

HOUSE OF REPRESENTATIVES—Monday, June 20, 1977

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Come ye and let us go up to the mountain of the Lord and He will teach us His ways and we will walk in His paths.—Isaiah 2: 3.

O God, most merciful and gracious, we come to Thee for the help Thou alone canst give. By the might of Thy Spirit lift us into Thy presence that in nearness to Thee we may find deliverance from thoughts that weaken us, from desires that discourages us, and from meanness that makes us miserable. May Thy light and Thy love shine into our hearts that we may see the way we should go and find courage to walk in it fulfilling Thy good purpose for us and for our Nation.

Send us out into this new day with the confidence that Thou art with us and that with Thee we can do our work well fearing no evil and faithfully facing the task of the coming hours. So shall Thy blessing attend us and Thy peace abide in our hearts. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate receded from its amendment to a bill of the House of the following title:

H.R. 4301. An act to authorize appropriations for the National Sea Grant Program Act during fiscal year 1978, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6179. An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes;

H.R. 6689. An act to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes; and

H.R. 7636. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6179) entitled "An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr.

PELL, Mr. MCGOVERN, Mr. HUMPHREY, Mr. CASE, Mr. PERCY, and Mr. GRIFFIN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6689) entitled "An act to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. MCGOVERN, Mr. PELL, Mr. BIDEN, Mr. CASE, Mr. PERCY, and Mr. BAKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7636) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes, request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERT C. BYRD, Mr. McCLELLAN, Mr. HOLLINGS, Mr. BAYH, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. LEAHY, Mr. DECONCINI, Mr. STEVENS, Mr. YOUNG, Mr. HATFIELD, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 469. An act to establish a commission to study proposals for establishing a National Academy of Peace and Conflict Resolution.

The message also announced that the Vice President, pursuant to Public Law 94-280, appointed Mr. CHAFEE, from the Committee on Environment and Public Works, to be a member of the National Transportation Policy Study Commission, in lieu of Mr. STAFFORD, resigned.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

PREEMPTION OF STATE LAWS INCONSISTENT WITH FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM

The Clerk called the bill (H.R. 2931) to amend chapter 89 of title 5, United States Code, to establish uniformity in Federal employee health benefits and coverage provided pursuant to contracts made under such chapter by preempting State or local laws pertaining to such benefits and coverage which are inconsistent with such contracts.

There being no objection, the Clerk read the bill, as follows:

H.R. 2931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8902 of title 5, United States Code, relating

to contracts for Federal employee health benefits plans, is amended by adding at the end thereof the following new subsection:

"(1) The provisions of any contract under this chapter which relate to the nature or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to health insurance or plans to the extent that such law or regulation is inconsistent with such contractual provisions."

With the following committee amendment:

Page 1, line 7, strike out "(1)" and insert "(m)".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAMING OF VETERANS' ADMINISTRATION HOSPITAL AT TAMPA, FLA., FOR JAMES A. HALEY

The Clerk called the bill (H.R. 1678) to name the Veterans' Administration hospital located at 13000 North 30th Street, Tampa, Fla., the "James A. Haley Veterans' Hospital."

There being no objection, the Clerk read the bill, as follows:

H.R. 1678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital located at 13000 North Thirtieth Street, Tampa, Florida, shall hereafter be known and designated as the "James A. Haley Veterans' Hospital". Any reference in a law, map, regulation, document, record, or other paper of the United States to such hospital shall be held to be a reference to the "James A. Haley Veterans' Hospital".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAMING OF VETERANS' ADMINISTRATION HOSPITAL AT BEDFORD, MASS., FOR EDITH NOURSE ROGERS

The Clerk called the bill (H.R. 7643) to name the Veterans' Administration hospital located at 200 Springs Road, Bedford, Mass., the "Edith Nourse Rogers Memorial Veterans' Hospital."

There being no objection, the Clerk read the bill, as follows:

H.R. 7643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital located at 200 Springs Road, Bedford, Massachusetts, shall hereafter be known and designated as the "Edith Nourse Rogers Memorial Veterans' Hospital". Any reference in law, map, regulation, document, record, or other paper of the United States to such hospital shall be held to be a reference to the "Edith Nourse Memorial Veterans' Hospital".

Mrs. HECKLER. Mr. Speaker, H.R. 7643 provides a memorial for a former

Member of this body, the gentle lady from Massachusetts, Mrs. Edith Nourse Rogers. The bill designates the Veterans' Administration hospital located in Bedford, Mass., as the "Edith Nourse Rogers Memorial Veterans' Hospital."

A bill identical to H.R. 7643 was unanimously passed by the House late in the 95th Congress. Unfortunately, it was not considered by the Senate before the end of the session.

As cosponsor of H.R. 7643, with the other members of the Massachusetts delegation to the House, I have advocated the establishment of this memorial for many years. As a member of the Committee on Veterans' Affairs, I am grateful to the distinguished chairman of the committee, the Honorable RAY ROBERTS, of Texas, and the distinguished ranking minority member, the Honorable JOHN PAUL HAMMERSCHMIDT, of Arkansas, and the other members of the committee, for supporting my efforts.

Edith Nourse Rogers was a distinguished Member of the House of Representatives for 35 years—from 1925 through 1960, a period which spanned World War II and the Korean conflict and which witnessed the birth of the nuclear age.

She served continuously on the Committee on Veterans' Affairs throughout this 35-year period and chaired the committee during the 80th and 83d Congresses.

Mrs. Rogers' interest in veterans was a lifelong pursuit. During the First World War, through the American Red Cross, she cared for wounded soldiers in Europe. After the war, she dedicated herself to disabled veterans, as the first Gray Lady in this Capital. It was for such meritorious service that she earned the title of the "Angel of Walter Reed." During the Second World War, she visited U.S. military hospitals in Europe. According to one biography of her:

In the course of a visit to Italy, German bullets whistled past her. To that extent, she became a veteran herself.

Throughout her career, Mrs. Rogers worked diligently to build and improve the VA medical program, to make it the finest in the world. She distinguished herself while a junior Member of Congress by guiding a bill through the House to provide \$15 million to build a nationwide network of veterans' hospitals. A native of the Commonwealth of Massachusetts, she was especially devoted to the VA hospital in Bedford, a hospital which owes a great debt to her.

Besides championing veterans' health-care benefits, she helped draft legislation to establish the GI bill and served as the leading spokesperson for paraplegic veterans. These are only a few of her accomplishments.

Mr. Speaker, and Members of the House, Edith Nourse Rogers deserves to have a memorial which reflects her commitment and dedication to the veterans of the Commonwealth of Massachusetts, and to all the veterans of this Nation.

Accordingly, I ask your support once again in this worthy effort to name the Veterans' Administration hospital in

Bedford the "Edith Nourse Rogers Memorial Veterans' Hospital."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROTESTING U.N. DECISION THAT RHODESIA MAY NOT ARGUE ITS CASE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, I rise to speak of an incident which I think should concern all of us very deeply. I am referring to the action of our Government in participating in a decision of the United Nations Security Council on May 27, at which time we agreed, apparently, to deny the right of the country of Rhodesia to argue its case, in an advertisement or in any other way, in any member nation of the United Nations.

I am not in favor of the present Government of Rhodesia. I voted to repeal the Byrd amendment.

But I consider the action of our Government in this regard as entirely contrary to the spirit of the first amendment. Certainly when North and South Korea are advertising almost daily in our newspapers, I think it is incredible that we should have denied such access to another country.

PERMISSION FOR AD HOC SELECT SUBCOMMITTEE ON MARITIME EDUCATION AND TRAINING OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE TODAY

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that the Ad Hoc Select Subcommittee on Maritime Education and Training of the Committee on Merchant Marine and Fisheries may be permitted to meet during proceedings under the 5-minute rule this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7558, AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1978

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 634 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 634

Resolved, That during the consideration of the bill (H.R. 7558) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the pro-

visions of clause 2, rule XXI are hereby waived: beginning on page 18, line 22 through page 19, line 12; beginning on page 22, lines 1 through 14; beginning on page 23, lines 7 through 14; beginning on page 23, line 21 through page 24, line 8; beginning on page 24, line 21 through page 25, line 2; beginning on page 36, line 12 through page 37, line 14; beginning on page 38, line 10 through page 39, line 22; beginning on page 40, line 20 through page 41, line 6; and beginning on page 44, lines 4 through 14.

The SPEAKER. The gentleman from California is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House resolution 634 provides for the consideration of H.R. 7558 making appropriations for Agriculture and related agencies programs for fiscal year 1978.

As Members are aware, appropriation bills are privileged and may be brought up for consideration without a rule. However, in some instances, it is necessary to waive points of order which might lie against an appropriation measure in order to facilitate an orderly procedure.

House Resolution 634 simply provides for waivers of clause 2, rule XXI which, among other things, prohibits consideration of an appropriation for any expenditure not previously authorized by law. This waiver is the one most commonly requested by the Committee on Appropriations.

The rule prohibiting consideration of unauthorized appropriations has a long history in the House. In previous years, waivers of points of order pursuant to the rule were required less frequently since appropriations were considered later in the session, allowing more time for authorization bills to be enacted. With implementation of the Budget and Impoundment Control Act, it became imperative—and, indeed, is mandated by the law—for appropriation bills to be considered and enacted prior to adoption of the second concurrent budget resolution.

The tighter legislative schedule required by the Budget Act for consideration of appropriation bills does, of necessity, require waivers for unauthorized appropriations.

H.R. 7558 contains a number of paragraphs for which completed legislative authorization is lacking. In all instances, the authorizations have been reported from House legislative committees although they may be pending in various stages of the legislative process in either the House or the Senate.

Titles I, II, III, and IV of the bill contain appropriations for programs which will be authorized by the Agriculture Act of 1977. The House bill (H.R. 7171) was reported from the House Agriculture Committee on May 16, 1977. The Senate passed its version of the bill (S. 275) on May 24, 1977.

Waivers are granted to the following paragraphs of the bill due to lack of authorizations contained in the Agriculture Act of 1977: in title I the dairy and beekeeper indemnity programs, beginning

on page 18, line 22 and continuing through page 19, line 12; in title II loans to the elderly under the agricultural credit insurance fund, page 23, lines 7 to 14, rural community fire protection grants, beginning on page 24, line 21 through page 24, line 2; in title III the food stamp program and the food donations program, beginning on page 38, line 10 and continuing through page 39, line 22; and in title IV the Public Law 480 program, beginning on page 40, line 20 and continuing through page 41, line 6.

Title II of the bill is also affected by the Housing and Community Development Act of 1977 (H.R. 6655) which passed the House on May 1, 1977, and the Senate on June 7, 1977. The House asked for a conference and the Speaker appointed conferees on June 16, 1977.

