes the B–1 an improvement over the B–52, several also appear to be less than convincing. Its nuclear hardness, which would protect the bomber from first strike attack, would not apply to the tankers which would probably be incapable of taking off to refuel the bomber. Thus, the bomber would be airborne and protected but could not refuel and fly to its targets.

The superior take-off capability is not much more improved than the existing B–52's which could be reengined for quicker response and escape. Mr. President, in view of the many conflicting viewpoints among recognized experts, I believe we should await further study before providing funds for the procurement of the B–1 production aircraft.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I believe this has been cleared all around. I ask unanimous consent on the amendment which will follow on the vote on these two amendments, that on the Dole amendment, which has to do with a restoration of the strength of the Naval Reserve, there be a time limitation of not to exceed 15 minutes, the time to be equally divided between the sponsor of the amendment and the manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Will the second vote be 10 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the second vote take 10 minutes.

Mr. GOLDWATER. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. GOLDWATER. Does this mean that the votes we have anticipated on the Culver and McGovern amendments will be vacated for the time being?

Mr. MANSFIELD. No, this will follow, tonight.

The PRESIDING OFFICER. Without objection, both unanimous-consent requests of the Senator from Montana are agreed to.

Is all time yielded back?

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

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

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Will the Chair state the parliamentary question? May we have quiet, please?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota (Mr. McGOVERN), a substitute to the amendment offered by Mr. CULVER.

Mr. STENNIS. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. FORD). Will the Senators please take their seats?

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. HART), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from California (Mr. TUNNEY), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

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

On this vote, the Senator from Rhode Island (Mr. PASTORE) is paired with the Senator from California (Mr. TUNNEY). If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from California would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

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

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from New York (Mr. BUCKLEY). If present and voting, the Senator from Oregon would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 33, nays 48, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—33

Abourezk	Byrd, Robert C.	Durkin
Bayh	Case	Ford
Biden	Clark	Hart, Gary
Brooke	Culver	Hartke
Haskell	Long	Packwood
Hathaway	Mansfield	Pell
Huddleston	Mathias	Proxmire
Humphrey	McGovern	Ribicoff
Javits	Mondale	Schweiker
Kennedy	Muskie	Stevenson
Leahy	Nelson	Williams

NAYS—48

Allen	Fong	Metcalf
Bartlett	Garn	Morgan
Beall	Glenn	Nunn
Bellmon	Goldwater	Pearson
Bumpers	Gravel	Randolph
Burdick	Griffin	Scott, Hugh
Byrd, Harry F., Jr.	Hansen	Scott, William L.
Cannon	Helms	Stafford
Chiles	Hollings	Stennis
Cranston	Hruska	Stone
Curtis	Inouye	Symington
Dole	Jackson	Talmadge
Domenici	Laxalt	Thurmond
Eagleton	Magnuson	Tower
Eastland	McClellan	Weicker
Fannin	McClure	
	McIntyre	

NOT VOTING—19

Baker	Johnston	Sparkman
Bentsen	McGee	Stevens
Brock	Montoya	Taft
Buckley	Moss	Tunney
Church	Pastore	Young
Hart, Philip A.	Percy	
Hatfield	Roth	

So the McGovern amendment, in the nature of a substitute to the Culver amendment, was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered.

Mr. STENNIS. Mr. President, will the Chair state the parliamentary situation immediately before the rollcall?

The PRESIDING OFFICER. Senators will take their seats and give the Chair attention.

The question is on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Regular order, Mr. President. Regular order.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. HART), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

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

On this vote, the Senator from Rhode Island (Mr. PASTORE) is paired with the Senator from California (Mr. TUNNEY). If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from California would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

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

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 44, nays 37, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—44

Abourezk	Haskell	Mondale
Bayh	Hathaway	Muskie
Biden	Huddleston	Nelson
Brooke	Humphrey	Nunn
Bumpers	Inouye	Packwood
Burdick	Jackson	Pearson
Byrd, Robert C.	Javits	Pell
Case	Kennedy	Proxmire
Clark	Leahy	Randolph
Culver	Magnuson	Ribicoff
Durkin	Mansfield	Schweiker
Eagleton	Mathias	Stevenson
Ford	McGovern	Symington
Hart, Gary	McIntyre	Williams
Hartke	Metcalf	

NAYS—37

Allen	Fannin	McClellan
Bartlett	Fong	McClure
Beall	Garn	Morgan
Bellmon	Glenn	Scott, Hugh
Byrd, Harry F., Jr.	Goldwater	Scott, William L.
Cannon	Gravel	Stafford
Chiles	Griffin	Stennis
Cranston	Hansen	Stone
Curtis	Helms	Talmadge
Dole	Hollings	Thurmond
Domenici	Hruska	Tower
Eastland	Laxalt	Weicker
	Long	

NOT VOTING—19

Baker	Johnston	Sparkman
Bentsen	McGee	Stevens
Brock	Montoya	Taft
Buckley	Moss	Tunney
Church	Pastore	Young
Hart, Philip A.	Percy	
Hatfield	Roth	

So Mr. CULVER'S amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment.

The amendment is as follows:

On page 17, line 4, strike out "533,700" and insert in lieu thereof "534,604".

On page 24, line 6, strike out "79,500" and insert in lieu thereof "102,000".

On page 25, line 18, strike out "318,400" and insert in lieu thereof "318,581".

The PRESIDING OFFICER. On this amendment there are 15 minutes, to be equally divided.

Who yields time?

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask unanimous consent that there be a 10-minute limitation on the rollcall vote.

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

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

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

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, will the Senator from Kansas yield?

The PRESIDING OFFICER. The Chair requests that the Senate come to order. Senators will take their seats.

The Chair recognizes the Senator from Kansas.

Mr. DOLE. I yield 2 minutes to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The Chair informs the Senator that the amendment is not in order until this amendment is disposed of.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that it be in order to consider the Abourezk amendment out of order.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Mr. President, reserving the right to object, there is a time limitation on this amendment. I do not know what the Senator from Kansas thinks.

Mr. STENNIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. ABOUREZK. I withdraw my amendment.

Mr. DOLE. Mr. President, the Senator from Kansas is trying to save time, and I was willing to yield 2 minutes of my time to the Senator from South Dakota for a noncontroversial amendment. I will take about 2 minutes of the 7½ minutes.

The amendment of the Senator from Kansas simply raises the Reserve drilling strength to 102,000. The Committee on Armed Services approved 79,500. The defense budget request was 52,000. The House approved 102,000. The defense authorization bill and the House Appropriation Committee funded 102,000.

Mr. President, last year I offered an amendment to the defense authorization bill, increasing the Naval Reserve drilling strength to 112,000.

Mr. STENNIS. Mr. President, this is a matter of concern to many, and there is no way in the world for the membership to hear unless we have some quiet.

The PRESIDING OFFICER. The Chair agrees with the distinguished Senator from Mississippi. The Chair has been asking for order. The Chair will be glad to call names and States after this, if the Senator so desires.

Mr. DOLE. I thank the distinguished Senator from Mississippi. It is an important amendment. It affects a great many in the Naval Reserve.

This amendment increases the drilling strength to 102,000. Last year, the Senator from Kansas offered an amendment to increase it from 92,112. This amendment was defeated on a voice vote.

It is my feeling that the reservists are important to the Nation, to our civil emergencies as well as national defense, and we can cause additional problems by the reduction. We will have inadequate naval manpower in case of national emergency.

It is difficult to increase Reserve strength once the reduction is made. We have a lower readiness of Reserve units. In addition, we have difficulty attracting new personnel once we have cut back. The cost would be approximately $38 million additional to raise the strength to 102,000 from 79,500.

Mr. President, as I said before, the committee approved 79,500. But the committee did not have the benefit of the Defense Manpower Commission report.

Since the committee considered the Naval Reserve strength, the report has been issued stating:

> . . . the Fiscal Year 1976 funded level of 102,000 appears to be reasonable . . . and that to cut the drilling Reserve by 50,000 . . . would save drill pay but . . . would seem to be of questionable practicability. . . .

The Commission further stated that—

> There is a need for the Navy to make better use of its Selected Reserve. . . . To assign and clarify Reserve Missions . . . to *stabilize its Reserve programs* and to improve top-level management and support of Naval Reserve Units." (Emphasis added.)

Mr. President, this amendment authorizes an increase in the Naval Reserve drilling strength from 79,500 to 102,000, the latter figure being the same as the House authorized.

Last year, I offered an amendment to the defense authorization bill to increase the Naval Reserve drilling strength from 92,000 to 112,000. It was defeated, because at that time the Navy was unable to tell us what they would do with the larger number. Although the Navy was reviewing an analyzing the Reserve Force requirements at the time, they were unable to give us a definitive figure at the time. Consequently, even those of us who supported the increased emphasis on the Guard in the total force, were unable to justify the increase on other than a philosophical basis.

CAREFUL EVALUATION

This year, however, we have the completed study, the first indepth study of its kind by the Navy, which establishes a minimum, I emphasize minimum, drilling Naval Reserve of 102,000. This study, called the OP–605 study, was ordered and personally supervised by, the present Chief of Operations, Adm. James L. Holloway III. I emphasize this because it is the first time in recent years that the Chief of Operations has taken a personal interest in his Reserve Force. This interest has directly involved all of the fleet commanders. I believe it is important that we keep that interest up so that it permeates the whole Navy structure.

The Navy has evidenced a long history of neglect and apathy concerning its Reserve Force except when they were needed in an emergency. In all cases, when they were called, the Naval Reserve performed admirably, within the capability of its equipment. In recent history, they did this in World War II, Korea, Berlin, Cuba, and Vietnam.

Now that the Navy has joined wholeheartedly into the total force planning and has conducted the OP–605 indepth study of the Reserve Force requirements, I believe we should respect and support the Navy effort which the analysts from OSD and OMB chose to ignore when they decimated the Naval Reserve by cutting it in half. Although OSD has had the OP–605 study since last October, they have not completed the review of that study. For that matter, they apparently will not complete the review during this budget cycle, since to admit to a higher figure than 52,000 would be in conflict with the defense budget request.

COMMITTEE DECISION

The Armed Service Committee has done a remarkable job reviewing the defense authorization bill for fiscal year 1977 in the short time they have had that very complex document. I believe Senator NUNN and his subcommittee have earnestly tried to produce the best strength authorization based on their evaluation of the Navy's study. However, I think the Senate needs to go one step further to support the Navy and provide them with their minimum Naval Reserve requirements. Let me briefly review the salient findings of the OP–605 study.

The Navy needs 304,000 additional people to augment the Active Force in case of a full mobilization within the first 90 days.

They can obtain 54,000 of those directly from civilian status.

The remaining 250,000 require previous military experience.

Of that 250,000 experienced personnel, Navy plans to call 148,000 from the Individual Ready Reserve, the Standby Reserve, the Retired Reserve, USN Retireds, and Fleet Reservists. This is in consonance with OSD and congressional direction.

The remaining 102,000 are required to gain or maintain their skills through a minimum of 48 drills and 2 weeks active duty for training each year.

In other words, the Navy is planning to drill only one out of three reservists needed for augmentation of the Active Forces in an emergency—OSD/OMB analysts proposed to cut that to where one out of six would be drilling. The bill, as it is presented now, calls for 79,500 drillers or one out of four of the required augmentees would be authorized to drill. This is nowhere near enough.

HOUSE ACTION

Mr. President, my proposal would put the Senate in conformity with the action already taken by the House to provide the Naval Reserve with a drilling strength of 102,000, the minimum stated in the Navy's OP–605 study. The House Armed Services Committee report on this bill reads:

NAVAL RESERVE

The Administration requested an average strength of 52,000 Selected Reservists for the

Naval Reserve in fiscal year 1977. The average strength authorized for fiscal year 1976 and the transition quarter was 106,000. There are approximately 102,000 in the Naval Reserve currently.

The Administration's rationale for this reduction was that approximately 10,000 of these personnel—primarily 8 construction battalions (Seabees)—were not required at all and could be eliminated from the structure. The remaining 40,000 personnel earmarked for reduction were in non-hardware-oriented units programed to augment the shore establishment which it was assumed could maintain their skills by receiving 2 weeks of active duty a year without monthly drills.

The committee examined this rationale in some detail and found it faulty. The Navy Reserve has recently undergone a major restructuring and even more recently completed a careful examination of its manpower requirements on a billet by billet basis. The results of this study show that there are 102,000 positions in existence which require continuous training throughout the year in addition to the two weeks annually on active duty. The study concludes that the shore augmentation units are required to receive this continuous training in order that they can be capable of accomplishing their missions when called upon. The tasks of these personnel are to augment the operation of shore facilities such as air stations. These facilities are currently not manned by sufficient active personnel to allow them to operate at the increased level a wartime situation would demand. Reserve personnel can provide this capability and thus need to be trained and available on an immediate basis as are the reservists who will augment the crews of ships or aircraft units. There was no evidence in contradiction to the findings of this study.

COST EFFECTIVENESS

Mr. President, we are taking our most economical defense resource and in the name of fiscal restraint, false economy, we are going to destroy the readiness of a sizeable portion of the Naval Reserve, thereby making it an uneconomical entity.

The OSD/OMB analysts and officials have blithely stated that they are not cutting the Naval Reserve but are merely changing their drill status. That, after all, these are only shore establishment people, "paper pushers", who do not need but 2 weeks of training a year to be proficient.

VITAL MISSION

That is a myth, Mr. President. First of all, the people transferred out a drill status are not going to participate in the program. Statistics bear out the fact that a mere 3 to 5 percent of the enlisted personnel eligible to perform only 2 weeks training each year actually show up for that training. In other words, we are not only depriving the reservist from the training he needs to fill an active duty slot immediately upon mobilization, we are in effect abolishing that program.

Senator BARTLETT asked a very pertinent question during the subcommittee hearings. Since the testimony of defense witnesses indicated that the Naval Reserve cut was made purely for fiscal reasons, Senator BARTLETT wanted to know why defense, based on that logic, did not eliminate all of the Naval Reserve and double the savings of $50 to $60 million.

These reservists being cut are not "paper pushers". They are, in many cases combat forces, some are combat support forces, and others for logistics and other support. In all cases, they are believed needed by the Navy to help "fight the war." The shore establishment in the Navy is an integral support arm for the fleet. Obviously, even the most dedicated and efficient fleet in the world, the U.S. Navy, cannot fight very long without replenishment of fuel, ammunition, supplies, and people.

PEACETIME BENEFIT

The cut also eliminates eight naval reserve construction battalions from the force. These battalions were retained last year by the Congress when we rejected OSD's proposal to replace these combat construction battalions with civilian personnel. When did we start using civilians to fight our wars? I believe the Senate should again overturn defense's proposal to eliminate these eight reserve Seabee battalions.

TRAINING ESSENTIAL

However, even if the risk of not providing these units adequate time for training could be accepted, the testimony before the committee persuasively indicated that if these personnel are removed from a paid drill status, only a fraction will remain in the Naval Reserve program. Thus, the cost savings resulting from the reduction would be offset by the additional requirement to train new personnel.

In this connection, it is useful to note that had not this reserve program received such inattention, with the resulting criticism, in the past, it could not have been so prone to the current display of uncertainty. It is not unfair to suggest that the active Navy is well behind the other services in its effort to identify and assign relevant missions to its Reserves.

Senator NUNN in the April 13, 1976, CONGRESSIONAL RECORD stated in part:

I believe it is time for Navy and the Naval Reserve to aggressively work together to find ways to more effectively assign missions, to restructure and use the Naval Reserve Manpower. . . . The Naval Reserve has many trained and dedicated people who represent a substantial capability to augment the active forces if properly managed and utilized. I believe there are several new missions that could be assigned the reserves, with more total force effectiveness . . . In fairness the record should show that current Navy leadership is working hard to overcome the effects of policies and practices adopted by their predecessors. . . . The current Navy leaders have recognized the problems resulting from past policies and are making changes. I commend them and support them in their efforts. . . .

I agree wholeheartedly with Senator NUNN's assertions but I would go further and say that it is time to stop the turmoil in the Naval Reserve community, provide it with some stability, and give it a chance to provide the readiness we expect of our Reserve Force at a bargain.

I ask unanimous consent that a list of facts regarding this amendment be printed in the RECORD at this point.

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

FACTS ON NAVAL RESERVE AMENDMENT

PURPOSE

Provide for Naval Reserve Drilling Strength of 102,000.

REASONS

1. Navy has established a minimum drill strength requirement of 102,000 in order to meet the needs of an emergency mobilization. This level resulted from in-depth OP 605 Study, personally supervised by CNO.

2. Defense Manpower Commission supports 102,000 minimum strength.

3. Chief of Naval Operations and top Navy leaders are personally committed to full utilization of 102,000 Reservists in Navy's mission.

4. Personnel intended to be cut are necessary for infusion of trained manpower into active forces to provide essential services during first 180 days of mobilization. Sustained operations of Navy in crisis depend on availability of Reservists to run support facilities on full-time basis.

BACKGROUND

Senate Armed Services Committee approved 79,500. Defense Budget Request asked for 52,000. House approved 102,000 in Defense Authorization Bill. House Appropriation Committee funded 102,000.

Senate Armed Services Committee decision was made without benefit of Defense Manpower Commission Report, and without benefit of completed evaluation of OP 605 Study by Office of the Secretary of Defense.

BENEFITS

Cost-effective way for Navy to maintain manpower strength. Cost per reservist about 1/5 to 1/6 of active duty personnel—especially important when 52% of Defense Budget is for manpower costs.

Reservists provide important service even in peacetime as supplement to active Navy. Examples: intelligence projects, telecommunications.

Authorization by Congress of minimum strength requested by Navy will support and reinforce first-time ever commitment by Navy leadership to fully utilize Reserves—will improve response capability in national emergency.

Reservists are important to nation in civil emergencies as well as in national defense. Examples: Seabees, medical units.

PROBLEMS CAUSED BY REDUCTION

1. Inadequate Naval manpower in case of national emergency.

2. Difficult to increase Reserve strength once reduction is made.

3. Morale and training problems increase due to instability in Reserve strength.

4. Lowered readiness of Reserve units and of active forces, as indicated above, due to reductions.

5. Difficulties of attracting new personnel are increased by cutbacks, especially among junor officer and enlisted ranks.