Paragraphs granted waivers due to lack of authorizations contained in the Housing and Community Development Act include: Subsidized interest loans under the rural housing insurance fund, page 22, line 1 to 14; very low-income housing repair grants, page 23, lines 21 to 24; and rural housing for domestic farm labor and mutual and self-help housing, page 24, lines 1 to 8.

Title III of the bill is also affected by the School Lunch and Child Nutrition Amendments of 1977 (H.R. 1139) which passed the House on May 18, 1977, and was referred to the Senate Committee on Agriculture, Nutrition and Forestry on May 23, 1977.

A waiver was granted for the child nutrition programs under title III, beginning on page 36, line 12 through page 37, line 14. This paragraph includes appropriations for the summer feeding program, the commodity distribution program, and the nonfood assistance program.

A waiver was also granted under title VI, general provisions. Section 608 of the bill provides that the new obligational authority and liquidation of contract authorizations for certain appropriation items shall remain available until expended although existing law does not state so.

Mr. Speaker, H.R. 7558 would appropriate \$13.6 billion in total obligational authority. This amount is \$562.6 million below the budget request and \$705.3 million below fiscal 1977 appropriations. The largest single item in the bill is for domestic food programs, totalling \$7.6 billion. Agricultural programs which directly benefit the farmer amount to slightly over \$2 billion. Another \$1.7 billion is provided for rural development programs. This bill, as can be readily seen from looking at the amounts provided for the various programs, is vital not only to the farmer and producer in this country but to the consumer as well.

Mr. Speaker, I urge my colleagues to adopt House Resolution 634 so that we may proceed to the consideration of this important piece of legislation.

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

Mr. Speaker, this rule waives points of order against H.R. 7558 for failure to comply with clause 2, rule XXI. Clause 2 of rule XXI prohibits appropriations which have not been authorized and legislation on appropriation bills. A

waiver is necessary because H.R. 7558 contains a number of appropriations which lack completed legislative authorization.

Mr. Speaker, the gentleman from California has already pointed out the matter to which I am about to refer, but I think we have got to point this matter out repeatedly. In fact, there are two things that need pointing out in this bill.

First, there is a large amount of money in the appropriation bill itself which does not go for agriculture; yet, the farmer is always charged by the media and others with the totals in the agricultural appropriation bill, although he does not receive all the benefits. Mr. Speaker, over half the amount of the bill goes for food stamps and other food programs.

The second disturbing thing about this bill is the items which have been increased from last year and the items which have been decreased from last year. This bill appropriates a total of \$13,673,387,000 for fiscal year 1978, which is a decrease of \$705,344,000 from the amount appropriated during the previous year. On the surface, this sounds good, and I am in favor of keeping the cost of government down. Then, I look at the committee report on page 117, under the heading "recapitulation," and I find that by comparison with last year, the amounts for agricultural programs have been decreased by \$422,102,000, which accounts for the largest—the largest—part of the decrease in the appropriations.

Mr. Speaker, I am in favor of reduced spending, but it appears that the farmers have been bearing more than their fair share of the cuts in their own agricultural appropriation bill. For the record, Mr. Speaker, I would like to insert at this point the amount of appropriations in this bill, broken down by titles. Title I appropriates for agricultural programs under this bill, \$2,020,428,000. Title II, rural development programs, provides \$1,737,429,000. Title III, for domestic food programs—which should be HEW—is \$7,642,208,000. Title IV, international programs, is \$965,985,000, which should rightfully be under the foreign aid program.

Title V, related agencies, is \$292,780,000.

This adds up to a new budget authority total of \$12,658,830,000.

After we add the transfer of section 32 funds in the amount of \$1,014,557,000, we come up with a grand total of \$13,673,387,000.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 5, not voting 76, as follows:

[Roll No. 353]

YEAS—352

Abdnor	Eckhardt	Long, La.
Allen	Edgar	Long, Md.
Ambro	Edwards, Ala.	Lujan
Ammerman	Edwards, Calif.	Luken
Anderson, Calif.	Edwards, Okla.	Lundine
Andrews, N.C.	Emery	McClory
Andrews, N. Dak.	English	McCormack
Annunzio	Erlenborn	McDonald
Applegate	Ertel	McEwen
Archer	Evans, Del.	McFall
Armstrong	Evans, Ind.	Madigan
Ashbrook	Fary	Maguire
Ashley	Fascell	Mahon
Aspin	Fenwick	Mann
AuCoin	Findley	Markey
Badham	Fish	Marlenee
Bafalis	Fisher	Marricott
Barnard	Fithian	Martin
Baucus	Flood	Mattox
Bauman	Flowers	Mazzoli
Beard, R.I.	Flynt	Meeds
Beard, Tenn.	Foley	Metcalf
Bedell	Ford, Tenn.	Michel
Bellenson	Forsythe	Mikulski
Benjamin	Fountain	Mikva
Bennett	Fowler	Miller, Ohio
Bevill	Frenzel	Minish
Bingham	Frey	Mitchell, N.Y.
Blanchard	Fuqua	Moakley
Blouin	Gammage	Moffett
Boggs	Gaydos	Mollohan
Bolling	Gephardt	Montgomery
Bonior	Gialmo	Moore
Bonker	Gibbons	Moorhead, Pa.
Bowen	Ginn, Calif.	Moorhead, Pa.
Brademas	Goldwater	Moss
Breaux	Goodling	Motti
Breckinridge	Gore	Murphy, Ill.
Brinkley	Gradison	Murphy, N.Y.
Brodhead	Grassley	Murphy, Pa.
Brooks	Gudger	Murtha
Broomfield	Guy	Myers, Gary
Brown, Calif.	Hamilton	Myers, Michael
Brown, Mich.	Hammer-	Myers, Ind.
Brown, Ohio	schmidt	Natcher
Broyhill	Hanley	Neal
Buchanan	Hannaford	Nedzi
Burgener	Hansen	Nichols
Burke, Calif.	Harris	Nix
Burke, Fla.	Harsha	O'Brien
Burleson, Tex.	Hawkins	Oskar
Burlison, Mo.	Hefner	Oberstar
Burton, John	Heftel	Obey
Burton, Phillip	Hightower	Patten
Byron	Hillis	Pattison
Caputo	Hollenbeck	Pease
Carney	Holt	Pepper
Carr	Holtzman	Petkins
Carter	Horton	Pettis
Cavanaugh	Howard	Pike
Cederberg	Hubbard	Pressler
Chappell	Huckaby	Preyer
Chisholm	Hughes	Price
Clausen, Don H.	Hyde	Pritchard
Clawson, Del	Ichord	Pursell
Clay	Ireland	Quayle
Cleveland	Jacobs	Quie
Cochran	Jenkins	Quillen
Cohen	Johnson, Calif.	Rahall
Coleman	Johnson, Colo.	Rangel
Collins, Tex.	Jones, N.C.	Regula
Conable	Jones, Okla.	Reuss
Conte	Jones, Tenn.	Rhodes
Conyers	Jordan	Rinaldo
Corcoran	Kasten	Roberts
Corman	Kastenmeyer	Robinson
Cornell	Kazen	Rodino
Cornwell	Kelly	Rogers
Coughlin	Kemp	Roncalio
Cunningham	Ketchum	Rooney
D'Amours	Keys	Rose
Daniel, Dan	Kildee	Rosenthal
Daniel, R. W.	Kindness	Rostenkowski
Davis	Kostmayer	Rousslet
de la Garza	Krebs	Roybal
Delaney	Krueger	Rudd
Derwinski	LaFalce	Runnels
Devine	Lagomarsino	Russo
Dickinson	Latta	Ryan
Dornan	Le Fante	Santini
Downey	Leach	Sarasin
Drinan	Leggett	Satterfield
Duncan, Tenn.	Lehman	Sawyer
	Lent	Scheuer
	Lloyd, Calif.	
	Lloyd, Tenn.	

Schroeder	Stockman	Walsh
Schulze	Stokes	Wampler
Sebelius	Stratton	Watkins
Seiberling	Studds	Weaver
Sharp	Stump	Whalen
Shipley	Symms	White
Shuster	Taylor	Whitehurst
Sikes	Thompson	Whitley
Simon	Thone	Whitten
Sisk	Traxler	Wiggins
Skelton	Treen	Wilson, Bob
Skubitz	Trible	Winn
Slack	Tsongas	Wirth
Smith, Iowa	Tucker	Wolff
Smith, Nebr.	Ullman	Wright
Snyder	Van Deerlin	Wydler
St Germain	Vander Jagt	Wyllie
Stagers	Vank	Yates
Stangeland	Vento	Yatron
Stanton	Volkmer	Young, Fla.
Stark	Waggoner	Young, Mo.
Steed	Walgren	Young, Tex.
Steers	Walker	Zablocki

NAYS—5

Crane	Ottinger	Steiger
Levitas	Risenhoover	

NOT VOTING—76

Addabbo	Florio	Miller, Calif.
Akaka	Ford, Mich.	Mineta
Alexander	Fraser	Mitchell, Md.
Anderson, Ill.	Gilman	Nowak
Badillo	Glickman	Panetta
Baldus	Gonzalez	Patterson
Blaggi	Hagedorn	Pickle
Boland	Hall	Poage
Burke, Mass.	Harkin	Railsback
Butler	Harrington	Richmond
Collins, Ill.	Heckler	Roe
Cotter	Holland	Ruppe
Danielson	Jeffords	Solarz
Dellums	Jenrette	Spellman
Dent	Koch	Spence
Derrick	Lederer	Teague
Dicks	Lott	Thornton
Diggs	McCloskey	Udall
Dingell	McDade	Waxman
Dodd	McHugh	Weiss
Duncan, Ore.	McKay	Wilson, C. H.
Early	McKinney	Wilson, Tex.
Ellberg	Marks	Young, Alaska
Evans, Colo.	Mathis	Zeperetti
Evans, Ga.	Meyner	
Flippo	Milford	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Anderson of Illinois.
 Mr. Akaka with Mr. Butler.
 Mr. Zeferetti with Mr. Baldus.
 Mr. Ford of Michigan with Mr. Hagedorn.
 Mr. Harrington with Mr. Lott.
 Mr. Badillo with Mr. Hall.
 Mr. Panetta with Mr. Marks.
 Mr. Lederer with Mr. Young of Alaska.
 Mr. Koch with Mrs. Heckler.
 Mr. Waxman with Mr. McCloskey.
 Mr. Dent with Mr. Jeffords.
 Mr. Teague with Mr. Spence.
 Mrs. Spellman with Mr. Nowak.
 Mr. Dellums with Mr. McDade.
 Mr. Richmond with Mr. Charles H. Wilson.
 Mr. Blaggi with Mr. Roe.
 Mr. Boland with Mr. McKinney.
 Mr. Cotter with Mr. Patterson.
 Mr. Danielson with Mr. Udall.
 Mr. Burke of Massachusetts with Mr. Railsback.
 Mr. McHugh with Mr. Solarz.
 Mrs. Meyner with Mr. Wilson of Texas.
 Mr. Milford with Mr. Thornton.
 Mr. Pickle with Mr. Alexander.
 Mr. Mitchell of Maryland with Mrs. Collins of Illinois.
 Mr. Mineta with Mr. Dodd.
 Mr. Derrick with Mr. Evans of Colorado.
 Mr. Miller of California with Mr. Duncan of Oregon.
 Mr. Ellberg with Mr. Evans of Georgia.
 Mr. Dicks with Mr. Florio.
 Mr. Early with Mr. Fraser.
 Mr. Dingell with Mr. Mathis.
 Mr. Flippo with Mr. Jenrette.
 Mr. Diggs with Mr. McKay.
 Mr. Gonzalez with Mr. Holland.
 Mr. Glickman with Mr. Gilman.
 Mr. Weiss with Mr. Harkin.

Mr. ASHLEY changed his vote from "nay" to "yea."

So the resolution was agreed to. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING THE FEDERAL HOME LOAN BANK ACT

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate joint resolution (S.J. Res. 63) to amend the Federal Home Loan Bank Act and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain to us what this resolution is all about?

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield.

Mr. ST GERMAIN. I thank the gentleman for yielding.

At the present time the Federal Home Loan Bank Board, which is supposed to consist of three members, consists of two members. There is a vacancy. The term of one of the sitting members expires June 30. In order for the Federal Home Loan Bank Board to conduct its business, it must have at least two members. This resolution would extend for a period not to exceed 30 days the term of the member whose term is to expire on June 30. It also is a self-repealing resolution that repeals itself in August of this year.

Mr. ROUSSELOT. Further reserving the right to object, do we have any assurance, can the gentleman tell us, whether the vacancy that now exists will be filled?

Mr. ST GERMAIN. If the gentleman will yield further, the gentleman knows no more than the inquirer about that. My knowledge comes from the press, and the Senate is hopeful, since they are the ones who approve the nominations, that under this resolution that name will be forthcoming expeditiously.

Mr. ROUSSELOT. Further reserving the right to object, the reason I raise this question, Mr. Speaker, is that this position at the Home Loan Bank Board has been open for some time. We will face the same problem again in 30 days if nothing happens. I hope somebody sends a message down to the White House to move.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 63

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(a) of the Federal Home Loan Bank Act (12 U.S.C. 1437), as amended, is amended by adding the following immediately at the end there-

of: "Upon the expiration of the term of office of a member of the Federal Home Loan Bank Board, such member shall continue to serve until a successor is appointed and has qualified, but not to exceed thirty days."

SEC. 2. The last sentence of section 17(a) of the Federal Home Loan Bank Act is repealed, effective August 1, 1977.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR SPECIAL OVERSIGHT SUBCOMMITTEE OF COMMITTEE ON VETERANS' AFFAIRS TO SIT THIS AFTERNOON DURING THE 5-MINUTE RULE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Special Oversight Subcommittee of the Committee on Veterans' Affairs may be allowed to meet this afternoon while the House is proceeding under the 5-minute rule, to conduct hearings on the special discharge review program.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 6884, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6884) to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that act, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I do so only for the purpose of asking the gentleman from Wisconsin as to his personal intention regarding the so-called Ashbrook amendment to this bill. I understand the other body acted on a similar amendment by the Senator from Ohio, Mr. GLENN, which severely restricted the right of any conferees regarding reparations to Vietnam.

As the gentleman knows, in the House an amendment was adopted, the Ashbrook amendment, that forbade any negotiations. I would think that both of those are fairly strong positions. I would hope that, unless the other body's amendment would prevail, the gentleman can give us some view as far as he is concerned as to what the conferees might at least do.

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

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

I can assure the gentleman that it is the intention of the House conferees to

stand by the House language to the extent possible. To the extent of the gentleman's concern, I must assure him it is unwarranted.

Mr. BAUMAN. Further reserving the right to object, I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I have been asked earlier if I wanted to move to instruct the conferees, and I said, "Anybody who read the debate and heard the statement of the gentleman from Wisconsin (Mr. ZABLOCKI), anybody who knows the gentleman from Wisconsin (Mr. ZABLOCKI), as I do, knows it is not necessary to instruct." The only thing I would indicate is that in reading the Senate language I really have no objection to that. There have been some complaints raised that the amendment that I offered would be so grave that they could not even go to the table to negotiate. I do not think that is necessarily the case. I do think the Senate language is very reasonable, and something between the language we adopt and the Senate language, to my way of thinking, would certainly adequately handle the problem.

I would only say to the House that I have complete confidence in my friend, the gentleman from Wisconsin (Mr. ZABLOCKI). He has said repeatedly where he stands. I know that is the type of language he will stand by.

Mr. ZABLOCKI. I thank the gentleman for his observations.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, HAMILTON, WOLFF, Mrs. MEYNER, Messrs. BONKER, BROOMFIELD, DERWINSKI, and WINN.

APPOINTMENT OF CONFEREES ON H.R. 6179, ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1977

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6179) to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. ZABLOCKI, FOUNTAIN, FASCELL, HAMILTON, BINGHAM, STUDDS, BEILSON, BROOMFIELD, DERWINSKI, and WINN.

APPOINTMENT OF CONFEREES ON H.R. 6714, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1977

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance

programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that act, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, FRASER, HAMILTON, BINGHAM, SOLARZ, BROOMFIELD, FINDLEY, and WINN.

AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1978

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7558) making appropriations for Agriculture and related agencies programs for the fiscal year ending September 30, 1978, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 3 hours, the time to be equally divided and controlled by the gentleman from North Dakota (Mr. ANDREWS) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7558), with Mr. STRATTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 90 minutes and the gentleman from North Dakota (Mr. ANDREWS) will be recognized for 90 minutes.

The Chair now recognizes the gentleman from Mississippi (Mr. WHITTEN).

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

ANNUAL AGRICULTURAL APPROPRIATION BILL

Mr. Chairman, we bring you the basic annual appropriation bill for the Department of Agriculture, for agriculture has always been and will continue to be basic to everything else, including the protection of the Nation's economy. It is the one annual appropriation bill where producer and consumer have a continuous mutual interest.

Without food and fiber production, of course, there would be nothing to consume. Also, the reverse is true—there can be no profit in agricultural production unless there are consumers to buy the commodities produced. The fact remains

that food production must be the first order of business, since an economically prosperous agriculture remains the basis for and the support for a prosperous Nation.

The great job by those engaged in agricultural production, with less than 5 percent on the farm, has freed the other 95 percent of our people for other activities, some of them related to the processing, handling and distribution of agricultural production. Those who have left the farm have been replaced by expensive and massive machinery, new and more prolific crops, and other advancements resulting from research and development programs of the U.S. Department of Agriculture, which have provided adequate food supplies for the many who are engaged in nonfarm activities. When we look at the prices being paid for farm supplies, machinery, land, and energy, it is evident that inflation is becoming an increasingly serious problem.

Mr. Chairman, the committee has been pleased with the recognition of these facts through the years by our colleagues in the Congress who have supported this bill, which in turn enables those in agriculture to purchase the production of industry and labor—actually, constituting their biggest market.

SCOPE OF THE BILL

To carry on the producer-consumer partnership in the bill before us, \$2 billion of new obligational authority is provided under title I for what may be termed as direct assistance to those engaged in agricultural production through such programs as research, extension, insect and disease control, marketing, and the farm income stabilization mechanisms of the Commodity Credit and Federal Crop Insurance Corporations. Also covered in title I are programs such as 4-H, urban gardening, nutrition aides, and the USDA program to develop wholesale markets in our larger cities.

Under title II, \$1.1 billion of new obligational authority is included for rural development assistance to rural people, including housing and other grant programs for small towns and rural areas—on the order of those made available by other legislation to urban areas. In addition, loan authorizations of nearly \$8.8 billion are provided for the various loan programs of the Farmers Home and Rural Electrification Administrations.

Title II also provides \$680 million for the development, restoration and protection of our natural resources to help assure that our environment will be protected and that future generations will have a productive resource base upon which to exist.

Under titles III and IV, a total of \$9.6 billion of new obligational authority and Section 32 funds is included for what might be generally termed direct assistance to consumers (domestic and overseas). This provides \$8.6 billion for food stamps, school lunches and breakfasts, special milk and other domestic feeding programs. It also includes nearly \$1 billion for Public Law 480 and other international food and agricultural programs of USDA.

In view of their close relationship to

agriculture, the budgetary authorizations for the Food and Drug Administration, Commodity Futures Trading Commission and the Farm Credit Adminis-

tration are carried under title V in this bill.

Mr. Chairman, I will provide a summary table for the RECORD:

[In billions—rounded]

	NOA	Loan funds ¹	Sec. 32 ²
Title I—Agriculture programs.....	\$2.0	-----	-----
Title II—Rural development programs.....	1.8	(\$8.8)	-----
Title III—Domestic food programs.....	7.6	-----	(\$1.0)
Title IV—International programs.....	1.0	-----	-----
Title V—Related agencies.....	.3	-----	-----
Total	12.7	(8.8)	(1.0)

¹ Insured and guaranteed loans primarily.

² Transfer from sec. 32 funds.

PRODUCTION COMES FIRST

Mr. Chairman, with world demand for food expanding and with ever-increasing inflation and other serious threats to our ability to produce adequate food supplies in the future, it is essential that we continue to emphasize those programs and those administrative arrangements which will strengthen food production. Only in this way can we meet the demand for food for domestic consumption and maintain exports of our chief stock in trade, our greatest weapon in our efforts to maintain a favorable balance of trade with the other nations of the world.

As we consider this bill, we should recognize that production must come first, so that food is available to consumers. Yet, in the past, many nations of the world failed because their people did not recognize and accept this truism. Instead, they ate up what they had today without saving "seed" to plant tomorrow's crop for food.

Many of the undeveloped countries we aid today did not accumulate capital for the development of their natural resources. Other countries, after developing their resources, did not restore a fair share of what was taken out of the soil to keep their land productive. We in this country are often faced with this short-sided view, as our agricultural producers are being faced with increasing limitations on their ability to produce the finest food in the world.