COST

$38 million additional to raise strength authorization to 102,000 from 79,500—equivalent to 1/10 of 1% of Navy Budget.

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

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

Mr. NUNN. Mr. President, I will try to be very brief.

The Dole amendment proposes that we go back to 102,000 people in the Naval Reserve. The President's budget proposed 52,000 people in the Naval Reserve.

The Subcommittee on Manpower and Personnel went into this matter in probably more detail than we did any other individual personnel request. It does affect a great many people.

The Naval Reserve is a vital part of our defense. Our subcommittee recommended and the full committee adopted the proposal that we add back from the administration request to the point of

79,500, which is an add-back of 27,500. We did not do this lightly. We went through every unit that the administration was proposing for a cut. We tried to sort out the units we felt were essential for our national security.

We added back the mine harbor, the riverine sealift units, we added back the ship and aircraft maintenance units, we added back the technical and professional skill units, and we added back an additional 7,800 people who we felt could be used because of the cut in active manpower that we made from the administration request.

So the Dole amendment would cost $38 million that is not in this bill. It would have the effect of adding back beyond the committee recommendation, and these are the units that would add back. It would add back what the Navy designates as low-priority units, what they designate as headquarters and staff units and various soft skill units. This means very low training in skills.

It also would add back Marine Corps support units that are used for the 4th Marine Division.

So I oppose this amendment. We did go into it in considerable detail. I would be the first to join the Senator from Kansas if I felt that these units were essential for our national security.

We have mandated in the committee report that the Navy go into considerable study about how it can better utilize the Naval Reserve. I do not think the Naval Reserve is being utilized adequately now, but it does not help the situation to add back units that are not needed and that are not wanted by the administration or by the Navy and that the committee designates, after considerable study low-priority units.

I reserve the remainder of the time allotted to the chairman.

Mr. THURMOND. Will the Senator yield for a question?

Mr. NUNN. I yield.

Mr. THURMOND. Will the Senator state just what Seabee battalions will be eliminated?

Mr. NUNN. The ones that the administration requested be eliminated. I do not know what the particular battalion numbers are. The Seabees are a source of controversy and have been for some time over the last 2 years, and we did not add back the Seabee units. We did not do it after a considerable amount of investigation as to how long it would take the Seabees to be deployed to the European theater. Most of the units that have been cut would take an awfully long time to be deployed. We have had considerable changes in the Seabees in terms of their deployability and what is needed in the European scenario. We did not add back the Seabee units. The Dole amendment would do that.

Mr. DOLE. Mr. President, I shall take just 30 seconds to summarize. The maintenance of the existing level of 102,000 brings it up to the House bill. The Defense Manpower Commission, the Chief of Naval Operations, and top naval officers are fully committed to utilization of the 102,000 reservists in the Navy mission.

I yield back the remainder of my time.

Mr. THURMOND. Will the Senator yield 2 minutes?

Mr. DOLE. Do I have 2 minutes?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. DOLE. I yield 2 minutes.

Mr. THURMOND. Mr. President, I rise in support of the Dole amendment. The reason I do is that a study was conducted by the Chief of Naval Operations, completed in October 1975, which was a very broad, comprehensive study to determine the needs of the Naval Reserve. They came up with a figure that the distinguished Senator from Kansas is now recommending, 102,000. The administration recommended only 52,000 because they felt that Congress would raise it. The Committee on Armed Services raised it to 79,000. But this leaves out a lot of Seabee units. These are very important units and if they are not kept intact, then if an emergency comes and we need them quickly, we do not have them. I think the Office of Program Analysis in the Department of Defense is responsible for this reduction in the budget and I think it is a shortsighted program.

This year, Congress approved 102,000 in the appropriations bill, the very figure that the Senator from Kansas is asking. That is a figure that the studies have recommended, that they have found to be needed. In my judgment, we are going to make a mistake if we cut these Reserves down and cut out these Seabee battalions. I hope the amendment of the Senator from Kansas will be adopted.

Mr. STENNIS. Mr. President, I yield myself just 3 minutes.

I have been a supporter of the Reserves, too. I am not going to let anyone outclaim me in loyalty to any of the Reserves. But we are spending now close to $6 billion a year—$6 billion a year, total cost—for manpower and equipment for our Reserves and National Guard. Some of those units are just splendid, fine, excellent. For years, in my way, I have advocated that we give them more responsibilities, give them more assignments, give them more equipment, and really blend them better into the regular services. I think we shall finally have to do that in meeting manpower needs. But just to give more men, more men, and more men, I do not think that meets our situation.

On this question the budget proposed 52,000 men, and after careful scrutiny of the entire problem by the Senator from Georgia and his fine fellow subcommittee members, they recommended 79,500. In the House bill, there is this 102,000 people. So it is going to be in conference. We shall do our best to go through it again with the House, so I think we ought to let it rest now on this figure that our committee, by rollcall vote, approved, after hearing all of the evidence, 11 to 4 in favor of the figure in the bill.

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

The PRESIDING OFFICER. Does the Senator from Mississippi wish to yield some time to the Senator from North Carolina?

Mr. DOLE. I yield whatever time I have remaining.

Mr. STENNIS. I yield 2 minutes.

Mr. MORGAN. I believe the Senator from Kansas said he had yielded.

Mr. President, I have no firm opinion on this particular matter. I am going to vote for it, but I want to express my concern about the Reserves and the military service. I believe that the Reserve is an effective way to eliminate the need for so many full-time military personnel. I was in the Reserves and 1 month from the time I was called back in the Korean war, I was serving battle watches on an aircraft carrier in Korea. I think they can be effective, but I found through my long service in the Reserves that, many times, the military services have provided inadequate training and have shown little concern for them. I am not sure that they are really interested in the Reserves. But I do not believe that this country can long maintain the full standing Army and Navy and Air Force that we now have with an all-volunteer service.

Think what the retirement benefits are going to be 15 years from now, when all these people that we keep inducing to reenlist are retiring. The Reserves do not retire and they draw no retirement pay until they get to be 60 years old.

I quite frankly think if the service would devote a little more time and attention to developing the Reserves, we could develop them at a lot less cost than maintaining a full service. I am going to vote for this one, relatively uninformed, but I hope the Committee on Armed Services will take a closer look at how much attention is being given to them and whether or not this country can afford an all-volunteer service and whether or not we will be able to afford the budget that will be required when these people start retiring a few years from now.

Mr. NUNN addressed the chair.

Mr. STENNIS. I yield such time as the Senator needs.

The PRESIDING OFFICER. All time has been used. The Senator from Mississippi has no time left.

Mr. NUNN. I ask unanimous consent that I may have 1 minute.

The PRESIDING OFFICER. Without objection, the Senator from Georgia has 1 minute.

Mr. NUNN. I want to respond briefly to the Senator from North Carolina, because he made some key points, and I agree with everything he said except his conclusion to vote for the Dole amendment. The Committee on Armed Services and our subcommittee, a year and a half ago, cut 10,000 people out of the Air Force and instructed them to make better use of the Air Reserve and Air National Guard. That has been done at a cost saving of $100 million a year, and they are carrying out the mission.

We could get into a long discussion on this, because it is very important. But to summarize it, the committee, this year, cut 10,000 people, approximately, out of the active duty Navy and we added back 7,800 reservists that the administration did not request in the Navy, with

the specific mandate for the Navy to make better use of their Reserves.

So what the Senator is advocating we are not only doing, we are doing vigorously. This is reflected in the committee report. It is reflected in everything we have done in the last 2½ years.

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

Mr. STENNIS. Will the Chair state the amendment?

The PRESIDING OFFICER. The question before the Senate is the amendment of the Senator from Kansas (Mr. DOLE). The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURKIN (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. HART), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Alabama (Mr. SPARKMAN), the Senator from California (Mr. TUNNEY), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from N. Dakota (Mr. YOUNG) are necessarily absent.

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

The result was announced—yeas 36, nays 39, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—36

Allen	Goldwater	Pearson
Bartlett	Hansen	Pell
Beall	Hartke	Scott, Hugh
Bumpers	Helms	Scott, William L.
Case	Hollings	Stafford
Chiles	Hruska	Stone
Curtis	Inouye	Thurmond
Dole	Jackson	Tower
Domenici	Long	Weicker
Fannin	Magnuson	Williams
Fong	Mathias	
Ford	McClure	
Garn	Morgan	

NAYS—39

Abourezk	Clark	Huddleston
Bayh	Cranston	Humphrey
Bellmon	Eagleton	Javits
Biden	Eastland	Kennedy
Brooke	Glenn	Laxalt
Byrd, Harry F., Jr.	Gravel	Leahy
Byrd, Robert C.	Griffin	Mansfield
Cannon	Hart, Gary	McClellan
Metcalf	Haskell	McGovern
Mondale	Packwood	Stennis
Muskie	Proxmire	Stevenson
Nelson	Randolph	Talmadge
Nunn	Ribicoff	
	Schweiker	

ANSWERED "PRESENT"—1

Durkin

NOT VOTING—24

Baker	Hatfield	Percy
Bentsen	Hathaway	Roth
Brock	Johnston	Sparkman
Buckley	McGee	Stevens
Burdick	McIntyre	Symington
Church	Montoya	Taft
Culver	Moss	Tunney
Hart, Philip A.	Pastore	Young

So Mr. DOLE's amendment was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. Will the Senator suspend?

Give the Senator from Montana attention. Senators take their seats.

The Senator may proceed.

APPOINTMENTS TO SELECT COMMITTEE ON INTELLIGENCE

Mr. MANSFIELD. Mr. President, in accordance with Senate Resolution 400, 94th Congress, I submit recommendations for appointment to the Select Committee on Intelligence.

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, makes the following appointments, which the clerk will state.

The legislative clerk read as follows:

Daniel Inouye (Appropriations)—for term expiring at the end of the 98th Congress

Birch Bayh (Judiciary)—for term expiring at the end of the 98th Congress

Adlai Stevenson (At-large)—for term expiring at the end of the 97th Congress

William Hathaway (At-large)—for term expiring at the end of the 97th Congress

Walter Huddleston (At-large)—for term expiring at the end of the 96th Congress

Joseph Biden (Foreign Relations)—for term expiring at the end of the 96th Congress

Robert Morgan (At-large)—for term expiring at the end of the 95th Congress

Gary Hart (Armed Services)—for term expiring at the end of the 95th Congress

Mr. HUGH SCOTT. Mr. President, in accordance with Senate Resolution 400, I hereby submit recommendations to the Select Committee on Intelligence.

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, makes the following appointments, which the clerk will state.

The assistant legislative clerk read as follows:

Senator CLIFFORD P. CASE, Senator STROM THURMOND, Senator HOWARD H. BAKER, JR., Senator MARK O. HATFIELD, Senator BARRY GOLDWATER, Senator ROBERT T. STAFFORD, and Senator JAKE GARN.

ORDER OF PROCEDURE—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, there will be no further votes on the pending business, the Defense Procurement Act. That will go over until Monday.

Between now and Saturday, we will try and clear up eligible bits of legislation on the calendar which have been cleared by the Budget Committee, which is in accord with the law.

I would like at this time to lay the pending business aside temporarily and turn to the consideration of Calendar No. 815, H.R. 12455, and in that respect I would like to make a unanimous-consent request that there be——

Mr. CURTIS. Reserving the right to object, what bill is the Senator calling up?

Mr. MANSFIELD. The Child Care Act which we have discussed before.

Mr. CURTIS. Very well.

Mr. MANSFIELD. Does the Senator have a suggestion which he might make as to how much time he would want on his amendment?

Mr. CURTIS. The junior Senator from Nebraska has an amendment. If we can arrive at a limitation on consideration of the bill that would get us out of here in a little while, I would be willing to accept 10 minutes on my amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent there be a 10-minute limitation on the amendment to be offered by the Senator from Nebraska (Mr. CURTIS) and that there be 20 minutes on the bill.

Mr. ALLEN. Reserving the right to object, and I shall not object, before we leave the military procurement bill, I wonder if the majority leader would indulge me to the extent of allowing me not to exceed 10 minutes.

Mr. MANSFIELD. I would be delighted to, if we could get the agreement before that.

Mr. ALLEN. I have no objection to the agreement.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Reserving the right to object.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. If the Senator will yield to me.

Mr. MANSFIELD. Yes.

Mr. STENNIS. I did not understand. The military procurement bill was laid aside?

Mr. MANSFIELD. Until Monday.

Mr. STENNIS. I did not understand that. The Senator from South Dakota has been waiting here patiently for an amendment. I feel we ought to give him a chance.

Mr. MANSFIELD. Mr. President, I withdraw my request and I ask there be a time limitation of 5 minutes on the Abourezk amendment, not to exceed 5 minutes, equally divided, in the usual form; and then I would ask unanimous consent that the distinguished Senator from Alabama be recognized for—after disposition of the amendment—not to exceed 10 minutes, the distinguished Senator from New York not to exceed 5 minutes, and then the unanimous-consent request would go into effect.

Mr. FONG. Reserving the right to object. Mr. President, I have an amendment, the manager of the bill will be willing to accept it, I ask that I be given

sufficient time to present that amendment.

Mr. MANSFIELD. How much time?

Mr. FONG. Two minutes.

Mr. STENNIS. One minute.

Mr. MANSFIELD. Not to exceed 5 minutes.

Mr. KENNEDY. Reserving the right to object, and I will not.

Mr. President, I hope as part of the unanimous-consent request that we can lay down my amendment.

Mr. MANSFIELD. Absolutely.

Mr. KENNEDY. So it would be defending the measure.

Mr. MANSFIELD. That was understood.

Mr. KENNEDY. For Monday?

Mr. MANSFIELD. That the Kennedy amendment would be laid down and be the pending business on Monday.

Mr. STENNIS. No agreement on time?

Mr. MANSFIELD. No.

Mr. KENNEDY. Could I just submit it then?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the disposition of the Fong and Abourezk amendment, the Kennedy amendment be considered as the pending business, it will not be taken up until Monday.

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

Mr. MANSFIELD. Everything else?

The PRESIDING OFFICER. Everything else is agreed to.

The Senator from South Dakota.

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1977

The Senate continued with the consideration of the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

Mr. ABOUREZK. Mr. President, I have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

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

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

The amendment is as follows:

At the end of the bill, add a new section as follows:

"SEC. . (a) Section 3732 of the Revised Statutes (41 U.S.C. 11) is amended by—

(1) striking out in subsection (a) the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which however, shall not exceed the necessities of the current year";

(2) striking out the subsection designation "(a)" at the beginning of such subsection; and

(3) striking out subsection (b) of such section.

"(b) The first proviso contained in the paragraph entitled "Medical and Hospital Department", under the heading "MEDICAL DEPARTMENT", in the Act entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seven" approved June 12, 1907 (34 Stat. 240), is amended by striking out the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which however, shall not exceed the necessities of the current year"."

Mr. ABOUREZK. Mr. President, I am again today submitting an amendment to the annual defense procurement bill that would terminate the authority for the Department of Defense to transfer funds pursuant to the Feed and Forage Act. This law has been on the books for more than a century. It is a law that is almost completely unknown to the public or Members of Congress, but fully known to the Department of Defense.

With the authority of this law, the Department of Defense has been able to skirt the normal appropriations process and obligate hundreds of millions of dollars. They make the decision; we pay for it.

Under the authority given to the Defense Department by the Feed and Forage Act, the Pentagon is allowed to obligate the money first, without any participation by Congress for an appropriation to liquidate the obligation. But the obligation is a legal and binding commitment on the funds of the United States, and the Congress has no choice but to appropriate the money. In fact, the Pentagon need not always come to Congress. Because of its ability to transfer funds, it often liquidates these obligations through transfers.

The Feed and Forage Act—also known as Revised Statute 3732, or 41 U.S.C. 11—allows the Departments of the Army, Navy, and Air Force to make contracts and purchases—in advance of appropriations—for certain enumerated supplies. This is permanent authority, available each year.

Basically, the authority is open ended, with the only restriction being that the contracts "not exceed the necessities of the current year."

I believe a brief review of the legislative history of this amendment is in order. I first offered the amendment in 1974. At that time, the distinguished chairman of the Armed Services Committee indicated that he had not had an opportunity to review the amendment, and its impact, and requested that the amendment be referred to his committee. I, therefore, withdraw my amendment.

Last year, I introduced the identical amendment. Despite the fact that no hearings were held by the Armed Services Committee on the substance of the amendment, the committee had done its work and agreed to the amendment. Unfortunately, when the issue got to conference, the House Armed Services Committee could not accept the amendment because they had not had an opportunity to study the matter.

In February, I wrote to the distinguished chairman of the House Armed Services Committee, Mr. PRICE, urging his committee to review the ramifications of the Feed and Forage Act during their hearings on this proposed budget.

In my letter to Chairman PRICE, I included several attachments which I believe would be beneficial to my colleagues in this year's debate.

I ask unanimous consent to have the following documents printed in the RECORD.

First, a copy of my letter to Chairman PRICE;

Second, a memorandum on the Feed and Forage Act I prepared last year for Senator STENNIS and the Senate Conferees, and;

Third, a 1972 letter from the ASD—Comptroller—detailing the use of the feed and forage law to that point. To my knowledge, the authority has not been used since then.

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

FEBRUARY 16, 1976.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Last year, during the Senate debate on the military procurement bill, I offered an amendment to repeal 41 U.S.C. 11, the so-called "Feed and Forage" Act. As you know, this act provides authority for the military departments to contract for certain items during the "current year" without regard to prior authorization or appropriation.

As noted in the conference report on the 1976 bill, the Senate agreed to that amendment because the provisions of the act were designed to allow for emergency needs of the military departments at a time when rapid response from the Congress may not have been available in emergencies. The Senate conferees maintained that the provisions are no longer required by law.

The House, however, had not had an opportunity to study the uses of the law and the ramifications of repeal. The Senate withdrew from its amendment.

I would respectfully urge your committee to investigate the uses of the Feed and Forage law, and the possible ramifications if it is repealed while Defense witnesses are testifying on the proposed FY 1977 budget. Hopefully, the Senate Armed Services Committee will again agree to this amendment, and this antiquated law can be repealed.