THE DEPARTMENT OF AGRICULTURE

Mr. Chairman, in considering the various programs of the Department of Agriculture and their budgetary needs for fiscal year 1978, the committee is deeply concerned about the future of American agriculture and its close interrelationship with the well-being of the great majority of the American people who are completely dependent upon agricultural output for their basic essentials—food, clothing and shelter. With 82 percent of the land-area of the continental United States involved in agricultural production—including commercial timber—but less than 5 percent of our people located on the farms, the committee is convinced that the Federal Government must continue to maintain a strong and effective Department of Agriculture, made up of the agencies and offices now carrying out the many agricultural programs which have proven to be of such great benefit to the people of this Nation. If these pro-

grams are scattered throughout the Government, they will be neglected—left to last. The record shows it.

The bill this year was developed under somewhat difficult circumstances. Throughout the major portion of the hearings, policy level officials had not yet been appointed or confirmed. In addition, a number of the top level agency personnel were serving in "acting" capacities. Because of this situation, the committee is indebted to those career witnesses of the Department who presented the policies, plans and objectives as they were in the past, since such officials did not have authority to project plans for the future. Therefore, the bill recommended by the committee to a large degree is based on the committee's prior information and experiences, existing program structure, existing law and existing administrative policies and practices.

OUR TECHNOLOGICAL ADVANCEMENT

Mr. Chairman, we have made miraculous strides in science, medicine and related fields in recent years. We have developed advanced types of ships, trains, automobiles and other vehicles which greatly extend our horizons. We have created jet and supersonic aircraft which enable us to reach any point on the globe in a matter of hours. We have produced television, communications satellites and other devices which make it possible to transmit messages and visual images to every part of the Earth instantaneously.

Man has walked on the Moon. He has explored Mars and photographed Jupiter with space vehicles traveling at enormous rates of speed. He has studied the solar system with advanced radio, optical and rocket probes.

We have greatly increased our knowledge of the many aspects of our modern society and have developed an unlimited number of new and improved machines, procedures and techniques affecting every phase of life. We have improved human health and physical well-being through the use of X-ray techniques and other sophisticated medical equipment. Since the turn of the century, we have greatly extended our life span in the United States—from an average of about 47 years in 1900 to over 72 years in 1975.

BACK OF IT IS FOOD

Mr. Chairman, as we take note of these great achievements, we should realize

that behind them have been the plentiful supplies of wholesome and inexpensive food and fiber produced by the less than 5 percent of Americans on the farm, thereby releasing over 95 percent of our people to engage in these and many other nonfarm activities which have made our modern society and our standard of living the most advanced ever known to man.

In the March/April 1977 edition of Nutrition Today, Dr. Cortez F. Enloe, Jr. describes North American agriculture as the "Eighth Wonder of the World." He points out that abundant food supplies have been the most important factor in the advancement of the United States and Canada, giving their people the freedom to provide the central support for Western Civilization. Dr. Enloe summed up his conclusions as follows:

The most magnificent achievement of mankind is the creation in North America of the greatest land of nutritional abundance in the world. Not even the building of the Egyptian Pyramids, the writing of the Greek Classics, the painting of the masterpieces, the composition of the symphonies, the invention of steam power, or the splitting of the atom can fill the shadow of this towering triumphs of the human spirit. It alone is the greatest thing man has ever done.

FUTURE FOOD SUPPLIES IN JEOPARDY

Despite this tremendous achievement, however, it is important for us to recognize that the availability of abundant supplies of food and fiber may be in jeopardy in the future because of the ever-increasing financial pressures and other risks facing American agricultural producers. Increased investment requirements, credit problems, inflation, adverse weather, unstable prices and markets, government regulations curbing effective control of insects and diseases—all to some extent affected by the shift of political power to our urban consumers—are threatening to take more and more of our farmers out of agricultural production as difficulties increase.

The rapid increases now taking place in the cost of fuel to operate farm machinery become increasingly significant when it is realized that agriculture uses more petroleum than any other single industry. Further, the additional costs which will be required in the near future to modify farming practices to meet energy demands, and the unpredictable costs looming in the more distant future when the inevitable change from petroleum to other sources of energy occurs, all place the future food supplies of our grandchildren in ever greater jeopardy.

MAINTAINING A HEALTHY AGRICULTURE

Mr. Chairman, the composite of our laws must make it financially possible and economically worthwhile to continue to produce food and fiber. Unless agricultural producers can finance their operations, recover their cost of production and earn a modest profit, they not only will not, but cannot, remain on the farm—and sufficient supplies will not continue to be grown by the less than 5 percent to feed and clothe the other 95 percent and to provide sizable quantities for export to hungry people in other parts of the world. Assurance of reasonable return is provided to other segments of our economy through laws guarantee-

ing minimum wages and bargaining rights to labor and tax credits and profit mark-ups to industry. To compete under present-day conditions, agriculture must have a reasonable degree of protection from the many risks involved in food and fiber production.

Unless our agricultural production system is maintained on an economically sound basis, food stamps—which have become an important factor in improving diets of lower-income families—will not be worth the paper they are printed on and food programs will become a farce. Further, in the absence of adequate supplies of agricultural commodities, our efficient food inspection systems will be useless and the activities of our Food and Drug Administration (FDA) and Environmental Protection Agency (EPA) will be meaningless.

WE MUST REMAIN A LAND OF PLENTY

Further, in a predominantly urban society such as we have in the United States today, we must always be a land of plenty to keep the support of our people. Creating or even permitting restrictions on production of food and fiber to protect prices at the farm level is not in the best interests of either the urban consumer or the rural producer. Both are best served by an agricultural policy which provides ample food supplies at the retail level, coupled with such price and market support as may be necessary at the farm level to keep the Nation's food production capacity healthy and sound.

It is important for all of us—farmers and consumers alike—to keep in mind that the cost of producing food must be paid either by the consumer or by the land from which it comes. Loss of soil fertility is an immediate loss to the individual producer affected, but it is a permanent loss to society. Unless we keep the growing of food financially rewarding, by providing for cost plus some profit to the producer, we will end up with a worn out land—as in China, India, the Middle East and elsewhere—due to the inability of farmers to reinvest sufficient money in land and water conservation and restoration of soil fertility to assure continued production in the future. Federally sponsored conservation programs alone cannot and should not fully meet this need.

NEED FOR PRICE AND MARKET STABILITY

Mr. Chairman, history clearly shows that failure to maintain the purchasing power of American agriculture—the producer of new wealth upon which all segments of our highly integrated economic system depend—has a depressing effect on the whole economy of the Nation. The seeds of the Great Depression of the 1930's were sown in the agricultural depression of the 1920's following the First World War. This happened to a lesser degree in 1921, 1929, and 1937. In each instance, failure to maintain farm exports, support farm prices, and maintain farm purchasing power weakened banking and other business institutions throughout the Nation and dragged down the entire economy, both in the cities and the rural areas.

Since a large portion of the farm pro-

ducers had only a precarious hold on their land during these periods of economic stress, falling farm prices resulted in loss of their land and created a poverty-stricken agricultural community and a panic-stricken urban economy. It has been said that while the economic crash started on the farm, most of the suicides during the 1930's were committed by people who had no farm connections.

It was to restore the purchasing power of agriculture, and thereby to rebuild the entire economy of the Nation, that the first farm program was enacted in the mid-1930's.

Today, with a greatly inflated economy in this Nation spiraling ever higher and faster, with hundreds of billions of dollars of governmental debt, with even larger amounts of outstanding credit, and with ever-increasing price levels for fuel and other consumer items stretching the fabric of our economic system, we cannot afford to risk again the bursting of this tightly inflated balloon through failure to maintain a healthy and financially sound agricultural establishment.

INCOME EQUALS VOLUME TIMES PRICE MINUS COST OF PRODUCTION

Farm income represents volume times price less cost of production. Because of increasing investment in land and machinery and because risks due to inflation, weather, and pestilence are steadily increasing, production cost is going up. This is requiring the producer to look either to increased volume or to higher prices, or to a combination of both, to maintain his farm income at a level sufficient to enable him to keep producing.

Volume is generally dependent on size of the farm unit and sufficient financing to purchase expensive farm machinery and high-priced fertilizer, seed, and chemicals—factors which not only are affected by inflation, but which add to higher costs instead of helping to meet them. The resulting increased cost of production becomes a limiting factor on production. In addition to fertile soil, volume also depends on favorable growing conditions, with good weather and the absence of insects and pestilence. Unfortunately, the producer has no control over either of these factors.

Total volume of farm production has increased somewhat in the past few years, largely through the use of marginal land. However, as a result, per acre yields have dropped from the higher levels attained in the 1960's with a proportional increase in the cost of production. The financial position of most producers has benefited little if any by this added production, which was attained by incurring greater risks and higher costs.

FARMER MUST LOOK TO PRICE

Accordingly, with costs going up and with volume an unreliable means of stabilizing income in this inflationary period, the producer must look primarily to price to provide the financial return needed to support his farming operations. He must, therefore, have some form of market and price stability to make it financially worthwhile—and perhaps even possible—for him to continue in the business of producing adequate supplies of food and fiber for domestic consumption and ex-

port markets. As a matter of fact, his banker is insisting upon it.

It is incumbent on the Federal legislative and executive branches, therefore, to reestablish a system which will at least make possible orderly marketing of agricultural products at stable prices. Since the cost of producing commodities must be paid whether or not market prices are favorable, the present program—which requires most producers to dump their commodities on the market immediately after harvest, thereby saturating the market and driving down farm prices—is highly unsatisfactory. Higher prices, which often come later in the marketing year, benefit the traders and the speculators, but not the producers—a fact not understood by many consumers.

AGRICULTURAL EXPORTS ESSENTIAL

Mr. Chairman, if we are to maintain production and protect our international trade balances, we must guarantee that farm products determined to be surplus to domestic needs are sold on world markets at competitive world prices. To do otherwise would depress prices at the farm level to the point of broader national distress and would impair our ability to earn the foreign exchange needed to pay for our imports. To keep our overseas customers buying from this country, we must maintain an ample supply of commodities on the market on a consistently available basis.

AGRICULTURE MAJOR EARNER OF FOREIGN EXCHANGE

Agriculture is the major dollar earner for the United States in world markets. According to USDA, U.S. farm exports in 1975 tripled in value and rose 40 percent in volume over 1972. Our agricultural exports which were about \$23 billion in 1976, were a major means of paying for our increased oil imports of about \$35 billion during 1976. To continue to pay for our energy imports in the future, our export markets must be maintained and, where possible, expanded. This expansion is essential not only from the standpoint of our international balance of trade and balance of payments, but also is absolutely essential to maintain a healthy agriculture and a strong national economy.

To a greater degree than ever before, exports have become an essential part of America's agricultural production and marketing system. American farmers harvested about 337 million acres in 1976. USDA experts estimate that the production from some 100 million of those acres—nearly one-third of the total—will be exported. This is double the number of acres harvested for export in the 1950's and half again the number harvested in the 1960's. USDA estimates that almost half of the wheat crop, nearly 60 percent of the soybean crop, 30 percent of the corn crop and 55 percent of the rice crop will be exported in 1977.

Both the rural and urban economies benefit from this extra production for export. Half a million farmers who otherwise would not be able to earn a living from farming are enabled to remain on the land, thereby helping to reduce unemployment and other social problems

of the cities. An estimated 650,000 urban people are employed in the handling, processing, marketing and transportation of these commodities for overseas markets.

HUNGRY PEOPLE NEED OUR FOOD

Further, we must continue to be in a position to help meet the food needs of many of the underdeveloped countries of the world which have frequent and, in some cases, continuing food shortages. It has been estimated that about half of the world's population suffers from malnutrition, with some 10,000 persons dying everyday from starvation. This becomes an increasing problem as the world's population expands at an almost unbelievable rate, with births exceeding deaths by about 60 million each year. This population explosion can be more fully understood when it is realized that the world's population, which reached the first billion by the year 1830, took only 100 years—1830 to 1930—to reach 2 billion and only 30 years—1930 to 1960—to reach 3 billion. It is estimated that over 6 billion people will live on this planet by the year 2000.

Ample production in the United States, together with balanced commodity reserves—ever-normal granary—must be available for cash exports or donations to meet food needs as they develop in various parts of the world. This is not only healthy for the American economy, but also is the best protection from hunger and starvation that this country can provide to all consumers of the world. It also represents one of the best means available to this country to encourage peace throughout the world.

FARMING—WORLD'S BIGGEST GAMBLE

Mr. Chairman, it has been said that to go into farming a person must have enough money to start a bank and enough nerve to rob one.

A farmer must have enough money to buy land, equipment, and the many other expensive items required for farm production. USDA figures show that the average agricultural producer must invest as much as \$200,000 to acquire the assets needed to begin farming today. It has been estimated that a minimum of \$500,000 is required to establish a western wheat farm at present cost levels.

A farmer must have enough money to pay taxes on his land, and perhaps liquidate a mortgage, and maintain his production capacity, despite the rapidly expanding inflationary pressures which, together with growing demands for farmland for commercial and residential purposes, are inflating land values to extremely high levels. Most present farmers are unable to expand their holdings at present land values and many are being enticed to sell out and move on to "greener pastures." The young would-be farmer is virtually denied the opportunity to go into agriculture, unless he inherits an operating farm.

A farmer must have enough money to finance the heavy costs of energy, farm labor, equipment replacement, seed, fertilizer, pesticides, and the many other items necessary to plan and harvest his crop. He must be able to meet the ever-increasing costs of production in an inflationary period such as today. The

size of FHA production loans to farmers indicates that the cost of producing a crop frequently equals the total value of the producer's holdings.

A farmer must have enough nerve to risk his entire investment each time he plants a crop. In addition to the financial risk, he must gamble on the weather and pestilence—either of which can destroy his crop and wipe out his investment overnight. This is especially risky at present, since he is faced with the uncertainty of whether or not his Government will let him use proven tools against insects and disease.

If a farmer is lucky enough to win his gamble against inflation, weather and pestilence, he must gamble on the uncertainties of the marketplace. He must take his chances when he plants his crop that market prices will be high enough at harvest time to cover his production costs, provide some return on his investment and possibly earn him a small profit to cover living expenses for himself and his family.

Whereas it formerly took as many as 7 years of bad crops to bankrupt the average producer, it is estimated that the greatly increased risks of farming today can eliminate his "stake" in a single year.

FARM INCOME INADEQUATE TO KEEP FARMERS FARMING

Mr. Chairman, despite the numerous problems and risks facing agriculture today, there are still many people in this country who think that a farmer at times gets paid for doing nothing. This erroneous impression results from past programs where mistakenly his government encouraged him to limit the use of all his land in an effort to get an increase in price per unit, without realizing that an increase in price is offset by a decrease in units of production. As a result, the farmer does not benefit from such a policy, but the consumer pays more for his food, and we lose the value of surplus food in meeting our international responsibilities.

Further, farmers are often pictured as living in high style in expensive homes and riding around in high-priced automobiles. Perhaps a few people can cite an example or two of someone they know who has been a successful farmer and who can afford an expensive home, cars, vacations and other luxuries. Unfortunately, such people tend to use a few exceptional examples to support their incorrect conclusion that most farmers are well off financially.

A study of farm income statistics available from USDA shows that, while there may be a very few large agricultural producers who are able to afford some of the better things of life, these are the exception rather than the rule, except where sufficient off-farm income may be available to meet such expenses.

USDA figures indicate, for example, that for the approximately 2.8 million farms in operation in 1975, the average net income from farming was \$8,079.

EARNINGS OF MAJORITY OF FARMERS VERY LOW

These statistics show further that, while 3.9 percent of the 2.8 million farms had an average net farm income of \$63,-

236 and another 12.1 percent had an average net farm income of \$17,558, the remaining 84 percent of the Nation's farms had an average net income from farming of only \$4,147. They show also that 64 percent of our farms had an average net farm income as low as \$2,-267 in 1975.

It is apparent that the return to the majority of farmers from their farming operations and resource base is inadequate, especially when it is realized that they must meet the following cost from whatever net income they may be able to obtain return on equity, value of unpaid labor for producer and family, and income taxes. It should also be realized that farmers must cover their family living expenses from this net income to the extent they are unable to meet such needs from off-farm employment or other nonfarm sources.

Mr. Chairman, very little cash income if any is left to at least 84 percent of farm families to pay for housing, clothing, off-farm food purchases, education and other items of family expense. Statistics show conclusively that there is no income available from farming to the great majority of farmers to purchase an expensive car or to own a luxurious home.

MOST FARMERS EARN LESS THAN URBAN WORKERS

Mr. Chairman, net income from farming is a modest return when compared to the earnings of many people in other segments of our economy. For example, hourly rates for employment in the manufacturing and construction trades as shown by the Economic Report of the President are as follows: manufacturing—\$4.81; construction—\$7.25. Assuming a 40-hour week for 50 weeks per year, the annual earnings for the lower paid workers in these trades would be: manufacturing—\$9,620; construction—\$14,500.

Further, returns to equity for agriculture consistently run below returns to other production endeavors in this country. Information provided by the Secretary of Agriculture shows that during the past 8 years, returns to equity for the farmer have averaged between 3 percent and 5 percent per annum, as compared to averages of 7 percent to 12 percent for certain other categories.

Mr. Chairman, a story has been told about a farmer who inherited \$1 million upon the death of a wealthy relative. When asked what he intended to do with his new wealth, he replied, "I'm going to keep right on farming until every cent of it is gone."

FEWER FARMS—LESS FARMERS

The steady decline in the number of farms and farm population can be readily understood in view of the low net income of most farmers. While virtually everyone was engaged in agriculture 200 years ago, less than 5 percent of our people are producing the food and fiber supply for the 100 percent today. Further, young people reared in rural areas are leaving the farm for better paying work in other fields.

Farm population fell 6.9 percent in 1976, continuing a long-term decline. Also, since 1961 the number of farms has decreased by some 27 percent, from approximately 3.8 million to less than 2.8

million. Figures provided by USDA show the steady decline in the past 15 years.

Recognizing that farming is both risky and frequently unprofitable, and that it involves many sacrifices, fewer young people are preparing themselves for a career on the farm. Through no fault of the schools involved, less than 7 percent of the students attending agricultural schools are enrolled in courses directly related to the operation of a farm. In this connection, the latest census figures show that about 17 percent of those engaged in agriculture are over 65 years of age and that 43 percent are over 55 years of age.

OFF-FARM EMPLOYMENT OFTEN NECESSARY

In view of the very limited income and resources, many farmers and their families have found it necessary to find off-farm employment to meet farm and family expenses. This is especially necessary for those who have been unable to obtain the capital necessary to farm on a large enough scale to provide adequate income.

LAND VALUES HIGH—OPERATING CASH LOW

Some farmers may be considered to be wealthy in view of the highly inflated value of their land. USDA reports that land values in many of the mid-west farm States have more than doubled in the past 5 years. In Iowa and Illinois they have tripled. On the average, land and buildings represent around three-fourths of the total value of farm assets, whereas cash and bank deposits represent less than 3 percent of the total. This means nothing except high taxes, however, unless the farmer sells his land and moves to town. The real value of land to the farmer is the income it will provide from agricultural production, rather than the market value. Thus, most farmers are relatively poor in terms of cash income needed to operate their farm and provide a reasonable standard of living for their families, despite inflated land values.

It is often said of farmers that, "they live poor and die rich." But after death comes the inheritance tax which, though improved somewhat last year, still frequently prevents the farmer's heirs from continuing to operate the farm unit for the benefit of the consumer.

CONSUMERS AND FARMERS ARE PARTNERS

Mr. Chairman, as noted earlier, we are largely an urban society today. Consumers in the cities have a real need for the agricultural programs funded in this bill. It is essential, therefore, that agriculturalists continue to seek the support of city consumers through their Representatives in Congress and in other ways, so as to have their cooperation in carrying on agricultural programs which will protect the source of their food, clothing, and shelter, and will prevent economic stress in rural areas with its related adverse effects on urban areas. With less than 5 percent of our people engaged in agricultural production, with only 14 out of 435 congressional districts classified as rural, and with an urban-oriented news media, this becomes increasingly important.

In this connection, this committee reported last year that there has been increasing evidence in recent years that a closer partnership and interdependence between urban and rural people is developing. Changing social and economic conditions, together with increased mobility of our people, are causing more nonfarm people to move to the rural fringes of the cities, where they have increased exposure to rural influences. This is also affecting rural people and institutions and providing increased opportunities to bring rural and urban Americans closer together.

4-H CLUBS AND NUTRITION EDUCATION IN CITIES

Recognizing the urgent need a few years ago for this closer partnership between farm and nonfarm segments of our population, this committee earmarked \$7.5 million in the 1970 appropriation bill to initiate 4-H type programs in our cities. In its report on that bill the committee stated:

The Committee has approved an appropriation of \$30,000,000 for the Nutrition Aide Program initiated last fall. This is in line with the latest budget recommendation and places existing programs on a yearly basis. Of this sum, \$7,500,000 shall be available for professional workers to promote 4-H type programs in the depressed areas of our cities. This program involves educational work among low-income groups to reduce the incidence of malnutrition, by providing home-maker aides who will use available information, knowledge and skills to teach needy people to utilize all resources toward the achievement of a more nutritionally adequate diet.