For your information, I am enclosing several documents which may be of assistance to you and your committee in assessing the use and vitality of this law. The first is a brief memorandum on the law prepared by me at the request of Chairman Stennis.

The second item is a 1972 letter from the ASD (Comptroller) detailing the use of the Feed and Forage law to that point. The final document is a xerox of my remarks upon the introduction of an identical amendment in 1974. Of course, I would be happy to provide you with any additional information you may deem desirable.

I appreciate your attention and cooperation on this matter.

With best regards, I am

Sincerely,

JAMES ABOUREZK,
U.S. Senate.

FEED AND FORAGE

NATURE OF AMENDMENT

The amendment adopted by the Senate would delete the "Feed and Forage" sections of Revised Statute 3732 (41 USC 11) that exempt "clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies" from the statute's general requirement that "No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment." The language deleted largely dates from an 1861 law and the substantive exemption dates back still further to 1820.

USE OF THE EXEMPTION IN RECENT YEARS

The Department of Defense Directive governing use of the R.S. 3732 authority (Number 7220.8, dated 8/16/56) states that DoD policy is "to limit the use of the authority . . . to emergency circumstances." However, DoD does not consider it "practicable to define in specific terms the conditions and circumstances which conceivably could constitute an emergency." DoD offers no indication of which situations, if any, might require the use of the Feed and Forage authority. Other authorities for transferring funds, reprogramming funds, using contingency funding, or incurring emergency deficiencies pursuant to such other statutes as the Antideficiency Act (31 USC 665(e)) are readily available to meet contingencies allowable under the exemption.

DoD emphasizes that the " 'Feed and Forage' exemption has been used in only five years since World War II." It should be noted, though, that four of those years occurred in the latter half of that period, and that they represented roughly half of the years in which the U.S. was engaged in military operations in Southeast Asia.

During the last decade, DoD has approved at least 38 applications to use the Feed and Forage authority, with the total amount authorized being at least $5 billion. Expenditures were only made in 13 accounts totalling $1.6 billion. The largest usage was in FY 1968 when there was a delay in enactment of the Second Supplemental Appropriations Act. The Feed and Forage authority was last used in FY 1972 in connection with "increased operations in Southeast Asia." (Deficiencies of up to $311 million in five accounts were approved; a total of $223 million in obligations were incurred, $58 million of that latter amount was subsequently covered by transfers from other funds, and the remaining $163 million is requested in the President's budget for FY 1976 for liquidation).

ARGUMENTS FOR ENDING THE EXEMPTION

1) The "Feed and Forage" exemption is an anachronism. It was necessary in the nineteenth century due to slower transportation and communications and a Congress in session only part of each year. It is no longer relevant in a time of instant communication and a Congress in session virtually yearround.

2) The exemption is inconsistent with Congressional budget control. It is not only a "back-door" spending authority, it is virtually open-ended, being limited in amounts only to "the necessities of the current year," as determined by DoD rather than Congress. Section 401 of the Congressional Budget Act of 1974 was intended to restrict "back-door" spending by limiting the enactment of new or increased spending authority that does not require prior appropriations. The "Feed and Forage" exemption is plainly inconsistent with the spirit of Sec. 401 of the Budget Act.

3) The exemption is unnecessary. DoD is generally provided with a specific Contingency Fund to meet "emergencies and extraordinary expenses"; the Antideficiency Act authorizes deficiencies in "emergencies involving the safety of human life, the protection of property"; and DoD has wide power to transfer and reprogram funds within its appropriations. Since Congress normally provides lump-sum amounts for the personnel and operations and maintenance accounts in which the Feed and Forage authority has been used, DoD appears to have fully adequate flexibility under the regular appropriations process.

4) The exemption contains the potential for frustration of Congressional intent. By DoD's own admission more than $500 million in obligations for military actions in Southeast Asia were incurred outside of the Congressional approval process. Moreover, in 1972 Secretary Laird told the Senate Appropriations Committee that the Feed and Forage authority would "permit us to operate" even if Congress failed to provide funding for the Vietnam War. In 1973 Secretary Richardson told the same Committee that if Congress denied funds to continue bombing in Cambodia, "We will consider that we have the authority to do it anyway . . . We could invoke section 3732 authority."

RELEVANCE OF THE AMENDMENT TO H.R. 6674

The "Feed and Forage" exemption authorizes purchases and contracts in advance of an appropriation. It is an authorizing matter, as Chairman McClellan of the Appropriations Committee pointed out in last year's discussion. Since H.R. 6674 provides authorization for DoD spending and for manpower levels, it is the proper legislation with which to deal with the authorization represented by the "Feed and Forage" exemption. In fact, no other legislation would be more appropriate for this amendment.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., September 21, 1972.

Dr. LOUIS FISHER,
Government and General Research Division, Congressional Research Service, The Library of Congress, Washington, D.C.

DEAR DR. FISHER: The enclosed report is furnished in response to your request for information concerning Department of Defense use of the authority of Section 3732, Revised Statutes (41 USC 11).

Records of these data are not available prior to the years annotated on the enclosure.

Sincerely,

ROBERT C. MOOT,
Assistant Secretary of Defense.

USE OF THE AUTHORITY OF SECTION 3732, REVISED STATUTES (41 U.S.C. 11)

[In thousands of dollars]

Fiscal year	*Appropriation*	*Amount authorized*	*Amount used*	*Ultimate method of financing*	*Programs in which the deficiencies were incurred and reason for use*
			DEPARTMENT OF THE ARMY		
	(Data prior to 1960 are not available)				
1962	Operation and maintenance, Army	54,044	54,044	DoD Appropriation Act, 1966 Public Law 98–213	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, clothing, and maintenance.
1966	Military personnel, Army	28,000	0		
1966	Operation and maintenance, Army	139,600	138,602	142,165 restoration authorized (Public Law 91–171)	Funds were required to cover deficiencies in transportation, fuel medical and hospital supplies, and maintenance.
1967	Operation and maintenance, Army	7,433	0		
1968	Military personnel, Army	93,400	0		
1968	Operation and maintenance, Army	1,269,100	1,134,834	Transfer from emergency fund, Public Law 90–392 (2nd Suppl, 1968)	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, clothing, and maintenance of aircraft.
1968	Operation and maintenance, Army National Guard	1,800	1,828	Transfer from emergency fund, Public Law 90–392 (2nd Suppl, 1968)	Funds were required to cover deficiencies in transportation, fuel, medical and hospital supplies, clothing, and maintenance of aircraft.
1969	Military personnel, Army	410,000	0		
1969	National Guard personnel, Army	16,400	0		
1969	Operation and maintenance, Army	13,000	0		
1969	Operation and maintenance, Army National Guard	181,300	0		
1972	Operation and maintenance, Army	75,800	75,800	Undetermined. (Preliminary 30 June 72)	To cover transportation in connection with increased activities in Southeast Asia.

USE OF THE AUTHORITY OF SECTION 3732, REVISED STATUTES (41 U.S.C. 11)—Continued

[In thousands of dollars]

Fiscal year	Appropriation	Amount authorized	Amount used	Ultimate method of financing	Programs in which the deficiencies were incurred and the reason for use
			DEPARTMENT OF THE NAVY		
	(Data prior to 1966 are not available)				
1966	Military personnel, Navy	28,400	23,600	Recoveries of prior year obligations.	Funds were required to cover deficiencies in subsistence of enlisted personnel, PCS travel costs, and clothing allowance for enlisted personnel.
1966	Military personnel, Marine Corps	19,000	1,700	Recoveries of prior year obligations.	Funds were required to cover deficiencies in subsistence, PCS travel costs, and clothing.
1966	Operation and maintenance, Navy	83,700	66,000	DoD Appropriation Act, 1970 Public Law 91-171 and U.S.C. 701-708 (Transfer of $65,963,088.16 from O&M, N "M" account to O&M, N Fiscal Year 1966 account).	Funds were required to cover deficiencies in ship activities and overhaul, fuel, and transportation of things.
1966	Operation and maintenance, Marine Corps	7,900	6,800	Recovery of prior year obligations.	Funds were required to cover deficiencies in depot supply maintenance, training and operation, and transportation of things.
1968	Operation and maintenance, Navy	338,700	0		
1968	Operation and maintenance, Marine Corps	46,600	0		
1968	Military personnel, Navy	142,800	0		
1968	Military personnel, Marine Corps	31,900	0		
1968	Reserve personnel, Navy	5,900	0		
1969	Military personnel, Navy	220,200	0		
1969	Military personnel, Marine Corps	61,500	0		
1969	Reserve personnel, Marine Corps	6,400	0		
1969	Operation and maintenance, Navy	20,000	0		
1969	Operation and maintenance, Marine Corps	28,900	3,600	Recovery of prior year obligations	Funds were required to cover deficiencies in the cost of transportation of things.
1972	Military personnel, Navy	2,800	0		
1972	Operation and maintenance, Navy	91,100	78,300 (Preliminary 30 June 72)	Undetermined.	
			DEPARTMENT OF THE AIR FORCE		
	(Data prior to 1954 are not available)				
1966	Military personnel, Air Force	45,100	40,323	Administrative cancellation	Funds were required to cover deficiency in subsistence of enlisted personnel and PCS Travel Costs.
1968	Military personnel, Air Force	72,700	0		
1968	Operation and maintenance, Air Force	528,100	0		
1969	Military personnel, Air Force	413,600	0		
1969	Operation and maintenance, Air Force	398,500	0		
1969	Operation and maintenance, Air National Guard	15,700	0		
1972	Operation and maintenance, Air Force	85,000	70,155 (Preliminary 30 June 72)	Undetermined.	To cover minimum essential costs for increased operations in Southeast Asia for fuel, supplies, maintenance, transportation, special air missions, temporary duty travel and other personnel support.
			DEFENSE SUPPLY AGENCY		
1968	Operation and maintenance, Defense Agencies	15,900	0		

Mr. ABOUREZK. Mr. President, this amendment was accepted by the committee last year, taken to conference, and dropped.

I have discussed it with the distinguished chairman of the Committee on Armed Services (Mr. STENNIS) and he has agreed to accept it on this bill.

Mr. President, I would hope that the distinguished chairman of the Armed Services Committee is again prepared to agree to this amendment, and to work for its adoption in conference.

I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I think the Senator has a good amendment. It certainly should be adopted in some form. We will try to do that in conference. I approve of the amendment. I hope it will be accepted.

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

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, I have an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. FONG. 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:

SEC. —. The Secretary of Defense shall conduct a study of all industrially funded activities, including the naval shipyards. This study shall examine: 1) the feasibility of removing detailed manpower ceilings at the various industrially funded activities including shipyards; 2) the specific criteria for using industrial funding for various activities; 3) the effectiveness of industrial funding in motivating management to be effective and efficient; 4) the feasibility of modifying Defense Department directives so as to make industrial funding mandatory for the day to day operation of similar activities.

The Secretary of Defense shall report the results of this study to Congress by Dec. 31, 1976.

Mr. FONG. Mr. President, this is a request for the Secretary of Defense to take a study on the manpower ceilings. I understand the manager of the bill is willing to accept it.

Mr. STENNIS. Mr. President, I wish the Senator from Georgia would say a word. I yield to the Senator.

Mr. NUNN. Mr. President, I have discussed this with the Senator from Hawaii both last year and this year. I have read the amendment. I think it is good. It requires a study on the subject, particularly in the area of shipbuilding.

I am pleased to recommend that our committee and the Senate accept the amendment.

Mr. FONG. Mr. President, is the name of the distinguished Senator from Florida (Mr. STONE) entered as a cosponsor?

The PRESIDING OFFICER. The Senator is correct.

Has all time been yielded back?

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

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the amendment of the Senator from Massachusetts will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment:

On page 15, line 8, strike out "$1,883,100,000" and insert in lieu thereof "$1,566,100,000".

Mr. KENNEDY. Mr. President, I am submitting this amendment for myself, Mr. CRANSTON, Mr. HATFIELD, Mr. BAYH, Mr. CLARK to reject the last-minute request for an additional $322 million for Minuteman III missiles, a request which originally was rejected by the administration itself as not necessary for the national security. These missiles, which are beyond the 550 Minuteman III missiles already deployed, are likely to be used as test vehicles in the years after 1988.

Secretary Rumsfeld in his posture statement this year explained the decision to end Minuteman production. He said:

This decision was based on three considerations:

Any additional deployments beyond the current level of 550 would not add significantly to the U.S. military capability, but would increase the strategic budget by more than $300 million for each further year of production;

Under the provisions of the Vladivostok understanding, additional deployments of Minuteman III would require offsetting reductions in Poseidon launchers in the 1980's;

Since Minuteman will become more vulnerable in the future, any additional resources should be invested in the deliberate development of a new, larger, and more survivable ICBM.

And yet, 4 days prior to the Texan primary, a decision was made to request a $322 million addition to the strategic budget for 60 more Minuteman III missiles.

It should be noted that neither the Senate nor House Defense Budget Committees included this sum in their recommendations. It also should be noted that the initial statement of Secretary Rumsfeld in his posture statement explaining the decision not to add $300 million to the budget was that "any additional deployments beyond the current level of 550 would not add significantly to the U.S. military capability." Thus, even if a subsequent SALT agreement permitted additional deployments, they would not add significantly to our military capability.

And under any SALT agreement which maintains even the high limits of SALT I, additional land-based ICBM's—which "will become more vulnerable in the future"—would have to be traded against further substantially less vulnerable submarine launched missiles.

Finally, the so-called bargaining chip argument which has been foisted on the Congress for the past 3 years already has seen the expenditures of $800 million unnecessarily. Had we stopped production of the Minuteman III in fiscal year 1974, at the completion of the 550 missile buy—we would have saved $800 million of taxpayer money already.

Thus, on February 18, 1972, the following testimony was given before the Senate Appropriations Committee:

Chairman ELLENDER. The request includes $11.3 million for advance procurement to support the planned buy of this missile in fiscal year 1974. As I read the data sheet, the fiscal year 1974 buy will complete this missile production program. Am I correct about this?"

General GLASSER. Yes, sir: that is correct.

But then came fiscal year 1974 and Secretary Richardson submitted the following statement:

There has been much uncertainty generated over Soviet intentions by their several new missile programs. We hope this uncertainty will be reduced during the coming year. *Even if it is not, we must decide this year whether or not to continue the MIRVing of Minuteman, since the cost of maintaining the option through FY 1975 would be very high.*" (*emphasis added*)

And it was high. By last year, $593 million had been expended in sums beyond those needed to deploy 550 missiles. Then last year, another $203 million was sought even though it violated the previous year's understanding.

In testimony, Lt. Gen. William J. Evans, Deputy Chief of Staff, Research and Development, USAF, was asked:

You stated that the current number that you have approved would provide test assets through 1984?

General EVANS. That is correct.

Mr. LYNCH. Last year, in our congressional data sheet, there was no intention to buy more Minuteman III missiles for any reason, test or otherwise.

Mr. LYNCH. Is fiscal year 1976 the last year that you intended to buy the Minuteman III missiles?

General EVANS. As you know, we have no long lead money in the 1976 request, and therefore, there are no plans at the present time to continue the production of the Minuteman beyond 1976 . . .

And so once again, we are told that there would be no more money wasted on a production line that is producing missiles to be tested a dozen years from now, to be tested when it is possible that the missiles will be vulnerable, to be tested at the same time we are going full speed ahead on a follow-on land-based missile system.

We believe that the supplemental Minuteman III missile request should be rejected because it is a waste of $322 million. We believe it should be rejected because, if deployed, it would be trading missiles that may be vulnerable for those that will not be. We believe that it should be rejected because it is clear that in the absence of congressional action, each year there will be a new hedge, a new bargaining session, a new reason why the Defense Department will want to keep spending more and buying more.

Last year, it was a $600 million hedge that we were trying to stop from becoming an $800 million hedge. This year, it is an $800 million hedge that we are trying to stop from becoming a $1 billion hedge.

The waste of money is not the only factor this year. In addition to the 60 new missiles being procured, the Defense Department has piggy-backed a request for mark 12A warheads, which raises an even more serious issue. Should the United States deploy a warhead whose very nature—three H-bombs of some 350 kilotons each—is perceived by every strategic observer as designed to destroy Soviet missiles in their silos? From the Soviet viewpoint, that means a warhead which carries a "first strike" label with it.

What it does immediately is give pause to Soviet planners regarding the vulnerability of their own land-based missiles. In that event, one possible reaction would be for them to adopt a hair trigger "launch on warning" strategy, a strategy which brings the world far closer to nuclear destruction.

Nor does any event justify our taking this enormous risk. Our deterrent capability is unquestioned, its destructive capacity many times over that needed to effectively destroy the Soviet Union.

We believe the additional procurement of $322 million for the Minuteman III program is unjustified.

ORDER FOR CONSIDERATION OF CHILD DAY CARE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the appropriate time the pending business be laid aside temporarily and that we turn to the Child Day Care Act.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1977

The Senate continued with the consideration of the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized for 10 minutes.

Mr. ALLEN. Mr. President, I thank the distinguished majority leader for obtaining the time for me to discuss the nonnuclear Lance program.

Since 1973, the Army has had the Lance missile system deployed in Europe. It was sent there to replace the aging Honest John and sergeant missile systems. In so doing, the Army was able to replace two systems with one—a significant savings. One serious step in that replacement, however, remains incomplete. When the Honest John was replaced, it had the capability of delivering both nuclear and nonnuclear fires, in support of our forces. As they presently sit in Germany, our six Lance battalions do not have the capability of supporting with nonnuclear fires, even though we could provide them with that capability today.

The PRESIDING OFFICER (Mr. STONE). The Senate is not in order. Will the Senate please come to order? Will Senators who wish to converse kindly withdraw to the cloakroom?

Mr. ALLEN. I thank the Chair for maintaining order in the Senate.

There have been several objections within our committees to allowing the Army to field this capability. I shall address each of these, not for the purpose of amending the bill, but simply to insure that each of us is fully aware of the facts, and not just the emotions which have surrounded these issues.