In this connection, the Committee feels that full use should be made of the Nation's 3 million 4-H Club members to promote 4-H Club type work with the youth of our towns and cities. The success of this program in rural areas has forcefully demonstrated the effectiveness of this approach. It may well be found that the most successful results from nutritional education of low-income families will come through work with the younger members of the family.

RESULTS HAVE BEEN REWARDING

Mr. Chairman, the results of this effort have been increasingly rewarding. The 4-H clubs now have more than 5.5 million members, including 2.7 million in urban areas, an increase of 200,000 over a year ago. Today, less than 20 percent of 4-H club members live on farms. The remainder live in towns and cities, including around 9 percent in the inner cities of our large metropolitan areas. The largest club in the world is in downtown Indianapolis, Ind.

According to testimony presented by USDA witnesses this year, a total of 1.4 homemakers participated through June 1976 in the expanded food and nutrition education program, representing about 6 million family members. Of the families participating, 78 percent have annual incomes of \$5,000 or less, 44 percent have completed the eighth grade or less, and 62 percent come from minority groups. Currently, this program is operating in about half of the counties in the country. USDA experts report that during a 2½-year period, there was a 42-percent increase in the number of homemakers

who attained a minimum diet for their families.

It appears that much of the increased understanding of interrelated rural-urban problems is due to this involvement of urban people in agricultural-type activities, with increasing support of city-Members of Congress and their constituents for agricultural programs.

HOME GARDENING IN THE CITIES

Mr. Chairman, during this year's hearings, the committee again received considerable evidence of the increasingly important role that urban gardening is assuming in our major cities. Testimony received from USDA officials indicates that people in urban areas are well aware of their vulnerability to the changing supplies and costs of food and are attempting to circumvent this by gardening at home. It is now estimated that about 50 percent of the families in the United States are growing home gardens.

CITY WHOLESALE MARKETS

Mr. Chairman, another aspect of city life to which the programs of the USDA have made an important contribution is the modernization and improvement of the antiquated, inefficient, and costly food marketing systems—especially in the larger cities of the country, such as Boston, New Orleans, Los Angeles, New York, Baltimore and others. In New York City, for instance agricultural products shipped by train from the mid- and far-West had to be unloaded from box cars onto barges for transport across the Hudson River. Then they had to be reloaded on trucks for delivery to the terribly overcrowded wholesale district of lower Manhattan. Due to the very high costs resulting from triple handling and wasted time in the congested narrow streets of this market area, it was estimated by USDA officials that about 50 percent of the retail cost of food consumed by New York residents was added after the produce reached the Hudson—even for shipments from as far away as California.

The work of the Department in this instance resulted in the relocation of a significant portion of the lower Manhattan wholesale markets to Hunts Point in the Bronx, a less congested area with more convenient accessibility by rail and highway. This has not only reduced handling and transportation costs, but has added to the freshness and quality of products consumed in the New York markets.

FOOD—CONSUMER'S BEST BUY

Despite the general increase in food prices due to increased costs to agricultural producers and increased costs of processing and handling in wholesale and retail channels, the American consumer still enjoys the most plentiful supply of wholesome and high-quality food at the lowest cost anywhere in the world.

USDA figures on the food price index in certain selected countries as of September 1976, which are contained in the publication entitled "Foreign Agriculture" (Dec. 6, 1976), demonstrate this

very dramatically. I will provide those figures at this point in the RECORD.

Country	Food price index (1970=100)	Change over previous year
United States.....	158.1	+2.2
Australia	180.7	+12.7
Denmark	185.0	+9.3
Japan	200.5	+8.7
Italy	207.9	+18.5
Mexico	209.4	+10.5
United Kingdom.....	254.1	+19.7
Brazil	432.4	+44.1
Argentina	7,954.0	+404.1

In the February 9, 1976, issue of that same publication, USDA reports on the amount of time required in 1975 by workers in certain world capitals to earn money to purchase various items of food. These figures show that U.S. consumers were required to spend far less of their working time than consumers in other developed countries for most foods they bought.

Mr. Chairman, I will insert a table which compares a few selected food items:

City	[Hours and minutes required to purchase 1 unit]					
	Steak (lb.)	Eggs (doz.)	Butter (lb.)	Milk (qt.)	Oranges (doz.)	Bread (lb.)
Washington..	0:26	0:09	0:14	0:05	0:14	0:06
Bonn.....	1:03	0:13	0:23	0:06	0:41	0:09
London.....	1:08	0:19	0:15	0:05	0:41	0:05
Paris.....	1:20	0:31	0:43	0:09	0:55	0:22
Rome.....	1:27	0:29	0:47	0:10	0:20	0:11
Tokyo.....	6:25	0:21	0:50	0:17	1:51	0:10

**POUND OF STEAK \$2.19 IN WASHINGTON—
\$13.75 IN TOKYO**

In the same publication, Foreign Agriculture, February 9, 1976, it will be noted that in January 1976 a consumer in Washington paid \$2.19 for a pound of sirloin steak, whereas consumers paid \$3.33 in Rome, \$3.75 in Brussels, \$4.19 in Bonn, \$4.36 in Copenhagen, \$5.08 in Stockholm and \$13.75 in Tokyo. A pound of butter cost \$1.33 in Washington, compared to \$1.56 in Bonn, \$1.61 in Brussels, \$1.90 in Rome, \$1.96 in Mexico City and \$1.99 in Tokyo. A pound loaf of bread cost \$.48 in Washington, \$.56 in Bonn, \$.80 in Paris and \$.81 in Stockholm.

Mr. Chairman, the average family in the United States spends 16 to 17 percent of its income (after taxes) for food. Information provided by USDA indicates that Japanese consumers spend some 21 percent and consumers in Russia spend over 35 percent of their incomes for food. It also indicates that consumers of other advanced countries of the world spend well above the U.S. percentage for food. In many of the underdeveloped countries, the average person spends as much as 50 to 60 percent of his income for food. This becomes very significant when related to the amount of consumer income remaining for nonfood expenditures. For example, if 35 percent of consumer income were spent for food in the United States as in Russia, the loss of markets for the products of American labor and

industry could be nearly 20 percent or \$200 billion per year.

FOOD CHEAPER THAN OTHER HOUSEHOLD ITEMS

It is also important to note that the price of food has increased far less over the years than the cost of most other items of family living in the United States. A comparison was provided in the March 14, 1977 edition of U.S. News & World Report, which I will put in the RECORD:

	10 yr ago	Now	Increase (percent)
New 1-family home.....	\$23,800	\$47,100	+98
Loaf of bread, 1 lb.....	.23	.35	+52
Hamburger, 1 lb.....	.54	.85	+59
New car.....	2,500	4,875	+95
Gasoline, 1 gal, regular.....	.33	.61	+85
Physician's office call.....	6.05	12.50	+107
Cigarettes, pack.....	.35	.60	+71
Man's suit.....	64.50	90	+40
Movie ticket, adult.....	1.40	2.60	+86
Drafting a simple will.....	30	63	+110
Private college, tuition fees, room, board for 1 yr.....	2,000	4,100	+105

† Note: Auto prices are manufacturer's suggested retail prices for 2-door standard sized car by U.S. maker. After allowances for quality improvements and additional equipment, the adjusted increase is less than half that shown, according to U.S. Department of Labor.

This comparison shows that increases for bread and hamburger were, with one exception, the lowest of all increases listed. In this connection, it is significant that, while the retail price of bread went up 52 percent in the past 10 years, the price of wheat at the farm went down 4 percent during this same period.

Despite his tremendous contribution to the comfort and well-being of our consumers, however, the American farmer has traditionally been squeezed at the bottom of the economic ladder. Statistics provided by USDA indicate that his share of the consumer food dollar, after middlemen at all levels take theirs, continues to decline. In 1973, the agricultural producer received 45 percent of the food dollar. This declined to 43 percent in 1974 and 42 percent in 1975. In the fourth quarter of calendar year 1976, it dropped to 38 percent, the lowest point in 5 years.

THE FAILURES OF PAST CIVILIZATIONS

Mr. Chairman, as we study history and read the reports of our experts, we find that past civilizations disappeared largely because of their failure either to develop or, where developed, to protect and maintain the fertile and productive resources needed to provide their essentials of life—food, clothing, and shelter. Many of the underdeveloped civilizations failed to locate, develop, and make proper use of their resources, thereby limiting growth and advancement. Many of the more advanced civilizations, regardless of the degree of sophistication attained, failed to protect and preserve their highly developed resources for succeeding generations.

In the fertile alluvial plains of Mesopotamia in the Middle East, civilization rose out of the Stone Age to develop a highly organized society which left some legacy to later cultures of the Far East, Europe, and eventually America. Here, tillers of the soil constructed systems of

irrigation which produced food in excess of their own needs—thereby releasing neighbors for other types of endeavors. They built cities such as Kish and Babylon with palaces, temples, paved streets and great water systems. It has been suggested that they even developed an air conditioning system some 2,600 years ago for the Hanging Gardens of Babylon.

As populations grew, more and more canals were dug farther and farther away from the rivers. These well-developed canal systems required a great deal of time and effort by the people to keep them free of silt—to assure adequate supplies of water to the irrigated lands and to keep salinity from impairing the productivity of the soil. Through the years, the cleaning of silt was often neglected—due to the heavy expense and great human effort involved and frequent interruptions due to internal strife and foreign invasions. The filling of these canals with silt eventually impaired the irrigation systems and damaged the land to a point where the villages and cities were depopulated more completely from starvation than from armed conflicts.

FALLEN EMPIRES OF MIDDLE EAST

Archeologists estimate that the population of Mesopotamia may have reached 25 million at its peak of affluence. At least 11 empires are thought to have risen and fallen in this tragic land in 7,000 years. Now only about 4 million poverty stricken people live in the area. USDA experts point out, however, that the life-giving waters of the Tigris and Euphrates Rivers are still available to properly support as large a population as ever, provided that modern irrigation systems and machines are used to control the silt and salt and to keep the canals open for irrigation of the remaining farmlands.

The fortunes of the remarkable civilizations of the Nile Valley in Egypt have shifted between prosperity and poverty many times during the thousands of years of their existence due to the problems resulting from continuous silting and salting of the fertile lands of that area. In the north of Syria, where erosion has done its worst damage, hundreds of dead villages and market towns stand high on bare rocks, the surrounding life-supporting soil completely gone. Ruins of numerous other centers of Middle East power and culture stand as stark reminders of the failure of these societies to care for their soil, their canals and the sources of their water. Most of these areas can never be rebuilt and repopulated, for once the fertile soils are gone, all is gone.

This was described rather aptly by Lamont C. Cole of Cornell University as follows:

The landscape is dotted with mounds, the remains of forgotten towns; the ancient irrigation works are filled with silt, the end product of soil erosion; and the ancient seaport of Ur is now 150 miles from the sea, its buildings buried under as much as 35 feet of silt.

RESULT OF HUMAN FAILURES

While historians may have attributed many of these calamities to unforeseen

"acts of God," in fact they were largely due to the failure of humans to act wisely and intelligently for their own self-preservation. This may have been due in part to lack of knowledge and skills to prevent resource depletion. It undoubtedly was also the result of human desire to get the most return possible out of the resources available, with landowners failing to reinvest earnings to maintain the fertility of their lands and with landless peasants forced to denude hillsides and destroy marginal lands in a desperate effort to stay alive.

DEPLETION OF CEDARS OF LEBANON

Today, only four small groves remain of the famous Cedars of Lebanon, which once covered 200 square miles of the mountains of Ancient Phoenicia. Overcutting of the timber through the centuries for the markets of Egypt, Greece, Jerusalem, and elsewhere, together with failure of the people to protect from grazing animals seeds and seedlings needed for reforestation on the hillsides, resulted in the virtual elimination of this once valuable resource. An inscription on one of the temples in Egypt reveals the arrival of some 40 ships with Lebanese timber in 2900 B.C. Nearly 3,000 years ago the King of Tyre agreed to furnish King Solomon cypress and cedars from these forests for the construction of his temple in Jerusalem. Legend has it that Solomon sent 80,000 lumberjacks to cut the trees and 70,000 laborers to slide the logs to sea.

CHINA'S SORROW

The Yellow River in China is known as "China's Sorrow." For 4,000 years the battle against floods from this tremendous river has been won and lost time and time again. Heavily laden with silt which reduces its capacity to carry floodwaters, the farmers have had to build ever higher dikes year after year to carry its waters. Through the ages, the river often broke over its dikes to destroy human life, property, essential farmlands and villages. Control was virtually hopeless—silt was usually the victor. Similar conditions also existed during these many centuries in many other parts of China. The dire poverty of the Chinese people is due in part to the tremendous amount of cheap hand labor required through the centuries to carry on the endless and unsuccessful attempts to hold these mighty and destructive rivers in their channels. Silting and soil erosion, partially a consequence of poverty, became the cause of poverty.

WASTE IN THE NEW WORLD

Mr. Chairman, one of the most serious problems facing our highly industrialized civilization in America today is how to meet the ever-increasing needs of domestic and overseas consumers for the products of American agriculture and, at the same time, preserve and maintain our basic agricultural production capability for future generations. The basic question is whether or not we can obtain and maintain public support for a sound agricultural system which can afford to use and preserve our natural resources effectively enough to avoid the same fate which has befallen the earlier civiliza-

tions in the worn-out and food-deficient areas of the world as described above.

Perhaps a brief review of what has happened in the comparatively brief 350-year period of settling and developing this country will be useful in considering this question. Perhaps it will help us all to realize and continue to remember that both urban consumers and rural producers must work together as close partners if we are to maintain a strong and prosperous nation during our lifetime, and also leave a healthy agriculture with adequate productive resources to feed our children and grandchildren in the future.

PILGRIMS FOUND FERTILE LAND

The first colonists found North America to be a vast land of bountiful resources and raw materials. They found fertile soils, mountains full of forests and minerals, and clear rivers full of fish. They found endless grazing lands, rich alluvial valleys, extensive woodlands and green pastures. They found a large continent capable of growing abundant supplies of cotton, corn, wheat and many other crops.

With dedication and hard work, these early settlers turned those natural resources to the support of their early years of existence on this new continent. With continued dedication and devotion, their descendants built a country of great abundance. This growth of our Nation, however, exacted a heavy price in the form of the continuous depletion of the resources available to them.

For years it was generally thought that cheap raw materials made the United States great, with its strong economy and high standard of living. Since the early days of this country's existence, however, we have used up, destroyed and worn out a large part of the natural resources which were here when the Pilgrims landed at Plymouth Rock. It is likely that this abuse of our resources was the real reason for our unprecedented development.

When the Pilgrims arrived we had some 8,000 billion boardfeet of timber in this country. Only about 30 percent of the original stand is left today, however, despite large governmental reforestation programs carried out throughout the Nation in later years. Only 200 years ago this country had some 500 million acres of fertile land. USDA estimates that over 200 million acres have been seriously damaged by erosion and that the soil on another 100 million acres is now eroding faster than new soil is being formed. Some experts believe that portions of the desert areas of Arizona and New Mexico have been created by overgrazing since the Europeans came to this country.

MOVING ON TO NEW CONTINENTS IMPOSSIBLE

Escape to a new continent is no longer an answer. We in this country are faced with the necessity of preserving the resources left within the confines of the United States to feed present and future generations of Americans. We—both producers and consumers alike—are called upon to establish and maintain a permanent and self-perpetuating agriculture on the remaining productive land to feed our people and provide a modest

degree of abundance as security from hunger in the future. In desperation a starving farmer—or a hungry non-farmer—will eat the seed grain, even though he knows the result will be no food next year!

WILL HISTORY REPEAT ITSELF?

Today, Mr. Chairman, serious drought and destructive dust storms are severely damaging vast portions of our productive agricultural areas. The western half of the United States is suffering from one of the worst droughts since the 1930's. In California, severe water rationing has been mandated.

In grain country, heavy winds are carrying away valuable topsoil and burning up the crops. Western cattlemen are selling off their herds due to the shortage of grass and the high cost of feed. Dairy farmers are selling out because their pastures have dried up. The timber industry is facing disastrous losses from forest fires.

This is happening despite the extensive conservation efforts carried out in this country during the past two generations which have resulted in the planting of some 7 to 8 billion trees, the construction of over 2 million water impoundment structures and the terracing of nearly 35 million acres of land. Under the Agricultural Conservation Program (ACP), where farmers put up about half the cost plus their labor, many soil and water conservation improvements have been accomplished between 1936 and 1975. I will provide those figures for the RECORD:

ACCOMPLISHMENTS OF AGRICULTURAL CONSERVATION PROGRAM

Practice	Unit (acres)	Extent under 1975 program	Total accomplishments, 1936-75
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.....	1,000	27	2,335
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution....	1,000	436	34,651
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution.....	1,000	86	114,432
Trees and shrubs planted for forestry purposes, erosion control, or environmental enhancement.....	1,000	216	5,806
Forest tree stands improved for forestry purposes or environmental enhancement.....	1,000	52	4,688
Wildlife conservation.....	1,000	110	14,004
Sediment pollution-abatement structures or runoff control measures.....	1,000	1,502	10,508

¹ Structures.

² From 1962 with certain data estimated.

³ 1970-75 only.

Had it not been for these major contributions of conservation since the mid-1930's, the current drought and dust storms might have drastically reduced our food production capability. Fortunately, the severest damage from the current droughts and storms has been greatly minimized and the major portion of our soil and water resources has been preserved for the future.

It is apparent, however, that we cannot afford to reduce our efforts to protect and conserve our basic resources. With continued weather damage to and hu-

man abuse of our land and water on the one hand, and with an expanding world population demanding increased "mining" of land for food production on the other, the need for ever-increasing attention to our life-giving resources is essential.

The lessons from the Old and New Worlds clearly demonstrate the unassailable fact that any civilization must preserve its source of food and fiber to survive. Gold, silver, palaces and riches mean nothing if people have too little to eat to stay alive. Ruins of many of the palaces and possessions of the 11 ancient empires of Mesopotamia remain, but life there virtually disappeared with the destruction of the basis for production of their food supply.

This is also true in those other parts of the world which are becoming increasingly dependent on North America for their food supplies.

MAN ONLY TEMPORARY CUSTODIAN OF RESOURCES

A former official of the Department of Agriculture expressed it well in an "Eleventh Commandment" which reads as follows:

Thou shalt inherit the Holy Earth as a faithful steward, conserving its resources and productivity from generation to generation. Thou shalt safeguard thy fields from erosion, thy living waters from drying up, thy forests from desolation, and protect thy hills from overgrazing by thy herds, that thy descendants may have abundance forever. If any shall fall in this stewardship of the land, thy fruitful fields shall become sterile stony ground and wasting gullies, and thy descend-

ants shall decrease and live in poverty or perish from the face of the Earth.

During the committee hearings this year, the present Secretary of Agriculture, the Honorable Bob Bergland, re-emphasized the need for all of us to observe the lessons of history when he quoted his father as follows: "He who does not read history, will relive it."

SUMMARY OF COMMITTEE ACTION

For the first time in many years, Mr. Chairman, the committee has not been required to restore executive branch cuts in many of the budget proposals for various programs which Congress has strongly supported through the years, such as the agricultural conservation program (ACP), the Great Plains conservation program, water and sewer grants, several housing grant programs and the summer food service program. A total of about \$599 million was restored for these programs in the budget amendments submitted by the new administration in February 1977. A list of these Presidential restorations appears below.

This revised budget, however, failed to restore funds for certain other programs which in prior years Congress has deemed to be essential to a healthy agriculture and a strong national economy. The committee has restored \$432 million for these programs to assure their continuation at or near previous levels. A list of these committee restorations is included below.

In addition to these restorations, the committee recommends increases in cer-

tain important budgetary items, details of which are set forth later in this report under the individual agency and program headings.

TOTAL FUNDS IN BILL

The bill recommended by the committee provides a total of \$12,659 million of new obligational authority for fiscal year 1978, a decrease of \$681 million from the amount provided for 1977. The decrease of \$258 million in the 1978 budget request results from various committee reductions, plus a cut of \$710 million in CCC capital restoration funds which were provided in the supplemental appropriations bill for 1977, offset by, first, the restoration of \$300 million to enable section 32 to meet its responsibility to prevent market gluts for perishable agricultural commodities, and second, various additions and restorations made by the committee as noted above.

The bill also includes loan authorizations of \$7,796 million for FHA, an increase of \$1,513 million over authorizations for 1977 and an increase of \$1,565 million over the 1978 budget proposals. A breakdown of these increases is set forth below. In addition, \$1 billion of loan authority is included for REA.

SUMMARY OF BILL

Mr. Chairman, I would like to provide for the Record a summary of the new obligational authority, loan authorizations, and section 32 transfers included in the titles and subtitles of the bill, as compared to amounts approved for 1977 and the 1978 budget.