First, there have been claims that Lance has questionable accuracy and lethality. These claims have been dramatically disproven by actual live firing tests in which the nonnuclear warhead exceeded every Army requirement. There have even been questions concerning the validity of these tests, which I understand were very thoroughly investigated by the surveys and investigations staff of the House Appropriations Committee, and quite positively put to rest.

There have been claims that giving a nonnuclear capability to a nuclear capable unit degrades our nuclear readiness. I would point out first that tests and analyses have shown that employment of Lance in a nonnuclear role does not significantly degrade our nuclear readiness. In fact, because of the quick reaction, superior accuracy and high mobility of Lance, the nonnuclear warhead is capable of defeating those Soviet units which might be used against our nuclear forces, actually enchancing their survivability. I would also point out that our cannon artillery and the Honest John which Lance replaced have dual capability—and the alternative, to deploy a separate system at considerable expense in both manpower and dollars to fire only nonnuclear munitions, does not make sense when the system already there can do the job.

There have been arguments that the Army cannot find targets at the ranges that Lance will be firing. To that I say nonsense. While target acquisition at long ranges is an area into which the Army is placing great effort—and is, by the way, experiencing very promising success. The more important point is that Lance will not be used exclusively at long ranges. We all know how the Soviets outnumber us in Europe, and we all know that should a war start, our forces, both on the ground and in the air, will be faced with far more enemy and targets than they are going to have the ability to strike. Here is where Lance is most sorely needed—in support of our badly outnumbered cannon during periods of intense Soviet surge. During that first battle in Europe, when so much depends on our ability to win the first battle, our six Lance battalions are going to be sitting around doing absolutely nothing to contribute to winning that battle. That is absurb: over 2,500 men and 6 battalions of equipment, sitting around doing nothing, when for less than a 10 percent increase in total program costs, they can be given an already existing capability to significantly influence the outcome of that first battle.

There have been aguments that the Army is infringing upon the Air Force mission of air defense suppression. Again, I say nonsense to this assertion, air defense suppression is simply a capability of this weapon—it is not a primary mission. The Air Force has recognized this, and I have a letter in hand from the Office of the Secretary of the Air Force that fully supports the Army's intended employment of the nonnuclear warhead, and further welcomes the collateral contributions which would be made to Air Force missions. The Air Force, and you and I, need only to look to the lessons of the 1973 Mideast conflict to see how our Air Force is going to welcome that support, and how drastically needed that support is to our ground forces.

Finally, the cost effectiveness of nonnuclear Lance has been questioned, and numerous studies have been cited in reference. I do not know how many of you have read these studies in detail, and objectively, but I heartily recommend it. Senators will find, without exception, that those studies have been overtaken by significant Army work. Yes, nonnuclear Lance costs money, yet it provides a significantly cost effective increase in the capabilities of our forces to win that first battle in Europe. There will be nothing else available to the Army to do the job within the next decade. The nonnuclear Lance warhead has already been developed and proven. It is in production for our allies, and can be put into our own battalions with no increase in force structure—another significant savings.

If we are at all serious about our defense of Europe, and providing our fighting forces with the ability to stop that first Soviet push, I ask Senators to support this capability.

Mr. President, I ask unanimous consent to have printed in the RECORD supporting information for the position I am advocating.

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

[From the Department of the Air Force, Washington, D.C., June 19, 1975]

MEMORANDUM

Memorandum for Assistant Secretary of Defense (installations and logistics).

Subject: Revision of DCP 72—Nonnuclear LANCE (NNL).

This memorandum is in response to Action Item 1 of the NNL DSARC held on May 8, 1975. The Army, after preliminary discussions with representatives of the Air Staff, has prepared a revised DCP 72 which more accurately reflects the Army's views as described at the DSARC. After incorporating certain changes subsequently suggested by the Air Staff, the draft DCP, as it now stands, is acceptable to both Services.

The Air Force recognizes the need to augment fire rates and ranges of tube artillery for high priority targets or for general use in short intense "surge" periods of combat as a major concern. The added utility of NNL to Allied Forces considering purchase of NNL is also recognized; it provides incentives to Allies to reduce their deficiencies in artillery fire-delivery capabilities.

In view of artillery deficiencies facing U.S. and Allied ground forces and the NNL contribution (as documented in DCP 72) to countering such deficiencies, the Air Force would support the introduction of NNL for the primary purpose of augmenting the fire rates and ranges of tube artillery. The Air Force welcomes the collateral contributions which would be made by NNL to Air Force missions.

JOHN J. MARTIN,
Principal Deputy Assistant Secretary, Research and Development.

NON-NUCLEAR LANCE (NNL)

The Army needs a responsive all-weather, day/night conventional fire support system to augment cannon artillery and to strike high priority targets beyond cannon range. Though this capability is needed at all stages of combat, it will be a necessity during the early stages of a war and periods of intense combat when all means of fire delivery are stretched beyond capacity. Non-nuclear Lance has been developed, tested, and proven as the single system which fufills the cannon reinforcing and deep requirements and it is immediately available for procurement.

Non-nuclear Lance:

Fills capability gap left by inactivation of the Honest John Rocket system (nuclear and non-nuclear).

Provides a badly needed increase in fire power to the conventional batlefield. (The six Lance units presently deployed with only a nuclear capability will sit uselessly during the conventional battle.)

Extends Lance system use for limited war (non-nuclear) throughout the world, yet allows this full utilization of all Lance Bn's for less than a 10% increase in the overall Lance program costs.

Has met or exceeded every Army performance requirement.

The range capability of NNL provides additional needed flexibility to the fighting ground commander. He can reinforce fires of other friendly units by firing across

Corps and Division boundaries with NNL, and thus influence ground action at the key point.

Our commanders on the ground and our own studies show that there are many more targets in the enemy assaulting echelons and vital parts of the enemy rear than we can now strike. The acquisition of NNL will enable our ground commander to target against many additional threat elements.

Nonnuclear Lance uses existing nuclear Lance units and ground support equipment with no increase in force structure or manning level.

Foreign Countries Desire for NNL—

Other countries want the Non-nuclear Lance.

The present non-nuclear production (of 278 non-nuclear warheads and missiles for approximately $100M) is for foreign military sales customers (Belgium, Netherlands, Italy, Israel) who are so sold on the non-nuclear warhead for the Lance that they are willing to carry the start-up and production costs in spite of present non-participation by the U.S. Israel has nothing but praise, particularly as the result of their recent test firings.

Employment of Non-nuclear Lance involves less cost risk.

$200 thousand per missile fired compared with potential loss of a $15 million aircraft going after same target.

For $150M the Army obtains 720 rounds which is a minor investment to make in order to add a whole new dimension to our fire power array.

Warsaw Pact and certain Arab countries are armed with NNL-like systems—the Scud and the Frog. NNL is the only Army system that exists now that has the range and capability to provide the answer to these systems.

Mr. GARN. Mr. President, on May 17, Senators KENNEDY and CRANSTON circulated a Dear Colleague letter asking for support for their amendment to delete from the Military Procurement bill funds for continued production of the Minuteman III, intercontinental ballistics missiles, ICBM.

There are always, of course, serious differences among Senators over defense philosophy, and over perceptions of foreign nations who might be possible adversaries. The statements in the Kennedy-Cranston letter, however, seem to me to go beyond matters of philosophy, and reach questions of fact, and I feel that I must take a few moments to respond to them.

As near as I can tell, my colleagues raise six points against continuation of Minuteman III production. I will try to answer each of them .

First. Additional deployments beyond the present level of 550 would not add significantly to U.S. military capability.

As I have pointed out before, the Minuteman III has the following advantages over the Minuteman II: It is hardened against dust and debris on fly-out; it has a vastly improved and more accurate guidance system; it can be remotely retargeted by computer in 36 minutes, as compared to the 24 hours now required to retarget the Minuteman II, by hand; it is hardened against electromagnetic pulse; and its life in the silo will be considerably longer than the life of the Minuteman II. These facts add up to a significant improvement in defensive and deterrent capability.

Second. Additional deployments of Minuteman III would require offsetting reductions in Poseidon launchers.

This argument presupposes that the MIRV ceilings arrived at in Vladivostok are binding on the United States. That is simply not the case. The limit of 1,320 MIRV's was a goal toward which the SALT II negotiations were to work. The Vladivostok agreement has never been submitted to the Congress; Congress has not given its advice on Vladivostok; no hearings have been held; it has not been consented to by the Senate; Mr. President, we have not even seen the administration's own analysis of the Vladivostok agreement. The United States is not bound by Vladivostok, and should not act as if it were.

Recently, I put to the Defense Department as clearly as I could the question of MIRV limits under Vladivostok. I ask unanimous consent to have printed in the RECORD at this point their response.

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

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., May 6, 1976.

Hon. JAKE GARN,
U.S. Senate.

DEAR SENATOR GARN: This is in reply to your recent letter, to the Secretary of the Air Force, regarding the 1320 MIRVed ballistic missile ceiling emanating from the Vladivostok Understanding and its impact on our force planning.

While it is true that we have considered the 1320 level in our deliberations on future force structure, we have been careful to maintain the distinction, which you have correctly pointed out, that the ceilings agreed to at the Vladivostok Summit are guidelines for the negotiations and not firm limitations. During the deliberations which led to the formulation of the Fiscal Year 1977 budget request, there was considerable optimism that an agreement which embodied these guidelines would be achieved soon. We therefore felt it prudent to plan for a mix of MIRVed ICBMs and SLBMs which would accommodate US negotiating objectives while maintaining a balanced deterrent force. It was thought that to ignore the terms of the Understanding would undermine the credibility of our desire to negotiate such limits.

Since then, there has been time to note the continued Soviet ICBM deployments and to assess the consequence of the slow pace of negotiations. As a consequence, we have recently requested approval of funding that will provide us with the necessary options to continue Minuteman III production.

Your continued interest in areas of mutual concern such as this is appreciated. Please do not hesitate to contact us if we may be of further assistance.

Sincerely,

RALPH J. MAGLIONE,
Major General, USAF,
Director, Legislative Liaison.

Mr. GARN. Mr. President, this statement should lay to rest the argument that we are limited to 1,320 MIRV's.

However, as I have pointed out before, even if we were bound by this agreement, or if SALT II were to produce a roughly similar limit, deployment of more Minuteman III's would not impact the Poseidon program until 1982 or 1983 at the earliest, assuming no more slippage in the Trident program. I will have more to say about the trade-off between land- and sea-based missiles in a moment, but it is clear to me that this is not a significant problem.

Third. Since Minuteman will become more vulnerable in the future, any additional resources should be devoted to development of a new, larger, and more survivable ICBM.

I would be the last one to argue against development of the MX, or some other follow-on missile. Certainly we need one, and I invite Senators CRANSTON and KENNEDY to join me in supporting it. It will be good to have them aboard. But future vulnerability cannot be used as an argument against present deployment. All weapons systems become vulnerable. The point is that the Minuteman III is significantly more survivable than the Minuteman II. Actually, in my view it makes perfect sense to keep up production in order to keep in place the finest technical team of missile production ever known.

The fact is that the Minuteman III could be made less vulnerable at present by making it mobile. We do not need the next generation of missiles to go in that direction. A hardened Minuteman III is already a good start.

Fourth. My colleagues then say "It should be noted that neither the Senate nor House Defense Budget Committees included this sum in their recommendations."

I am not certain what a "Defense Budget Committee" is, but it is clear that the budget resolution adopted by the Congress contains adequate authority for continuation of Minuteman production. Beyond that, the House Appropriations Committee, in its submission to the House Budget Committee specifically mentions the Minuteman III program, and makes provision for its funding. The Budget Committee did not change that recommendation.

Fifth. Land-based ICBM's are vulnerable, and sea-based ICBM's are not.

The vulnerability of the Minuteman system is not what we have been led to believe.

For projected Soviet accuracy improvements, Minuteman will, in its upgraded configuration, have adequate survivability to at least the mid-1980's. Even then, it would require two R/V's per site to give a major damage expectancy. Operational uncertainties—accuracies not as good as test launches and multiple warhead timing is critical—make prediction of a successful attack on Minuteman a highly risky adventure.

In addition to the problems of the relatively simplistic attack on fixed sites, the Soviet planner has two other major timing problems to contend with. He cannot attack both the bombers and ICBM's simultaneously because of differences in flight times of the required weapons. Thus, an attack on one warns the other.

Second, he cannot assume that the United States would not launch out the Minuteman force on warning. An attack massive enough to do major damage to Minuteman would give unmistakable warning. Thus, the Soviets might be attacking empty holes and their own stra-

tegic and military forces would be under attack.

There is a general tendency to overemphasize the vulnerability of fixed hard sites and underemphasize the vulnerability of the SLBM forces. One-third of the submarine force is in port at all times and completely vulnerable. Its survivability at sea is really an unknown; for example, the Soviets have enough attack submarines to assign two of them to trail each U.S. LSBM submarine.

Putting too much faith in submarine survivability and too much of our strategic forces into one leg of the Triad is a dangerous U.S. posture. This places a large premium on the Soviets gaining an ASW capability which results in a two-fold disadvantage to the United States: Incentive to Soviets to emphasize ASW development; and the attendant danger of an unknown breakthrough in Soviet ASW technology.

Communications reliability to submarines is marginal and only one-way. Thus, there is no direct confirmation of receipt of an emergency-action-message. The national command authority does not know if the submarines are available to carry out an assigned mission—or even if they received the order.

By contrast, Minuteman has a constant, two-way communication system; is deployed in our sovereign territory; has excellent reliability, accuracy, range and payload and the highest availability of our strategic forces.

Another point, Mr. President, is that sea-launched missiles are relatively inaccurate. They are called "city killers," because they are aimed at population centers, as part of the mutual assured destruction strategy—MAD. By contrast, the land-based missiles are highly accurate, and are largely aimed at hard targets, at hardened missile silos.

It should be noted that "city killers" only act a a deterrent if you care about population losses, or if you have made no civil defense provisions. However, as I pointed out on the floor of the Senate recently, the Soviets are indeed investing huge sums in civil defense. Their capacity to move their population out of cities and into the countryside is far ahead of ours. Furthermore, their industrial capacity is far more spread out than ours, and designedly so. These facts make "city killers" less of a threat, and less of a deterrent. Total reliance on them would be MAD.

Sixth. The last argument is that the administration has asked for Minuteman piecemeal, a bit at a time over the last 3 years.

There is a sense in which this argument is accurate, but it misses an obvious point. The Defense Department and the administration have always asked for Minuteman to counter the serious Soviet threat of four lines of ICBM production. Production and development of such weapons was supposed to be slowed or halted by strategic arms limitation talks. Had it done so, there would have been no need to continue Minuteman production. It has been the lack of progress toward meaningful arms limitation that has made the change in signals necessary.

Even today, the administration hopes that the summer or fall will bring agreements which will make the expenditure of the $322 million in this request unnecessary. If such agreements come, the money reverts to the Treasury. It cannot be reprogramed. All this bill does is preserve us an option, a greatly needed one. I urge all Senators to join me in defeating the Kennedy-Cranston amendment.

AMENDMENT OF TITLE XX OF THE SOCIAL SECURITY ACT

The PRESIDING OFFICER. Under the previous order, the clerk will state the pending business.

The legislative clerk read as follows:

A bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations.

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

That (a)(1) section 2002(a) of the Social Security Act is amended by striking out paragraphs (4), (5), and (6) thereof.

(2) The amendments made by paragraph (1) shall be effective on and after October 1, 1975.

b) Section 2007 of such Act is amended to read as follows:

"SEC. 2007. For purposes of this title, the term 'State' means the fifty States and the District of Columbia.".

SEC. 2. Section 7(a)(3) of Public Law 93–647 is amended by striking out "February 1, 1976" and inserting in lieu thereof "October 1, 1977".

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act) which is applicable to any State for the fiscal year ending June 30, 1976, which is applicable to any State for the fiscal period beginning July 1, 1976, and ending September 30, 1976, or which is applicable to any State for the fiscal year ending September 30, 1977, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to—

(A) 102.5 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal year ending June 30, 1976,

(B) 110 per centum of the amount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal period, or

(C) 110 per centum of the mount of the limitation so imposed (as determined without regard to this section) in the case of such fiscal year ending September 30, 1977, or

(2) an amount equal to (A) 100 per centum of such limitation for such fiscal year or period (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 80 per centum of the total amount of expenditures (I) which are made during such fiscal year or period in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal year or period, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal year or period, to which the provisions of subsection (c)(1) are applicable.

(b) The additional Federal funds which become payable to any State for a fiscal year or fiscal period specified in subsection (a) by reason of the provisions of such subsection shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c)(1) Subject to paragraph (2), sums granted by a State to a qualified provider of child day services (as defined in paragraph (3)(A)) during the last quarter of the fiscal year ending June 30, 1976, during the fiscal year ending September 30, 1977, or during the fiscal period specified in subsection (a), to assist such provider in meeting its Federal welfare recipient employment incentive expenses (as defined in paragraph (3)(B)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the aggregate of the sums (as described in such paragraph) granted by any State during a fiscal year or fiscal period specified in subsection (a) exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year or period, or

(B) with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used—

(i) to pay wages to any employee at an annual rate in excess of $5,000, in the case of a public or nonprofit private provider, or

(ii) to pay wages to any employee at an anual rate in excess of $4,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

(3) For purposes of this subsection—

(A) the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act; and

(B) the term "Federal welfare recipient employment expenses" means expenses of a qualified provider of child day care services which constitute Federal welfare recipient employment incentive expenses as defined in section 50B(a)(2) of the Internal Revenue Code of 1954, or which would constitute Federal welfare recipient employment incentive expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.

(d)(1) In the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall, subject to paragraph (2), be deemed to read "80" for purposes of applying such sentence to ex-

penditures made by a State for the provision of child day care services during a fiscal year or fiscal period specified in subsection (a).

(2) The total amount of Federal payments which may be paid to any State for any such fiscal year or such fiscal period under title XX of the Social Security Act at the rate specified in paragraph (1), shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such year or period, over

(B) the aggregate of the amounts of the grants, made by the State during such year or period, to which the provisions of subsection (c)(1) are applicable.

SEC. 4. (a) Section 50A(a) of the Internal Revenue Code of 1954 (relating to amount of credit for work incentive program expenses) is amended—

(1) by adding at the end of paragraph (2) the following new sentence: "The preceding sentence shall not apply to so much of the credit allowed by section 40 as is attributable to Federal welfare recipient employment incentive expenses described in subsection (a)(6)(B).", and

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) LIMITATION WITH RESPECT TO CERTAIN ELIGIBLE EMPLOYEES.—

"(A) NONBUSINESS ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before October 1, 1977.".

(c) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee whom such taxpayer hires after the date of the enactment of this Act.

SEC. 5. (a) Section 2002(a)(9)(A)(ii) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (II), and

(2) by adding after the comma at the end of clause (III) the following: "(IV) the State agency may waive the staffing standards otherwise applicable in the case of a day care center or group day care home in which not more than 20 per centum of the children in the facility (or, in the case of a day care center, not more than 5 children in the center) are children whose care is being paid for (wholly or in part) from funds made available to the State under this title, if such agency finds that it is not feasible to furnish day care for the children, whose care is so paid for, in a day care facility which complies with such staffing standards, and if the day care facility providing care for such children complies with applicable State standards, and (V) in determining whether applicable staffing standards are met in the case of day care provided in a family day care home, the number of children being cared for in such home shall include a child of the mother who is operating the home only if such child is under age 6,".

(b) The amendments made by subsection (a) shall, insofar as such amendments add a new clause (V) to section 2002(a)(9)(A)(ii) of the Social Security Act, be effective for the period beginning October 1, 1975, and ending September 30, 1977; and on and after October 1, 1977, section 2002(a)(9)(A)(ii) of the Social Security Act shall read as it would if such amendments had not been made.

SEC. 6. Section 4(c) of Public Law 94-120 is amended to read as follows:

"(c) The amendments made by this section shall be effective on and after October 1, 1975.".

Mr. MONDALE. Mr. President, I rise in support of H.R. 12455. This bill contains a compromise on the question of day care standards and funding which was initially developed by the Senator from Oregon (Mr. PACKWOOD) and myself, and subsequently adopted by the Finance Committee under the able leadership of the distinguished Senator from Louisiana (Mr. LONG).

Following the President's veto of the emergency day care bill (H.R. 9803) and our inability to override that veto in the Senate, we face a truly untenable choice.

If no action is taken, the Federal day care requirements must be enforced, effective as of last February 1. Yet, because of the President's veto, no additional funds will be available to meet the additional cost of compliance with the standards, estimated at more than $200 million per year. This means that compliance with the standards—which I believe are important to insure that federally supported centers are not damaging young children—may force closure of hundreds of day care centers, and a withdrawal of services from an estimated 200,000 children.

Families would then be faced either with returning to the welfare rolls, or with depositing these children in too-often damaging forms of care.

I very deeply regret the need to retreat from standards for preschool children receiving federally sponsored care. But the circumstances require compromise.

The pending bill does compromise the day care controversy. It suspends the most controversial staffing standards—for children 6 weeks to 6 years—until October 7, 1977. In the interim, the Secretary of HEW will conduct the "appropriateness study" of day care standards already provided under current law—and will have the power under present law to modify the standards before the new effective date of October 1, 1977.

In the meantime, the compromise in the pending bill would continue the key provisions of the vetoed day care bill, H.R. 9803, until October 1, 1977. This would include funding at the annual rate of $250 million; incentives for employment of welfare recipients in day care centers; and modifications in standards for family day care and for centers with few federally assisted children.

Health and safety requirements, staffing standards for infants and school age children, and other provisions of the Federal interagency day care requirements will remain in effect.

The funding provided will help States and localities meet the costs of health and safety standards and the remaining Federal requirements. A 1974 GAO study of 607 centers in nine States found 425 failing to meet State health and safety requirements—nearly twice the number failing to meet child-staff ratios. In addition, this funding will permit States to move to upgrade and enforce their own standards on a voluntary basis.

Under the compromise, Congress must review the whole question of compliance with day care standards in the summer of 1977, since the authorization will require extension by October 1 of that year—at the same time that standards for children 6 weeks to 6 years will be reimposed. The voluntary performance of States in the interim will weigh heavily in the debate over the nature of the new standards.

Mr. President, under the circumstances, I believe that H.R. 12455 represents a workable approach to the day care controversy. I wish once again to thank the chairman of the Finance Committee, the distinguished Senator from Louisiana (Mr. LONG), and the Senator from Oregon (Mr. PACKWOOD) for their efforts in this matter.

Quickly described, this proposal is the compromise which follows after the Congress failed to override the President's veto of the previous measure. We think it is a good compromise. One of those who fought the original proposal, the Senator from Oregon (Mr. PACKWOOD), is a cosponsor of this proposal and helped shape it; and we hope the Senate will adopt it.

It goes far toward leaving the States with broad discretion in the area of day care standards, but provides the funds that will assist them in a good faith effort to assure that if there is day care, it will be safe from the standpoint of sanitation, fire, health, and minimum safety conditions, and also provides funds to help pay for good faith efforts by the States to meet minimum staffing requirements.

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

Mr. MONDALE. I yield to the Senator from Oregon.

Mr. PACKWOOD. I am a cosponsor with the Senator from Minnesota (Mr. MONDALE) of this measure. The Senator and I were on opposite sides on the question of overriding the President's veto. I was in favor of sustaining, and the Senator from Minnesota was not.

The principal issue of disagreement at that time was whether or not we are going to federally impose day care staffing standards on the States, as to how many adults per child they would have to have in a day care center.

Mr. President, that issue is over; it is out of this bill. We will debate the merits

of those standards another day, when the Department of HEW reports its recommendations on the subject. I think the administration still has some problems with this proposal. I hope they will not veto it, because I think this is a fair compromise. It does not have everything in it I would like, and does not have everything the Senator from Minnesota likes, but it is a fair compromise, and I think one that most parties can accept and live with, and I hope the Senate will overwhelmingly pass it.

Mr. CURTIS. Mr. President, I yield myself 1 minute on the bill.

A very objectionable part of this bill relates to an additional funding of $375 million. In effect, it goes over the ceiling on social services of $2.5 billion to that extent. I hope that every member of the Committee on the Budget will support my amendment to remove that funding.

Mr. President, as the ranking minority member of the Committee on Finance, I rise to supplement the remarks of our distinguished chairman with respect to this bill.

As passed by the House, this bill contained only a simple extension of an administrative postponement of certain eligibility requirements for selected social services programs. Specifically, the bill would have permitted to States to continue to use so-called "group eligibility" determinations for these programs. The Finance Committee rejected the House approach and substituted an amendment making a permanent change in the law to give States complete flexibility in determining eligibility for social services.

The committee also added a series of amendments to this bill to resolve the problems arising in the aftermath of the Senate's sustaining of the President's veto of H.R. 9803, the day care center staffing bill. Under the committee amendment to this bill, the staffing ratios are suspended until October 1, 1977. Additionally, $375 million in child care funding is provided for the period ending October 1, 1977. The committee bill also contains incentives to hire welfare recipients in day care centers and continues certain amendments to the alcohol and drug abuse programs to which the Senate has previously agreed.

With the exception of the additional Federal funding for day care centers, which I shall discuss shortly, I support the committee bill for several reasons. First, it is essential that we either repeal or suspend the day care staffing ratios so that States will not face a retroactive loss of Federal social services funds. The committee bill suspends these standards. Second, we must begin to turn control of social services programs back to the States. This process is begun in this bill.

This bill differs somewhat from the administration's specific approach to the question of eligibility for social services. However, the committee's bill deserves support and, in my view, is consistent with the President's basic desire to move toward a "block grant" approach to social services. So long as we maintain a cap on the total amount of Federal funds to be made available to the States for social services, I am willing to permit the States to resolve eligibility questions in the way they determine to be appropriate.

As I indicated earlier Mr. President, I am troubled by one feature of this bill which provides additional day care funds. I shall shortly offer an amendment to strike out the additional funds made available by the committee. At this time, however, I did want to make it clear that I support the general thrust of the bill.

I ask unanimous consent to have printed in the RECORD a letter from HEW to the minority leader of the Senate dated May 19, 1976, expressing the Department's objection to this measure.

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

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., May 19, 1976.

Hon. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: This letter is to express to you the Department's strong objection to H.R. 12455, as reported by the Committee on Finance, and to ask you to bring our concerns to the attention of other Members of the Senate.

The bill was reported by the Committee ostensibly as a "compromise" proposal designed to meet the objections raised by President Ford in his April 6 veto message to the House on H.R. 9803, the child day care staffing standards bill. That veto, as you know, was sustained by the Senate on May 5, with many of those Members voting to sustain the President's action doing so on precisely the issues this new bill fails to address adequately.

Moreover, the Committee bill, in its present form, would go far beyond the question of the Federal role in day care services to alter radically the very nature of the $2.5 billion social services program. It would do so by eliminating those provisions of P.L. 93-647, enacted only last year, under which services funded under title XX are targeted to those who are most in need.

As you know, present law mandates that an amount equal to 50 percent of Federal funds available under title XX be devoted to services for those receiving, or eligible for, welfare, Medicaid and Supplemental Security Income (SSI) benefits. The balance of the Federal funds—and State matching funds—can be used, depending upon State policy, to provide free services for those with incomes up to 80 percent of the State's median income, and services on an income-related fee basis for those with incomes up to 115 percent of the State's median level. The Committee bill would eliminate these provisions altogether, leaving the possibility that the funds could be used for hgher income persons rather than for reducing the intolerably high welfare burden.

We strongly object to this feature of the Committee proposal. The most appropriate Federal role in distribution of these funds is to ensure that the bulk of services they help underwrite reach those who would have to go on, or stay on welfare, if services are not provided to them. Under the President's title XX block grant proposal, now before the Congress as S. 3061 and H.R. 12175, this would be achieved by targeting 75 percent of Federal services funds to those receiving, or eligible for, welfare, Medicaid and SSI benefits and those with family incomes below the poverty level. The balance of these funds, along with any State services funds, could, at the States' option, be used for the same populaton or for any other group.

Following is an outline of the Department's views on those provisions of the Committee-reported H.R. 12455 which ostensibly address the issues underlying the Pre sident's veto of H.R. 9803.

First, the issue of whether or not there should be Federal staffing standards for day care services supported in whole or in part under title XX of the Social Security Act. The President urged in his veto message that the Congress move to reinstate until October 1, 1976, the moratorium on imposition of the costly and controversial Federal staffing standards that was enacted last October by P.L. 94-120, thereby giving the Congress time to consider the Administration's title XX block grant proposal. Under that proposal, as you know, States would set and enforce their own day care staffing standards just as they now set and enforce teacher-pupil ratios in public schools.

Rather than follow this straightforward approach to the issue, the Finance Committee bill would instead reinstate the moratorium until October 1, 1977, after which the States would once again be forced to accept federally-established day care staffing standards if they wished to continue to receive Federal funding. We find this approach totally unacceptable for it presupposes that this critical issue will ultimately be resolved in favor of Federal, rather than State, rights and responsibilities over staffing ratios.

Second, the issue of day care funding. The vetoed bill authorized $125 million for the balance of this fiscal year and the transition quarter—and presupposed $250 million annually thereafter—with all of these funds expressly intended to help States meet the Federal day care staffing standards which would have, under that bill, been imposed effective July 1 of this year. The new committee bill would authorize a full $375 million for the 17 months ending September 30, 1977, at the same time that it would suspend the Federal standards at issue for that same period. Needless to say, this provision fails on its own logic. This bill would both delay the potential problem inherent in imposition of rigid Federal day care standards, thereby apparently obviating the need for additional Federal funding, but would then authorize more than a third of a billion dollars in new Federal spending during the suspension period.

Proponents of this provision may argue that the funds are intended to help States gear up to meet the Federal standards when they would be reimposed on October 1, 1977, should this bill be enacted. Yet the standards may well be greatly amended before that date as a result of the findings of a Department study of their appropriateness (which was mandated under P.L. 93-647), a study due to be completed early in 1977. Even if the States do not ultimately win the right to set their own day care staffing standards, it makes no sense whatsoever to invest $375 million of Federal taxpayer funds at this point to lead States toward implementation of standards which have not even been written.

Third, the issue of State flexibility in the administration of the title XX program. The Committee's "compromise" bill, like the vetoed H.R. 9803, would introduce the concept of categorical funding into the title XX program by earmarking the $375 million in new funds it would provide for a narrow purpose and establishing a special matching rate for that purpose. This provision is directly counter to the fundamental nature of the title XX program. As the President noted in his H.R. 9803 veto message, such a provision would undermine the hard-won freedom of the States and the voluntary sector to determine both the form and content of the serv-

ices they wish to provide according to their own sense of priorities.

Once again, we strongly urge that the Congress not seek to push the Federal Government and the States in the direction that either the vetoed H.R. 9803, or this so-called "compromise" bill, would take the title XX services program. I urge the Congress to simply extend the moratorium on enforcement of Federal day care standards until October 1, 1976, and to enact the President's title XX block grant proposal, S. 3061.

Should H.R. 12455 emerge from the Congress in a form which fails to address adequately the major issues I have outlined here, I would have no choice but to recommend that it be vetoed.

We are advised by the Office of Management and Budget that there is no objection to the presentaion of this letter, and that enactment of H.R. 12455 would not be in accord with the President's program.

Sincerely,

MARJORIE LYNCH,
Under Secretary.

Mr. CURTIS. We are faced with some unusual, arbitrary, and unnecessary regulations being imposed on the day care centers, that will go into effect unless the centers are postponed. This bill does that.

Where I part company with the bill is that the States are given $375 million more for day care. Originally the bill was supposed to give them that money to comply with Federal regulations.

This bill suspends the Federal regulations, so that argument is no good. Then the argument was advanced, "Let us give away $375 million to improve the standards of day care."

The social services program got out of hand once before. Congress put a ceiling on it of $2.5 billion. This would exceed that ceiling by $375 million.

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr. BARTLETT, and Mr. BELLMON, proposes an amendment as follows:

On page 2, strike out line 13 and all that follows down through line 8 on page 7.

Mr. CURTIS. Mr. President, I yield myself 2 minutes on the amendment.

This amendment would strike out the $375 million for day care centers, the $375 million which would go over the $2.5 billion now provided for social services. It cannot be justified; it is done in the face of a tremendous deficit; and it breaks the ceiling on social services. Up to now we have had a ceiling of $2.5 billion.

Considerable latitude is given to the States to allocate that money. If this proposal passes, there will be other requests to break that ceiling for other social service programs.

Mr. President, this is very serious. It is going to be interesting to see the reactions of the Committee on the Budget. Here is something new: a proposal to exceed a ceiling, and do it with borrowed money.

Mr. President, I yield the remaining 3 minutes on my amendment to the distinguished Senator from Oklahoma (Mr. BARTLETT), a coauthor of the amendment together with Senator BELLMON and now Senator HELMS.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from Nebraska, and compliment him on this amendment.

The question of day care center staffing standards is again before the Senate. This problem of simple regulatory reform has been one of the more difficult matters that has faced the Senate this session. A majority of the Members have made statements concerning the control of big government and the interference by Government regulatory agencies in the everyday lives of citizens of this country; but when we have been confronted with the opportunity to eliminate a group of totally unnecessary and unsupported day care staffing standards, we have been woefully inadequate.

We are here again today for the third time in 4 months, trying to resolve this situation; but again, we lack logic in our methods. H.R. 12455, in part, seeks to postpone the title XX staffing standards to October 1, 1977, which is a viable alternative, and one that I have supported both through legislation that I earlier introduced, and through an amendment that I later offered to H.R. 9803 when it was being considered on January 29, 1976.

The preferable solution would be to eliminate completely the standards because there is no proven need for their existence, in that, the States each have regulations under which day care centers have been operating for a number of years. By again delaying the standards, the Senate may well be faced with this question a fifth, sixth, or seventh time; and this waste of precious time can be ill-afforded.

However, I have supported this solution as one alternative. The postponement will at least allow a full, complete and adequate analysis of staffing standards to be made. This is the analysis that was missing when the regulations were first promulgated. The various specialists, organizations, and private citizens will have an opportunity to assist in developing satisfactory guidelines during the delay period; and hopefully, a satisfactory result will be obtained.

The matter which does concern me about H.R. 12455 is the $375 million authorized by the committee to be spent during this delayed period. This is to be used by the States to accelerate their progress toward some unknown goal. It is as if we are to ignore the fact that the intention of the deferral is to provide the time to develop practical alternatives. We are asked to be totally fiscally irresponsible, another practice which has been decried not only in this Chamber but by the public at large, the public that must pay the taxes and suffer the effect of increased Federal borrowing to support the expanding debt.

We fall into the same practice that initiated the original argument over title XX staffing standards, acting before all of the facts are before us. HEW promulgated the standards without quantifiable data, and now we purpose to spend blindly precious dollars toward an unknown objective. We do not have the need to justify the expenditure of $375 million. There is absolutely no reason for any appropriation in this bill. This bill authorizes an appropriation for nothing.

A simple solution again presents itself. The Senate can adopt the deferred date and, at the same time, delete the $375 million.

Viable solutions have been previously offered by Senator PACKWOOD and myself, but they were not accepted. This bill, with a corrective amendment, can be a sign to the people of each of our States that we are serious about our public utterances to decrease the effect of the Federal Government on individual private lives. I, therefore, encourage my colleagues to support this amendment offered by Senator CURTIS to delete the nonessential funding during the 17-month delay.

Mr. President, this proposal tends to keep in the bill the funding, which is really funding for nothing. It is funding for a proposal that has been postponed until September 30, 1977. The staffing standards would not go into effect until after that date, and yet the funding for the staffing standards, which at one time were proposed to go into effect right away and otherwise would be in effect now, would need the money. But now we are willing to spend this amount of money for nothing.

I do compliment the committee for deciding to at least postpone the requirements for staffing until September 30 of next year. I am sorry that they did not just delete the Federal requirements from the bill, so that Congress could consider what requirements would be essential after the study is completed at some period in 1977.

I think it is most important that we do not break the ceiling of $2.5 billion, that we do not exceed that limit, but I do think that we look sort of silly as a deliberative body to keep in this bill the funding for a program that has been postponed until after September 30, 1977. At a time when our deficits have been breaking records every year, at a time when we can see inflation really causing great trouble to this Nation, we decide to postpone a program, and yet fund it anyway. I would say with the distinguished Senator from Virginia, that does not make much sense to this Senator, and I do not believe it is going to make much sense to the citizens of this country.

Mr. PACKWOOD. Mr. President, when we had the bill with the original Federal staffing standards in it, no one was arguing there was not a need for money for day care at the local level. The argument was whether or not we should impose the Federal standards on the local level. By and large, a study made by the Senate Finance Committee proved that they needed the money for day care. All we did was say, "Here is the money, we will get rid of the Federal standards. If you want to make day care centers, you decide whether you want two centers with lower staffing ratios, or one with higher ratios. If you need two in an urban area and one in a rural area, you decide. Here is the money."

There are about a dozen different social service functions the money can be spent for. If the State does not want it for day care, they can use it for some other social service function.

The cap of $2.5 billion for social services was placed some 3 years ago. We have had almost 35 percent inflation since that time.

There is no magic in that number. There is no reason why social services should be frozen at that level when all other Government expenditures have risen, sometimes higher than the inflationary rate and sometimes in keeping with it.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

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

Mr. CURTIS. I yield the Senator 1 additional minute.

Mr. PACKWOOD. All I am saying is that the same money that was in the previous bill is in this bill. The same need for day care that existed before the previous bill was vetoed and the veto sustained is in this bill.

All we are doing now is saying we are not going to impose the Federal mandatory standards on the States, "Use the money instead, Mr. State and Mrs. State, as you want for your day care needs."

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

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

The yeas and nays were ordered.

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

Mr. CURTIS. Mr. President, I am willing to yield back the remainder of by time on the amendment.

Mr. MONDALE. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time on the amendment is yielded back. The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah, Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Alabama (Mr. SPARKMAN), the Senator from California (Mr. TUNNEY), the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from North Carolina (Mr. MORGAN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "nay".

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 20, nays 50, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—20

Allen	Garn	Proxmire
Bartlett	Goldwater	Scott, William L.
Byrd, Harry F., Jr.	Griffin	Stennis
Curtis	Hansen	Thurmond
Domenici	Helms	Tower
Eastland	Hruska	
Fannin	Laxalt	
	McClure	

NAYS—50

Abourezk	Gravel	Muskie
Biden	Hart, Gary	Nelson
Brooke	Hartke	Nunn
Bumpers	Haskell	Packwood
Byrd, Robert C.	Hollings	Pearson
Cannon	Humphrey	Pell
Case	Jackson	Randolph
Chiles	Javits	Schweiker
Clark	Kennedy	Scott, Hugh
Cranston	Leahy	Stafford
Culver	Long	Stevenson
Dole	Magnuson	Stone
Durkin	Mansfield	Symington
Eagleton	Mathias	Talmadge
Fong	McGovern	Weicker
Ford	Metcalf	Williams
Glenn	Mondale	

NOT VOTING—30

Baker	Hatfield	Moss
Bayh	Hathaway	Pastore
Beall	Huddleston	Percy
Bellmon	Inouye	Ribicoff
Bentsen	Johnston	Roth
Brock	McClellan	Sparkman
Buckley	McGee	Stevens
Burdick	McIntyre	Taft
Church	Montoya	Tunney
Hart, Philip A.	Morgan	Young

So Mr. CURTIS' amendment was rejected.

Mr. MONDALE. Mr. President, I think we are ready for third reading.

Mr. JAVITS and Mr. CURTIS addressed the Chair.

Mr. MONDALE. Mr. President, I will yield after third reading.

Mr. JAVITS. Mr. President, I have 5 minutes.

Mr. MONDALE. May we have third reading?

Mr. JAVITS. Are we going to have a rollcall vote on passage?

Mr. WEICKER. No.

Mr. JAVITS. Then, I do not mind.

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

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

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

The bill was read the third time.

Mr. MONDALE. Mr. President, I yield briefly at this point to the distinguished chairman of the Budget Committee.

Mr. MUSKIE. Mr. President, I have a complete statement on the budgetary implications of this bill, most of which I discussed earlier this year when the bill first passed and at the time of the attempted override.

Mr. BUMPERS. Mr. President, it is extremely important that this body hear the chairman of the Budget Committee on the proposed legislation.

The PRESIDING OFFICER. The Senator's point is well taken. Senators will kindly clear the aisles and resume their seats. The Senate will be in order.

Mr. MUSKIE. I thank the Chair, and I thank the Senator from Arkansas.

I will not repeat at this time the statements I made earlier this year twice, except to remind the Senate that this program deliberately was included in the second concurrent resolution by the Senate Budget Committee and considered in the conference on the second concurrent resolution. So there is no question that it was covered by the second concurrent resolution, which applies to the remainder of this fiscal year.

The next point I shall make has to do with the 1977 concurrent resolution. As I think most of my colleagues are aware or are becoming aware, the Senate Budget Committee has requested that a hold be placed on all new entitlement legislation, as provided under the Budget Act that has been reported to the Senate, until the appropriate standing committees report to the Senate on their suballocations of new budget authority and outlays which are part of the crosswalk by which the Senate can enforce the first concurrent resolution on the budget for fiscal year 1977.

We did not have that kind of instrument available to us in fiscal 1976. It is available now, because we have ceilings on the 17 functions of the budget. It is an important one, one I would not want to see treated casually or bypassed. It is for that reason that I have delayed consideration of this bill until we could resolve the problem from the point of view of the Committee on Finance.

The Committee on Finance has not been able, because of its preoccupation with its tax bill, to file its crosswalk figures with the Senate. But it has offered to commit itself to a procedure which I think is acceptable from the point of view of the Committee on the Budget. I have discussed that with Senator BELLMON, who is the ranking Republican. The chairman of the Committee on Finance has agreed to deduct the amount of new budget authority in outlays contained in this bill from the allocation made by the budget conference report to the Committee on Finance. With that commitment, I am satisfied that the objective of the Budget Act with respect to this point is being served. I am persuaded that the Committee on Finance will file its crosswalk figures on the remainder of its function in due course, as will other committees.

Incidentally, I urge other committees to do so as rapidly as possible.

Mr. President, H.R. 12455 is a bill

which includes both changes in eligibility for social services funded under title XX of the Social Security Act and funding to provide improved child care under the same title. Only the child care provisions in the bill have direct budgetary impact, and it is to those provisions that I will address my remarks.

On January 29, 1976, the Senate passed H.R. 9803, a bill which provided sufficient funding to defray the costs of the new standards, promulgated by HEW in 1968 and enacted in the Social Services Amendments of 1974 to be effective October 1, 1975. The effective date had been postponed until February 1, 1976 and the purpose of H.R. 9803 was to allow day care providers to comply. On April 6, 1976, the President vetoed H.R. 9803 because he disagreed with the specific staffing ratios proposed.

The bill we are considering today further suspends compliance until October 1, 1977, in anticipation of an ongoing HEW study which, according to the administration, will determine more appropriate staffing standards. At the same time, however, this bill includes entitlements of up to $62 million in fiscal year 1976, $62 million in the transition quarter, and a full year entitlement of up to $250 million for fiscal year 1977 to support those States, including my own, where day care providers have attempted to move voluntarily toward the recommended staffing ratios, and to provide sufficient funds to allow day care providers in other States to do the same. While compliance with the more controversial staffing standards will be voluntary, the funds included in this bill are also intended to defray the costs of safety, sanitation, and facility standards that were also promulgated by HEW and mandated in the Social Services Amendments of 1974.

In view of the current economic situation, it is unreasonable to expect that the Federal Government can encourage the adoption of improved staffing, sanitation, safety, and facility standards without providing sufficient funds to cover its fair share of the added costs to current day care providers. It was with this view in mind that the Senate Budget Committee included sufficient amounts both in the second concurrent resolution for fiscal year 1976 and the first concurrent resolution for fiscal year 1977 to cover the costs of this bill.

There is another aspect of the budget process which I also wish to discuss in relation to this measure.

As my colleagues are aware, the Senate Budget Committee has requested that a "hold" be placed on all new entitlement legislation that has been reported to the Senate until the appropriate standing committees report to the Senate on their suballocations of new budget authority and outlays which are part of the "crosswalk" by which the Senate can enforce the first concurrent resolution on the budget for fiscal 1977, Senate Concurrent Resolution 109.

Specifically, section 302(a) of the Budget Act requires that the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget include an estimated allocation of the appropriate levels of total budget outlays and total new budget authority among each committee of the Senate which has jurisdiction over bills providing such new budget authority. These allocations to the standing committees were made in the joint explanatory statement accompanying the first concurrent resolution on the budget for fiscal 1977, passed by the Senate on May 12.

Section 302(b) of the Budget Act provides that each standing committee of the Senate with jurisdiction over spending legislation shall subdivide its allocation of new budget authority and outlays among its subcommittees or among programs over which it has jurisdiction and further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts. The Budget Act then requires that "each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection."

These reports by the standing committees to the Senate are absolutely crucial to the success of the congressional budget process. They are important for at least two purposes:

First, the reports will provide the information necessary to scorekeep accurately against the targets established in the first concurrent resolution and insure that we adhere to these targets; and

Second, these reports by the standing committees are necessary for the Senate to analyze the new entitlement programs reported by the standing committees to determine whether they are within the budget targets of the first concurrent resolution on the budget.

It is for these reasons that the Senate should hold up new entitlement legislation until the appropriate standing committees have submitted their reports subdividing the new budget authority and outlays allocated to them in the conference report on the first concurrent resolution on the budget.

The bill pending before the Senate, H.R. 12455, the child care and social services programs bill, creates a new entitlement for the States to receive additional Federal funds for the support of child day care centers. The Senate Finance Committee has not as yet made its report to the Senate subdividing its allocated new budget authority and outlays among its subcommittees or programs. However, the Senate in this case should make an exception in allowing this bill to come up for Senate consideration prior to receiving the crosswalk report of the Senate Finance Committee for three reasons, all of which are unique.

First, the Senate has already passed this bill in substantially the same form on January 29, 1976. The earlier bill, H.R. 9803, was vetoed by President Ford and Congress failed to override the veto. This bill thus arises as a modified version of a bill we have already passed.

Second, this bill is a fiscal 1976 bill which is now long overdue considering the limited time still remaining in this fiscal year. Since the Finance Committee is presently consumed by the markup of the tax bill, which is also an important priority in the first concurrent resolution for fiscal 1977, they have requested that we make an exception in allowing this bill to be considered since their markup on the tax bill will delay the submission of their report on the budget crosswalk and thereby result in further delay for an already overdue bill.

Finally, the chairman of the Finance Committee has agreed to deduct the amount of new budget authority and outlays contained in this bill from the allocation made by the conference report on the first concurrent resolution for fiscal 1977 to the Finance Committee. I would like to point out that this allocation to the Finance Committee totaled $30 billion in budget authority and $24.3 billion in outlays for entitlement programs that require appropriations action. The distinguished chairman of the Finance Committee, Senator LONG, has agreed that the cost of this bill, $250 million in budget authority and outlays for fiscal year 1977, will be deducted from these allocated sums when the Finance Committee makes its crosswalk report to the Senate subdividing its new budget authority and outlays from the first concurrent resolution.

Under these circumstances, the Senate should consider H.R. 12455 prior to the submission of the "crosswalk report" to the Senate by the Senate Finance Committee. There should be no other exceptions on this matter, and we must oppose any other efforts to consider new entitlements reported by standing committees until the standing committees have reported to the Senate on their suballocation of new budget authority and outlays provided in the joint explanatory statement accompanying the conference report on Senate Concurrent Resolution 109.

I have said that the Senator from Oklahoma agrees with me on the procedural points that are covered by my statement. He disagrees with me on the substance or the merits of the bill.

Mr. BELLMON. Mr. President, I intend to vote against H.R. 12455, the social services and child care bill I am against this bill for its budget implications and for policy reasons. This bill is a revision of H.R. 9803, which the President vetoed April 6, and the Senate sustained his veto May 5. One of the major reasons for the veto was the imposition of Federal staffing standards for day care centers upon all the States. This move has been a controversial issue and a major study is underway at HEW to shed some light on this issue. The bill before us today wisely postpones the imposition of these standards until October 1, 1977, and by that date, we should presumably have the benefit of the results of this HEW study. Thus, it is hoped that the standards will be determined when more facts are available than is the case today.

One of my problems with this bill has to do with the fact that although the date for imposing the standards has been postponed, the money originally included in the vetoed bill to help in the imposition of the standards has not been postponed. All of the money in the original

bill is still in the revised bill despite the fact that the reason for the funds has been pushed out of fiscal year 1978. Why, then, do we still have $62 million in this bill for fiscal year 1976, another $62 million for the transition quarter, and $250 million for fiscal year 1977? This is $374 million which is not needed, but I can guarantee you that if we leave it in this bill, somebody will find a way to spend it.

It has been suggested that the money might be left in the bill to allow some States to institute voluntarily the proposed Federal standards, but that defeats the wise decision to postpone the standards until we have more facts; facts presumably generated in the HEW study. I see no justification for leaving the money in this bill when the purpose for the funds has been postponed. It takes some rather convoluted reasoning to justify retention of the funds.

Mr. President, I believe the issue of State flexibility in the administration of the title XX program of the Social Security Act should also be addressed. H.R. 12455 introduces the concept of categorical funding into the title XX program. By earmarking the $375 million in new funds, it would provide for a narrow purpose and establishes a special matching rate for that purpose. This provision is directly counter to the fundamental nature of the title XX program. As the President noted in the H.R. 9803 veto message, such a provision would undermine the hard-won freedom of the States and the voluntary sector to determine both the form and content of the services they wish to provide according to their own sense of priorities.

Mr. President, my home State of Oklahoma has had day care licensing standards for the past 22 years. Oklahoma's standards have been developed by experts in the field of child care, and there are presently being delivered quality child care services throughout the State. Oklahoma's standards provide for a child-staff ratio which provides for a high quality of child care, but does not impose a child-staff ratio which would make the availability of child care services financially unfeasible.

Much has been said about the study which HEW only now has underway to assess the appropriateness of the standards. This study is due to be completed in early 1977. I believe it is imperative that Congress delay the funding for day care staffing standards until we can determine exactly what standards HEW recommends.

Mr. President, I join in cosponsoring an amendment introduced by Senator CURTIS to delete the provisions of H.R. 12455 providing additional Federal funding for child care services.

Mr. BARTLETT. Will the Senator yield?

Mr. MUSKIE. I am happy to yield.

Mr. BARTLETT. I ask the distinguished Senator from Maine if it is not correct that the Committee on the Budget, including the $375 million, did this for the purpose of funding the Federal standards that are postponed in this bill, and therefore the $375 million that was included by the Committee on the Budget will not be used for the purpose for which the Committee on the Budget included it, because the standards are postponed until after September 30, 1977?

Mr. MUSKIE. The Committee on the Budget assumes amounts; it does not mandate purposes. The amount that was assumed on an annual basis was $250 million. The amount of the bill, which is for 18 months, as I understand it, is $375 million. So the amount of the bill was assumed specifically.

Now, as I repeated over and over again in discussing budget resolutions in the legislature, we are not a line-item committee, so we cannot specify or mandate the details of legislation.

I do not know whether that answer gets to the point that the Senator is raising. If not, I wish the Senator would repeat it.

Mr. BARTLETT. It did not answer my question. My question was, Was not the Committee on the Budget advised that there would be Federal standards to be funded and that the $375 million that is in this bill was made available by the Committee on the Budget for the purpose of funding this program, the Federal standards for day care centers?

Mr. MUSKIE. Let me check with my own staff first.

I have checked my own recollection, I say to my good friend from Oklahoma, with my own staff's as well as checking with the recollection of Senator MONDALE's staff, that what was provided was $250 million for social services, but not for any specific form of social services and not specifically for this bill. As the Senator will recall, last year, the only target we set was an overall ceiling. This year, we set functional ceilings, so to that extent, this year's ceilings are somewhat more specific. But as to last year, all we approved, all we assumed is $250 million for social services and we have, since the first of this year—well, indeed, since our consideration of the second concurrent resolution—applied it to this bill, because this bill was the bill that was coming before the Senate as a claim against that amount of money that had been made available for social services. If some other social services bill had come ahead of it, it might well have put its claim on that $250 million to the point where there would have been no money available for this bill.

The same sort of thing can happen in any of the functions.

Mr. BARTLETT. Will the Senator yield further?

Mr. MONDALE. Mr. President, my time is about gone, so I cannot yield further. The other side will have to yield.

Mr. BARTLETT. Will the Senator yield further?

Mr. MUSKIE. I have no time.

Mr. CURTIS. Mr. President, I yield myself 2 minutes. The hour is late, and I do not want to enter into a prolonged discussion.

I cannot find the explanation of the distinguished chairman of the Committee on the Budget very consoling. The item in this bill is for $375 million. We have a ceiling on social services of $2.5 billion. This goes over that. If, in the fine print of the budget resolution, it still passes muster, it does not stop the march of reckless spending, it does not stop the increased debt, it does not stop the enlargement of the welfare State. Forty-five cents out of every dollar spent in Washington goes for benefits directly to individuals and we are adding to that today $375 million.

I question no man on how he votes. I rise merely to point out that comforting statements coming from the Committee on the Budget do not necessarily mean that we are getting the budget under control or that we are reducing expenditures or we are resisting increasing expenditures.

Mr. MUSKIE. Will the Senator yield?

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

The PRESIDING OFFICER. The Senator from Nebraska still has 7 minutes remaining.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

Mr. MUSKIE. Will the Senator yield 30 seconds?

Mr. CURTIS. I yield 30 seconds to the distinguished Senator from Maine.

Mr. MUSKIE. I assure the Senator that the statements I make to the Senate are factual statements. They are not intended to be comforting or discomforting.

Mr. CURTIS. They are most discomforting.

Mr. MUSKIE. With respect to the $250 million of budget authority, my staff estimate that the outlay effect in this budget year will be no more than $62 million and that we are under—we are under—the second concurrent resolution targets on outlays. I know that the Senator thought those targets were too high. That is another question. By my function is to keep the Senate informed on whether or not we are approaching or exceeding the targets that we set. Those announcements may give discomfort or comfort to different Senators, but I hope that, so as far as I am concerned, they are as factual as I can make them.

Mr. CURTIS. A target is awfully hard to hit when it is a moving target.

I yield 5 minutes to the distinguished Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Do I not have 5 minutes of my own reserved?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. So the Senator from Nebraska may have more time if he wishes to use it.

Mr. President, I wish to lend my support to urge the passage of H.R. 12455, for increased funding for Child Care and Social Services programs.

The distinguished chairman of the Senate Finance Committee (Mr. LONG), and the other members of that committee, especially Senator MONDALE and Senator PACKWOOD are to be congratulated for the expeditious manner in which they handled this much needed bill.

A feature of the bill with which I have serious reservations is the total elimina-

tion from the social service law of requirements that Federal funding under title XX be limited to individuals with incomes below specified amounts, and the requirement that 50 percent of Federal funding be used for welfare recipients. By allowing the States to determine for social services there remains the conthe income and eligibility requirements cern that those most in need of social services will be unable to obtain them. Certainly this change will make for less restrictions, paperwork, and administrative costs, leaving more funds for the actual delivery of services, but my concern is that the elimination of the safeguard that 50 percent of these funds must go to poor people will bring about a redirection of priorities.

On other hand, I recognize that some of these eligibility standards could have become an administrative nightmare, in which the costs would far outweigh the money spent for services.

S. 2157

Last July 22 I introduced S. 2157, a bill to abolish this unwise burden to senior citizens. S. 2157 is now cosponsored by 40 Senators. H.R. 12455 reflects our firm conviction that the means test requirement should be removed. However, my colleagues should be aware that the committee bill constitutes a much broader removal of eligibility requirements than that embodied in our bill, S. 2157.

Mr. President, the committee action includes the sweeping removal of Federal eligibility requirements for title XX services. I am pleased that the committee has recognized the extreme hardship in "means test" places upon older Americans seeking services under title XX.

However, while H.R. 12455 effectively abolishes the means test for senior citizens, it likewise removes eligibility restrictions for all other services under title XX. I do not believe such a sweeping change in title XX is necessary to accomplish improvement of services to senior citizens. The committee action has implications which have not been adequately examined. Will this permit shifting of services by individual States away from those most in need? Will such broad removal of eligibility requirements encourage some States to provide title XX services based upon considerations other than upon human need.

I do not intend to offer S. 2157 as a substitute for the committee provision, but I urge my colleagues on the committee of conference carefully to examine these issues. A more tempered approach to the eligibility problem may prove acceptable to both the House and the Senate, abolish the means test, and continue to assure that title XX services go to those most in need is found in S. 2157 I hope it may be considered accordingly in the conference.

I ask unanimous consent that a copy of the bill, together with a list of its sponsors, be printed in the RECORD.

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

S. 2157

A bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for provision of education, nutrition, transportation, recreation, socialization, or associated services provided thereunder to groups of low-income individuals aged sixty or older

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2002 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, none of the limitations on payments to States which are contained in subsection (a), and which are based on or expressed in terms of an individual's or family's income, or an individual's or family's eligibility for aid, assistance, or benefits under another law or program, shall apply with respect to expenditures made by a State for the provision of education, nutrition, transportation, recreation, socialization, or associated services to groups of individuals, aged sixty or older, if such groups are determined by the State (pursuant to regulations promulgated by the Secretary) to be comprised predominantly of low-income individuals aged sixty or older otherwise eligible for services under this title. Determination of group eligibility pursuant to this subsection may be made by the States without the use of individual means tests or documentation of individual income.".

SEC. 2. The amendment made by the first section of this Act shall be effective with respect to payments for quarters commencing after September 30, 1975, as though it had been incorporated in title XX of the Social Security Act at the time of its original enactment.

S. 2157 COSPONSORS

Senators Javits, Beall, Schweiker, Buckley, Brooke, Case, Stafford, Percy, Thurmond, Laxalt, Scott (Hugh), Brock, Dole, Goldwater, Mathias, Taft.

Senators Williams, Ribicoff, Humphrey, Pell, Jackson, Eagleton, Randolph, Kennedy, Hathaway, Montoya, Hartke, Abourezk, Magnuson, Domenici, Hollings, Culver, Gravel, McGovern, Church, Hart (Philip), McIntyre, Clark, Durkin, Weicker.

FINANCE

Senators Dole, Brock, Ribicoff, Hathaway, Hartke, Gravel.

Mr. JAVITS. After negotiation with members of the Committee on Finance, that problem has been dealt with in this bill. It is very important that the Senate understand precisely what we are doing. What has happened is that instead of making a group test for these centers for the aged or making some other disposition of the problem, the Committee on Finance has simply lifted all such limitations and simply left it to each State to determine them on its own. I think, Mr. President, that that disposition has certain dangers which depend upon each State.

It was with deep regret that I was out of the country on official Senate Foreign Relations Committee assignment when the vote on H.R. 9803—the day care override—occurred, which I would have supported.

The debates on the previous legislation fully expounded on the need for additional funds for day care.

Compromise is a vital part of the legislative process. The changes contemplated in H.R. 12455 are also the result of this process. By earmarking $125 million for the remainder of fiscal year 1976 and the transitional quarter, and $250 million for fiscal year 1977 this legislation goes far in providing quality day care for the millions of children who need this service. It will enable more mothers who desire or find it necessary to work to be able to do so. I have been a supporter of the Federal interagency day care requirements, because I believe that there must be quality day care centers that meet proper standards of health and safety, and also that children receive adequate personal attention. I realize that the child-staff ratios were the most controversial of these standards. The resulting compromise of postponing these child-staff ratios for children 6 months to 6 years until October 1977 when the Department of Health, Education, and Welfare study on the appropriateness of these standards will be available is a reasonable response. It should be emphasized that the health and safety standards will remain in effect.

For example, the safeguard that 50 percent of the funds must go to poor people has been taken out. That may bring about in given States a redirection of priorities.

After considering the matter very carefully I came to the conclusion that the dangers and the advantages were just about evenly balanced. But the House has a different view from that of the Finance Committee, and so this matter will come up in conference.

Therefore, rather than to seek to amend the bill, because I would like to compliment the chairman and Senator MONDALE, Senator PACKWOOD, Senator RIBICOFF, and other colleagues on making some disposition—it may not be the way I would have done it—but, nonetheless, they made some disposition of a very trying issue to so many Senators, and I do think they ought to consider should they meet the problem as some hard rock in conference, the solution of S. 2157, which is to place qualification on a group basis rather than on an individual basis, gain at the option of the State.

It seems to me that would give, perhaps, a greater assurance than the blanket withdrawal of eligibility requirements insofar as State permissiveness is concerned in this bill. But again I would like to say to Senator LONG that, knowing the problems of arriving at compromises, he undoubtedly did the very best he could.

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

Mr. JAVITS. Of course.

Mr. LONG. I thank the Senator for his kind words. His suggestion will certainly be considered in conference.

The bill H.R. 12455, as reported by the Committee on Finance, deals with two urgent problems which the States are currently facing in their attempts to run the social services program under the new legislation which became effec-

tive in October of last year. The new legislation was born out of the controversy over regulations issued in 1973 by the Department of Health, Education, and Welfare which were properly objected to as unduly limiting the flexibility of the States in the administration of their social service programs. It was believed and intended that the new law would give the States the flexibility they needed. In two areas, however, child care and eligibility for services, the new law has decreased rather than increased State flexibility.

In the case of eligibility for social services, the approach of the Senate in considering legislation in 1974 was to allow the States the widest possible latitude. The legislation adopted by the House and agreed to in conference, however, placed a number of Federal restrictions on the States in the matter of whom they could provide services to. These restrictions provided that Federal funding would be available only for services to persons who also get benefits under certain welfare programs or who have incomes below certain limits. Related provisions make it necessary for States to keep track of how much of their total social services funding is going to individuals in certain categories. States are required to make sure that fees for services are charged to people with incomes in certain ranges and that such fees are not charged—except under certain guidelines—to people with incomes in other ranges or to people who are welfare recipients. These requirements are now in the law, and a State that does not comply with them faces a very real threat of losing Federal funds.

Given the fact that Federal social services funding is subject to a statutory ceiling which has been reached in nearly all States, the Finance Committee felt that these statutory limitations served no useful purpose but rather simply limited the ability of the States to manage service programs and created unnecessary paper work and redtape. For example, a State may choose to use some of its social services funds to operate a senior citizen center where an older person can go to relieve his loneliness by playing a game of checkers. Why should the State have to find out exactly how much income he has in order to decide whether or not to charge him an admission fee—or whether to let him in the door at all? Of course, for certain types of services and in certain circumstances, States may wish to establish income limits or to provide services only to certain categories or to change certain fees. But this should be a State decision based on the funds they have available, the objectives they are trying to achieve with their social services program, and the realities of what is administratively feasible. The bill before us would give the States this flexibility by eliminating from the law the Federal restrictions on whom States can make eligible for services, on who can and cannot be charged fees, and on what categories of individuals must receive a specified percentage of the funding.

The second issue addressed by H.R. 12455 is the matter of child care standards and funding. The new social services law incorporated a number of Federal requirements for child care funded under that program. These requirements deal with staffing levels, health and safety standards, and a number of other matters. For States to comply with the standards without severely curtailing the amount of child care services they provide will involve substantial additional costs for the States, costs for which no additional Federal funding has been made available.

The issue of Federal child care standards is and has been a controversial one, with some people feeling that there should be no Federal requirements and others feeling that the Federal requirements now in law are too weak. Earlier this year, we have tried to resolve this problem by retaining the Federal standards while providing the necessary fiscal assistance and incentives to enable the States to meet those standards. That approach was vetoed by the President, and we were not able to override that veto in the Senate. The bill now before the Senate contains a compromise which will suspend the most controversial of the standards for the next 16 months in order to give the Department of Health, Education, and Welfare time to complete a study they now have in progress of the appropriateness of these standards. At the same time, this bill will for the same period provide the additional funding which will be needed by the States to comply with those standards which remain in force and which will make it possible for States to come into compliance on a voluntary basis with the suspended standards to the extent that they feel it is appropriate to do so. The bill provides $125 million in new funding through September 30, 1976, and $250 million for fiscal 1977.

I think it is important to emphasize that the additional funding provided by this bill is a necessary and entirely reasonable element of the compromise. In vetoing our earlier attempt to resolve this issue, the President indicated that his primary concern was the matter of State flexibility. He did not argue that States ought not to provide the kind of staffing called for in the Federal standards but only that they ought not be forced to do so unless they agreed that those standards were appropriate. Some States may agree with the Congress and with most major child welfare organizations, that these suspended Federal standards are appropriate or even on the weak side. But, without added funding, States will be no more able to comply on a voluntary basis than they would if we continued to make the standards mandatory. If the President is sincere in asking us to give the States flexibility, I do not see how he can object to our providing the added funding which will make that flexibility realistic.

Staffing requirements are only one element of the Federal standards. The health and safety standards which will be retained also involve substantial additional expenditures.

In addition to spending the preschool staffing standards through September 30, 1977, and providing additional funding, this bill retains certain other elements of the vetoed bill. It extends the tax credit for hiring welfare recipients as it applies to child care jobs and contains certain other incentives for States to increase employment opportunities for welfare mothers and fathers by placing them in child care occupations. It modifies the remaining Federal child care standards to permit waivers in centers serving relatively few children who have their care paid for with Federal funds and ease the application of the standards to family day care mothers. The bill also makes permanent a provision unrelated to child care which clarifies the status of treatment for addicts and alcoholics under the social services law.

I ask unanimous consent that a more detailed summary of the bill be printed in the RECORD at this point.

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

SUMMARY OF THE PROVISIONS OF H.R. 12455

Eligibility for social services—The bill would eliminate from the social services law requirements that Federal funding under that program be limited to individuals with incomes below specified amounts, that fees for services be charged or not charged to persons in certain income categories, and that 50 percent of Federal funding be used for welfare recipients. The effect of the amendment would be to allow States to determine what income or other eligibility conditions they wish to establish for participation in social services programs and how those conditions are to be enforced. The Finance Committee amendment is a substitute for the House passed provision which would have continued until October 1, 1976 a Department of Health, Education and Welfare policy of not enforcing in certain cases the present statutory requirement that services be provided only to individuals whose incomes have been determined to be within specified limits.

Suspension of preschool child care standards.—The Social Services Amendments of 1974 established minimum Federal staffing standards for child care funded under the Social Security Act effective October 1, 1975. Subsequent legislation suspended the application of these Federal standards as they apply to children between 6 weeks and 6 years of age to February 1, 1976. H.R. 12455 reinstitutes that suspension effective retroactive to February 1 and continuing until October 1, 1977; by that time the Department of Health, Eductaion and Welfare is expected to have completed its ongoing study to determine what standards are most appropriate.

Additional funding for child care programs.—To assist States in the effort to upgrade child care standards, the bill also provides for new social services funding at a rate of $250 million per year until October 1, 1977. ($125 million is provided through September 30, 1976, and $250 million is provided for fiscal year 1977.)

Tax credit for employing welfare recipients in child care.—H.R. 12455 includes provisions designed to encourage States to improve their child care programs in ways which will also result in the employment of welfare recipients. Under current law a tax credit equal to 20 percent of wages paid is available until June 30, 1976 for employers who hire welfare recipients. The bill extends this tax credit (up to a maximum annual credit of $1,000 per employee) through September 30, 1977 for employers who hire welfare recipients for child care jobs. The bill also authorizes States to use a part of the additional social services funding provided by the bill to match the tax credit in such a way as to provide full Federal funding of the costs of hiring welfare recipients as child care em-

ployees up to a maximum salary of $5,000 per year. (The full $5,000 can be provided from social services funds in the case of public and non-profit child care facilities which, as non-taxpayers, do not qualify for the tax credit.)

Waiver of standards in certain cases.—(Effective through September 30, 1977.) In addition to suspending the mandatory Federal staffing standards as they apply to preschool children, H.R. 12455 permits State welfare agencies to waive Federal staffing requirements in the case of child care centers and group day care homes which meet State standards if the children receiving Federal funded care represent no more than 20 percent of the total number of children served (or, in the case of a center, there are no more than 5 such children), provided that it is infeasible to place the children in a facility which does meet the Federal requirements.

Modification of family day care home requirements.—The 1974 law incorporates a requirement that a family day care home serve no more than 6 children including the family day care mother's own children under age 14. Effective through September 30, 1977, H.R. 12455 modifies this requirement so that the family day care mother's own children would be counted only if they are under age 6.

Social services provisions related to addicts and alcoholics.—Public Law 94-120 included certain modifications of the social service statute governing funding of services for addicts and alcoholics. These changes were made effective only through January 31, 1976. H.R. 12455 would make these changes permanent.

One of these changes makes explicit certain confidentiality requirements in the case of services provided to addicts and alcoholics. Another change clarifies that the entire rehabilitative process must be considered in determining whether medical services provided to addicts and alcoholics can be funded as being an integral part of a social services program. A third change allows funding of a 7-day detoxification period even though social services funding is generally not available to institutionalized persons.

Mr. DOLE. Mr. President, with some reservations, I decided to support this "compromise" measure when it was considered in the Finance Committee last week, and will do so again on the floor today. I should point out, however, that it still does not meet all the objections I raised with respect to H.R. 9803—and may very likely fail a second time to gain the acceptance of the administration.

The one change which has been made to my satisfaction is that of delaying any enforcement of Federal child care staffing standards until October 1, 1977. Hopefully, when we review them at that time with the benefit of HEW's study of the matter, we will conclude that they are in fact better left to the discretion of the States on a permanent basis.

As a trade-off for that delay, I have agreed to the inclusion of the same direct funding level as stipulated in the vetoed bill for the upgrading of day care standards generally. The justification for this, as I see it, is that centers will have the opportunity they have been seeking to improve—during the next 16 months—both their staff ratio and health and safety conditions, but without being under heavy Federal pressure to do so.

I think those involved in day care programs should understand, in any event, that the money being authorized by H.R. 12455 for this limited time is by no means an indication of what will be done as of October next year. The results of the HEW study may very well show, for example, that lower Federal staffing guidelines—or perhaps none at all—are more appropriate, in which case this one-time "incentive grant" will not likely be renewed.

It would be my hope that by the expiration of the suspension date we are setting in this legislation, some sort of social services block grant proposal—including day care assistance—will have been enacted. By then also, centers receiving Federal support should be stabilized at a level of operation consistent with goals established and administered by the respective States—and no extra "categorical aid" of the sort contemplated now should be required to maintain them.

For those of us who are modifying our positions somewhat on this issue, Mr. President—and extending the benefit of the doubt to the day care people who say they need the help—I want to make it clear that we are not giving even tacit approval to any particular set of standards. The administration, in its letter of May 19, and Senator MUSKIE and Senator CURTIS during this debate, have argued quite correctly that it is not logical to provide money for compliance with standards which do not exist, and with that I agree.

At the same time, I want to reiterate my personal interpretation that the $375 million in this bill is not for compliance with anything. Rather, it is to encourage day care centers to gradually enhance their own service capabilities in preparation for a more immediate transition to whatever standards may be decided upon by their States later on—and on that basis, it is reasonable.

Aside from this most basic area of concern and difference of opinion, Mr. President, the portion of H.R. 12455 dealing with the lifting of eligibility criteria for all title XX services should be mentioned with some caution. That is, in giving States the latitude to determine their own overall requirements, the expectation is implicit that they will act responsibly and consistent with the objective of aiding the low income.

Certainly, if these provisions do become law, they should serve as a real test of the States' willingness to assume a greater role in program decisionmaking of all kinds, without abrogating their duty to maintain a desirable level of services to the truly needy. In anticipation of their indeed fulfilling that obligation, I have chosen to support the challenge which this measure presents.

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

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back? The yeas and nays have been ordered. The question is, Shall the bill pass?

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from New Mexico (Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN), the Senator from California (Mr. TUNNEY), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Missouri (Mr. SYMINGTON) and the Senator from Florida (Mr. CHILES) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

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

The result was announced—yeas 48, nays 16, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—48

Abourezk	Gravel	Mondale
Biden	Hart, Gary	Muskie
Brooke	Hartke	Nelson
Bumpers	Haskell	Nunn
Byrd, Robert C.	Hollings	Packwood
Cannon	Humphrey	Pell
Case	Jackson	Proxmire
Clark	Javits	Randolph
Cranston	Kennedy	Schweiker
Culver	Leahy	Scott, Hugh
Dole	Long	Stafford
Durkin	Magnuson	Stevenson
Eagleton	Mansfield	Stone
Fong	Mathias	Talmadge
Ford	McGovern	Weicker
Glenn	Metcalf	Williams

NAYS—16

Allen	Garn	McClure
Bartlett	Griffin	Scott, William L.
Byrd, Harry F., Jr.	Hansen	Stennis
Curtis	Helms	Thurmond
Domenici	Hruska	Tower
	Laxalt	

NOT VOTING—36

Baker	Buckley	Goldwater
Bayh	Burdick	Hart, Philip A.
Beall	Chiles	Hatfield
Bellmon	Church	Hathaway
Bentsen	Eastland	Huddleston
Brock	Fannin	Inouye

Johnston	Moss	Sparkman
McClellan	Pastore	Stevens
McGee	Pearson	Symington
McIntyre	Percy	Taft
Montoya	Ribicoff	Tunney
Morgan	Roth	Young

So the bill (H.R. 12455), as amended, was passed.

The title was amended so as to read:

An act to amend title XX of the Social Security Act so as to permit greater latitude by the States in establishing criteria respecting eligibility for social services, to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to such title, to promote the employment of welfare recipients in the provision of child day care services, and for other purposes.

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

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

The motion to lay on the table was agreed to.

JOE D. SMITH, JR.

Mr. LONG. Mr. President, earlier this month a fellow Louisianian, Joe D. Smith, Jr., publisher of the Alexandria, La., Town Talk, became president of the American Newspaper Publishers Association in what is a fitting tribute to a "newsman's publisher."

I have known Mr. Smith during my entire Senate career and can attest to his dedication to his community, as well as improvement of central Louisiana and the entire State. He always has been active in affairs to help the State grow and prosper.

Joe Smith has been constantly alert to improving the Town Talk and always insisted on a strong news operation, when others might have been content to rock along in a city where the newspaper is the only daily publication. I would like to offer my sincere congratulations to Joe Smith in this latest honor in his long newspaper career. He certainly deserves it.

Mr. President, I ask unanimous consent that a profile of Mr. Smith from Editor and Publisher be inserted in the RECORD at this point.

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

JOE D. SMITH, JR.: "A NEWSMAN'S PUBLISHER"

(By Adras Laborde)

If the profile of the incoming president of the American Newspaper Publishers Association can be capsulized it will come out like this: "A newsman's publisher."

Joe D. Smith, Jr., 54-year-old publisher of the *Alexandria* (La.) *Daily Town Talk*, carries that image in spite of the fact that he has never been a journalist—unless a brief stint in his youth as a radio announcer qualifies.

He is a First Amendment purist concerned with court "gag" orders, one hundred percent objectivity, and a full report of the news in every edition of his newspaper.

"Without a strong news operation you have nothing," he said a few years back as The Town Talk sharply increased its budget for news-editorial operations.

On the perceived threat to the people's right to know resulting from gag orders, Smith's position was summarized on March 30 in a letter to William J. Keating, president of the *Cincinnati Enquirer:*

"We must be seriously concerned about the growing use of gag orders by the courts in their attempt to restrain the publication of news. More than 60 such orders have been issued in recent months. Their frequency has increased; their scope is growing.

"What is needed is a clear-cut decision by the Supreme Court of the United States. We hope to get that in the Nebraska case. But anything less than an overwhelming decision favorable to the free-press concept would create more problems than it resolves.

"Whatever the decision, newspapers must seek and find common ground with lawyers, bar associations, and our judiciary systems so that all constitutional rights and privileges may be assured and protected. Failing that, all will suffer.

SMITH BELIEVES IN CIVIC INVOLVEMENT

"Constitutional government is a fragile institution. Its key elements must be kept in balance in a constantly shifting environment. A free press is one of those key elements. For ANPA, I regard this problem as our foremost concern."

Smith's insistence on a strong news operation does not mean that he is not intensely interested in and fully conversant with all facets of newspapering.

He arrived at The Town Talk in 1946 fresh from a stint in the Air Force.

From the very beginning he manifested a determination to learn everything he could about newspapers. In pursuit of that knowledge he became involved in every organization which could help—not merely as a member, but as a working participant.

His first management assignment was that of business manager. In that position he was active in such organizations as the Louisiana Press Association, the Louisiana-Mississippi Associated Press Association, and the United Press International Association of Louisiana.

He progressed to regional and national groups and moved quickly up the organization ladder—to director and then president of the Southern Newspaper Publishers Association, and subsequently to chairman of the ANPA Foundation and director and vice chairman of the ANPA.

Smith believes that the publisher of a newspaper, particularly in smaller communities, should be involved in governmental and civic affairs.

His involvement has included active membership in such government entities as the Louisiana Coordinating Council for Higher Education, of which he was chairman; the Louisiana Board of Regents for Higher Education; the Louisiana Judicial Council, and the Louisiana Bi-Racial Commission.

POSITION EXPLAINED

He is a past president of the Public Affairs Research Council of Louisiana, the Council for a Better Louisiana, the Louisiana Civil Service League, and the Alexandria-Pineville Chamber of Commerce, and is a director of the Gulf South Research Institute.

Smith has been lay deputy to three general conventions of the Protestant Episcopal Church in the U.S. and is a former vestryman of St. James Episcopal Church, Alexandria.

He was one of four publishers contributing to a pro/con on involvement in government and community affairs in the March 1976 issue of the Bulletin of the American Society of Newspaper Editors. Naturally, he took the pro position.

Smith wrote:

"The potential for conflict of interests is present in every association, endeavor or business where two or more people are acting in consort.

"In a sense, it's present in each of us as we sometimes try to resolve what we should do versus what we want to do. But the nature of the newspaper business, with its peculiar responsibility to readers, to the people and institutions of the area it serves, to advertisers, to its owners, to the recognized morals and ethics of journalism, creates an infinite number of possibilities for conflict . . .

"There is a great need for community leadership in those (small and medium-sized) cities. There is a reasonable expectation that the community's publisher will help provide it.

"Why not? Are we simply to observe, comment, criticize—and be unwilling to help find real solutions?

"Certainly it is easier for an editor or publisher to not serve on a bank board, the board of a college or a community agency conceived and operated for the general welfare. The direct input of the best-informed citizens, including the town's newspaper executives, is needed. Are we to abdicate that responsibility and opportunity? . . .

"This is an individual decision of how each manages his affairs and his newspaper's. My choice is to participate—cautiously. Whatever your decision, more discussion and understanding of this increasingly important subject is healthy for us and all newspapers."

Smith sees no special significance in the ascendancy of a small-town publisher to the presidency of the ANPA.

"There are more newspapers in the circulation bracket of the Town Talk than there are in the over 50,000 bracket," he said. "But that is not significant."

"Newspapers have a common responsibility, and they have common problems, irrespective of size. The ANPA exists to serve them all, by providing a focal point for self-examination, research, exchange of ideas—the whole gamut."

Smith does not subscribe to the premise that newspapers—even those in metropolitan areas—should leave the chronicling of national and world news to television and radio.

DIVERSITY OF NEWS

He agrees that the emphasis should be elsewhere (local and state news, Action Lines, readers' forum, human interest features, etc.), but without abdicating the primary responsibility of newspapers to report all the important news.

In that direction, he thinks every newspaper ought to be served by a diversity of news organizations. The Town Talk, which now has a circulation of 35,000, was subscribing when it was only 25,000 to the Associated Press, United Press International, and the Los Angeles Times-Washington Post wires, the full NEA package, and the Congressional Quarterly.

Smith attributes his newspaper's success to a healthy and developing circulation area, and to the efforts of his predecessors and his associates. Ownership by his wife's family goes back to 1883.

"We've been fortunate to attract and hold capable people who have welcomed the challenge of growth and change," Smith said.

The Town Talk was one for the first daily newspapers in the nation to convert 100 percent to cold type, video display terminals, and full computerization.

Its innovations in all phases of production, as well as in the circulation department, have been studied by numerous publishers not only from other parts of this country but also from at least three European countries.

In summary, the "new technology" is not merely a topic of conversation with Smith.

MAN WITHOUT A HOBBY

But what else can you expect of a man who literally lives and breathes newspapering? He admits that he is a man without hobby or avocation (except for a rare game of tennis). When it was suggested that an informal picture be taken of him on a fishing boat he said: "Me fishing?"

Smith was born April 6, 1922, in the North

Central Louisiana sawmill town of Selma, which is no longer on the map thanks to the cut-out and get-out timber practices of the early 1900s.

He is married to the former Jane Wilson of Alexandria and they have a son, Capt. Lawrence D. Smith, U.S. Air Force.

He graduated from the public schools of Alexandria-Pineville, La., and Louisiana College, Pineville.

MESSAGE FROM THE HOUSE

A message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9721) to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 2145) to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. FORD of Michigan, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Mr. ANDREWS of North Carolina, Mr. LEHMAN, Mr. SIMON, Mr. MOTTL, Mr. HALL, Mr. BLOUIN, Mr. O'HARA, Mr. ZEFERETTI, Mr. MILLER of California, Mr. QUIE, Mr. BELL, Mr. ESHLEMAN, Mr. BUCHANAN, Mr. PRESSLER, Mr. GOODLING, and Mr. JEFFORDS were appointed managers of the conference on the part of the House.

The message further announced that the Speaker has appointed Mr. FRENZEL as a manager on the part of the House in the conference on the disagreeing votes of the two Houses to the bill (S. 3420) to authorize appropriations to the International Trade Commission.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 9721. An act to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes.

H.R. 13172. An act making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. CLARK).

EQUAL TREATMENT FOR INDIAN OFFENDERS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2129.

The PRESIDING OFFICER (Mr. STONE) laid before the Senate the amendment of the House of Representatives to the bill (S. 2129) to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders, as follows:

Page 3, after line 3, insert:

SEC. 4. Section 3242, title 18, United States Code, is amended to read as follows:

"§ 3242. Indians committing certain offenses; acts on reservations

"All Indians committing any offense listed in the first paragraph of and punishable under section 1153 (relating to offenses committed within Indian country) of this title shall be tried in the same courts and in the same manner as are all other persons committing such offense within the exclusive jurisdiction of the United States.".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

PRIVILEGE OF THE FLOOR—H.R. 12438

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on behalf of Mr. CRANSTON that Mr. Bill Jackson be granted privilege of the floor during consideration of the military procurement bill and during rollcall votes thereon.

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

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW AND TO 10 A.M. ON MONDAY, MAY 24, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today and when it completes its business tomorrow it stand in adjournment respectively until the hours of 10 a.m. tomorrow and 10 a.m. on Monday.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE MEETINGS DURING SESSION OF THE SENATE TOMORROW UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may be authorized to meet during the session of the Senate tomorrow until the hour of 12 o'clock noon.

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

AUTHORIZATION FOR COMMITTEE MEETINGS DURING SESSION OF THE SENATE ON MONDAY UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may be authorized to meet on Monday until the hour of 12 o'clock noon.

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

ORDER FOR RECOGNITION OF SENATOR MANSFIELD ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the remarks of Mr. CURTIS on tomorrow under the order previously entered, that Mr. MANSFIELD have 15 minutes.

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

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the remarks of Mr. MANSFIELD on tomorrow, there be a period for the transaction of routine morning business, not to extend beyond the hour of 11 a.m., with statements limited therein to 5 minutes each.

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

ADJOURNMENT TO 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 previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 7:11 p.m. the Senate adjourned until tomorrow, Friday, May 21, 1976, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 20, 1976:

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Donel S. Bianchi	John C. Martin
Michael L. Cook	Joyce L. Orner
Paul H. Gilliam	Michael G. Sonleitner
Heyward C. Hosch	Stephen P. Stone
Tandra L. Johnson	Steven C. Strength
Bruce C. Looman	Nathaniel F. Warner
James F. McCaffrey	Stephen T. Witkowski

The following-named Chief Warrant Officers to be appointed permanent Chief Warrant Officers, W-2, in the U.S. Navy, in the classifications indicated, subject to the qualifications therefor as provided by law:

CWO2 Robert J. Boyle, USNR(T), Aviation Electronics Technician.

*CWO2 Wayne G. Chenoweth, USNR(T), Ship's Clerk.

CWO3 William T. Forsmark, USNR(T), Photographer.

CWO3 George T. Pratt, Jr., UNSR(T), Supply Corps Warrant.

CWO3 Robert L. Parker, USNR, Repair Technician (Surface).

CWO2 Earl Y. Miller, USN(T), Engineering Technician (Surface).

The following-named Chief Warrant Officers to be appointed permanent Chief Warrant Officer, W-3, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

* Appointment sent out Ad Interim (During the recess of the Senate).

CWO4 James M. Gilbert, USNR, Civil Engineering Warrant.

CWO4 William C. Gutteridge, USNR, Civil Engineering Warrant.

The following-named enlisted candidate to be appointed a temporary Chief Warrant Officer, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

MMC George J. Turney, USN, Engineering Technician (Surface).

The following-named Chief Warrant Officers to be appointed temporary Chief Warrant Officers, W-3, in the U.S. Navy, in the classifications indicated, subject to the qualifications therefor as provided by law:

CWO3 William T. Forsmark, USNR(T), Photographer.

CWO3 George T. Pratt, Jr., USNR(T), Supply Corps Warrant.

CWO3 Robert L. Parker, USNR, Repair Technician (Surface).

The following-named Chief Warrant Officers to be appointed temporary Chief Warrant Officers, W-4, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

CWO4 James M. Gilbert, USNR, Civil Engineering Warrant.

CWO4 William C. Gutteridge, USNR, Civil Engineering Warrant.

The following-named Navy enlisted candidates to be appointed Ensigns in the U.S. Navy, for temporary service, for limited duty in the classifications indicated, subject to the qualifications therefor as provided by law:

Warren D. Polensky, Electronics (Surface).

William R. Ferguson, Jr., Nuclear Power (Submarine).

The following-named Chief Warrant Officer to be appointed a Lieutenant (junior grade) in the U.S. Navy, for temporary service, for limited duty in the classification indicated, subject to the qualifications therefor as provided by law:

CWO2 Earl Y. Miller, USN(T), Engineering/Repair (Surface).

The following-named officers to be appointed permanent Lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. Otis E. Engelman, Jr., USNR.
Lt. Comdr. Hayne D. McMeekin, Jr., USNR.
Lt. Comdr. Moussa Y. Menasha, USNR.
Lt. Robert A. Engler, USNR.

The following-named officers to be appointed permanent Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. (T) John T. Collins, MC, USN (Corrected to Permanent).

Comdr. Jesus A. Plaza, USNR.
Comdr. Sandro R. Sandri, USNR.
Comdr. James W. Winebright, USNR.

The following-named officers to be appointed permanent Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Rafael Correa-Coronas, USNR.
Comdr. Janet R. Hutcheson, USNR.
Comdr. Donald W. Marsh, USNR.

The following-named officers to be appointed temporary Lieutenant Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. Otis E. Engleman, Jr., USNR.
Lt. Comdr. Hayne D. McMeekin, Jr., USNR.
Lt. Comdr. Moussa Y. Menasha, USNR.

The following-named officers to be appointed temporary commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Jesus A. Plaza, USNR.
Comdr. Sandro R. Sandri, USNR.
Comdr. James W. Winebright, USNR.

The following-named officers to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Harry A. Bigley, Jr., USN.
Comdr. Charles R. King, USN.
Comdr. Edgar G. McKee, USN.
Ex Comdr. Robert E. Chambers.

The following-named officers to be appointed permanent lieutenants (junior grade) in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. (jg.) Thomas H. Dembinski II, USNR.
Lt. (jg.) George W. Freeman, USNR.
Lt. (jg.) Bruce W. Schindles, USNR.

The following-named officers to be appointed permanent lieutenants in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Gerard J. Barna, USNR.
Lt. Brent H. Craven, USNR.
Lt. Richard F. Dziurdzik, USNR.
Lt. Donald W. Hermann, USNR.
Lt. Bradford L. Keeney, USNR.
Lt. Raymond F. Kuhel, Jr., USNR.
Lt. George Quintero, USNR.
Lt. Douglas A. Root, USNR.
Lt. Kent J. Spillman, USNR.
Lt. Comdr. Stephen G. Davis, USNR.
Lt. Comdr. Fred W. Kamansky, USNR.

The following-named officers to be appointed temporary lieutenants in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Thomas H. Dembinski II, USNR.
Lt. George W. Freeman, USNR.
Lt. Bruce W. Schindles, USNR.

The following-named officers to be appointed temporary lieutenant commanders in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. Stephen G. Davis, USNR.
Lt. Comdr. Fred W. Kamansky, USNR.

CONFIRMATION

Executive nomination confirmed by the Senate, May 20, 1976:

DEPARTMENT OF STATE

Rosemary L. Ginn, of Missouri, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, May 20, 1976*

The House met at 11 o'clock a.m.

Msgr. James P. Cassidy, director of health and hospitals, archdiocese of New York, offered the following prayer:

We ask Your blessings, O Lord, on all who guide us by their authority and power, that they may perform their duties with knowledgeable insight, good judgment, and righteousness.

Invoke them, dear Lord, with the strength to recognize our individual needs and be receptive to the changes being brought about by our ever-changing world, especially in the Cuban nation who is today celebrating Cuban Independence Day.

Allow that all men realize their responsibilities to every community and devote serious efforts to developing full potential with the help of our Lord.

Grant that when we reach our eternal reward, God will turn to us and say "Well done, my good and faithful servant."

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON HOSPITALS OF THE COMMITTEE ON VETERANS' AFFAIRS TO SIT DURING 5-MINUTE RULE TODAY

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Hospitals of the Committee on Veterans' Affairs be permitted to sit in public session today during the 5-minute rule for the purpose of hearing testimony.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TOMORROW, FRIDAY, MAY 21, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2145, INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT OF 1975

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2145) to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Mr. PERKINS, Mr. FORD of Michigan, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, and Messrs.