[In millions of dollars, rounded]

Titles and subtitles	Approved 1977	Budget 1978	Comparisons		
			Bill 1978	Approved 1977	Budget 1977
Title I—Agricultural programs:					
Production, processing, and marketing.....	1,280	1,342	1,319	+39	-23
Farm income stabilization.....	1,163	1,411	701	-462	-710
Total—title I (NOA).....	2,443	2,753	2,020	-423	-733
Title II—Rural development programs:					
Rural development assistance.....	874	986	1,058	+184	+72
Loan authorizations.....	(7,283)	(7,231)	(8,796)	(+1,513)	(+1,565)
Combined total.....	(8,157)	(8,217)	(9,854)	(+1,697)	(+1,637)
Conservation.....	788	639	680	-108	+4
Total—title II (NOA).....	1,662	1,625	1,738	+76	+113
Loan authorizations.....	(7,283)	(7,231)	(8,796)	(+1,513)	(+1,565)
Combined total.....	(8,945)	(8,856)	(10,534)	(+1,589)	(+1,678)
Title III—Domestic food programs (NOA).....	7,760	7,281	7,642	-118	+361
Transfer from sec. 32.....	(1,039)	(1,319)	(1,015)	(-24)	(-304)
Combined total.....	(8,799)	(8,600)	(8,657)	(-142)	(+57)
Title IV—International programs (NOA).....	1,209	966	966	-243	-
Title V—Related agencies (NOA).....	266	292	293	+27	+1
Total in bill:					
New obligational authorizations.....	13,340	12,917	12,659	-681	-258
Loan authorizations.....	(7,283)	(7,231)	(8,796)	(+1,513)	(+1,565)
Transfer from sec. 32.....	(1,039)	(1,319)	(1,015)	(-24)	(-304)
Grand total in bill.....	(21,662)	(21,467)	(22,470)	(+808)	(+1,003)

COMPARISON OF SEGMENTS OF BILL

The summary figures indicate that \$7,642 million (60.4 percent) of the total new obligational authority (NOA) carried in the bill is for domestic food programs of USDA, including child nutrition, special milk, special food for women, infants and children (WIC), food donations, elderly feeding and food stamps. In addition, the bill includes a transfer of \$1,015 million from section 32 funds for these programs, thereby providing a total of \$8,657 million (63.3 percent) for title III of the bill. The committee has agreed to the full budget estimates for these programs and has restored the budget reductions proposed for the special milk program, the food donations program, and three activities of the child nutrition program.

Mr. Chairman, the committee is aware that the legislative committee is looking into the food stamp program. In view of this, the bill includes the full budget estimate of \$5,674 million. However, the bill provides that not less than 7 percent of this amount shall be placed in reserve for further review and consideration of firm need in view of testimony received by the committee that an estimated 7 percent of the recipients under this program are ineligible for the food stamp subsidies they are receiving.

In addition, \$966 million of new obligational authority is provided for the international programs of USDA under title IV of the bill. This amount, which is largely for the sales and donations programs of Public Law 480, represents another 7.6 percent of NOA in the bill.

Thus, it will be noted that a total of \$9,623 million is recommended under titles III and IV of the bill for the domestic and overseas food consumption programs of USDA. This is over 70 percent of all funds provided in the bill, excluding loan authorizations. This is over 4 times the amount included under title I for programs of USDA which contribute to the production, processing and marketing of agricultural products required to meet the demands of domestic and foreign consumers under titles III and IV. It is between 5 and 6 times greater than the NOA provided for rural development programs under title II which contribute to the quality of rural living and conservation of our land and water which produce our abundant supplies of agricultural commodities. It is 2.5 times

larger than the combined total of all programs under titles I and II of the bill.

In its consideration of the total bill, the committee was concerned about the need to maintain a proper balance between the "production type" programs under titles I and II and the "consumer type" programs under titles III and IV. It is for this reason that the committee approves in full the restorations made by the new administration and recommends further restorations and additions which it believes to be necessary to maintain such a proper balance.

PROPOSED SACCHARIN BAN

Mr. Chairman, the Food and Drug Administration has announced that it intends to treat saccharin, a substance highly essential to diabetics and desired in soft drinks by those suffering from obesity, as an over-the-counter drug and to ban it as an additive in processed foods and beverages, ingestible cosmetics, and as a nonmedical ingredient in drugs. The action was based primarily on a study sponsored by the Canadian Government which showed that saccharin, when fed in huge doses to rats, resulted in malignant bladder tumors. The committee takes note that the legislative committees are now considering this issue.

According to witnesses, the dosages of saccharin fed the rats in the Canadian study were in excess of the amount that a consumer would receive from drinking 800 12-ounce diet sodas daily over a lifetime. The Delaney clause of the Food, Drug and Cosmetic Act, enacted as an amendment in 1958, provides in part as follows:

* * * That no additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal * * *

The Delaney clause does not address either dosage or the degree of sensitivity of the detection methods used.

DOSAGE

With regard to dosage, common sense indicates that it is not how small an amount that can be measured, but rather the effect on humans that is important. The following is a table which is illustrative of how much of various banned substances a human would have to consume to equal the amounts given experimental animals:

* * * the following are ingredients that have been banned as a result of the lack of proof of complete safety, because they induced cancer in laboratory testing of animals. The equivalencies of required intake by man of effected products are, of course, just simple mathematical projections. They are intended only to provide a general perspective of required consumption based on the levels of carcinogens used in laboratory experiments.

Cyclamate.—A 12-ounce bottle of soft drink may have contained from one-quarter to 1 gram of sodium cyclamate. An adult would have to drink from 138 to 552 12-ounce bottles of soft drink a day to get an amount comparable to that causing effects in mice and rats.

Oil of Calamus.—In order to get an amount comparable to that which caused effects in rats, a person would have to drink 250 quarts of vermouth per day.

Safrole.—A person would have to drink 613 12-ounce bottles of root beer flavored soft drink or eat 220 pounds of hard candy per

day to get an amount comparable to that which caused effects in rats.

1,2 - Dihydro - 2,2,4 - trimethylquinoline: polymerized.—A plasticizer used in packaging material. If all foods in the diet were to be packaged in this material, a person would have to eat 300,000 times the average daily diet to get an amount comparable to that which caused effects in rats.

4,4 Methylenebis (2-chloroaniline).—A plastic curing agent used in food contact surfaces. If all foods in the diet were exposed to this material, a person would have to eat 100,000 times the average daily diet to get an amount comparable to that which caused effects in rats.

DES.—Based on findings of 5 percent of liver samples containing 2 ppb of DES, and assuming that 2 percent of the average diet is beef liver, a person would have to consume 5 million pounds of liver per year for 50 years to equal the intake from one treatment of day-after oral contraceptives.

In view of these facts and since the saccharin tests used such huge quantities to produce results, the question arises whether any other substance in such dosages would also cause cancer in laboratory animals.

SENSITIVITY OF METHOD

The need to modernize the Delaney amendment is best illustrated by the fact that in the 1950's, when the Delaney amendment was enacted, instruments could measure in parts per million, in the 1960's in parts per billion, and in the 1970's in parts per trillion. In other words, measuring devices are 1 million times more sensitive today than when the controlling law was enacted. Thus, improved analytical methods now permit the detection, identification, and measurement of substances which had once been considered to be absent—"zero residues." For all practical purposes, "zero residues" no longer exists. In a regulatory context, this means that a previously acceptable product may have to be designated as a nonacceptable product, not because of actual changes in the material itself, but because of changes in the techniques used to examine it. Such is the case with saccharin. What should be emphasized is the practical effect on human health rather than the technological pursuit of measuring almost infinitely small quantities against a zero tolerance.

PRACTICAL TESTING

Mr. Chairman, there can be no such thing as absolute safety. It is impossible to prove that any substance will under no circumstances injure anybody, anywhere, at any time. But one can say, after careful scrutiny of all known factors, that a given substance in given quantities is very unlikely to hurt anyone.

As has been pointed out before, some sort of balance must be sought between the ability to perform more sensitive and finer analyses and the interpretation of the findings which derive from such analyses.

It would appear that a modernization of the Delaney amendment, which has served us well over the years, is in order, perhaps allowing exceptions to be made in cases where the known benefits of a substance exceed the apparent risks. Currently, the appropriate legislative

committees are attempting to work out a solution in this regard.

HEALTH EFFECTS OF SUGAR CONSUMPTION

According to reports, the FDA will be treating saccharin as an over-the-counter drug as an effort to provide saccharin to diabetics. This raises the question whether FDA should provide means to prevent diabetes by making saccharin available to those who suffer from obesity and other such problems.

A careful review of current medical literature reveals that the reason why obesity causes or accompanies maturity onset diabetes in genetically predisposed individuals is uncertain. It is known that the disorder is less likely to occur in people who remain lean. Dental decay, which has been termed the country's major disease, is largely brought on by increasing sugar consumption. There also is reported to be an indirect obesity link between sugar and heart disease. In the last 50 years, sugar intake in the United States has risen from 18 to 25 percent of per person daily caloric intake. Moreover, approximately one-sixth of the sugar intake per capita per year in the United States is provided by soft drinks. The impact on all of the foregoing of removing all artificial sweeteners from food is both obvious and ominous in its implications.

FURTHER TESTING

While the committee has no basis on which to take issue with the Canadian scientists, a careful study of the matter reveals that there is no necessity to accept the results of the Canadian study in this country. The Johns Hopkins University is reported to have recently released a study of over 1,800 humans which showed that the consumption of saccharin has no "significant effect" on the development of bladder cancer. In testifying recently before another House committee, the Acting FDA Commissioner is reported to have stated that there is no evidence that individuals exposed to saccharin for long periods are more likely to get cancer than individuals who are not exposed.

In view of these questions, Mr. Chairman, the committee recommends \$1 million for FDA to conduct their own research on saccharin and related artificial sweeteners. It is recommended that this research be based on dosage levels equivalent to not more than several times the probable cumulative human dosage, which would be more practical and credible.

This procedure might well be applied to other artificial sweeteners and perhaps other food additives. The committee believes that research in these fields should be done on a practical basis and would be of inestimable value to the appropriate legislative committees, and perhaps to the public, in dealing with the subject.

This recommendation is in line with a recent statement of the American Cancer Society on saccharin (full text appears on page S-6503, CONGRESSIONAL RECORD of April 27, 1977):

But as a major national voluntary health agency whose primary responsibility is cancer, the American Cancer Society is vitally concerned with the general health and well-

being of the public. Saccharin is of great value in dietetic foods used to help control diabetes and obesity, which afflict tens of millions of Americans and pose more immediate dangers than the possible carcinogenicity of saccharin. Banning saccharin may cause great harm to many citizens while protecting a theoretical few.

The Delaney Amendment has served the public well. But as more sophisticated and quantitative technology becomes available, issues of dosage, cost-benefit, risk-benefit, and the predictability of animal data to potential impact in people must be further and better evaluated.

All the evidence for and against saccharin should be further studied by independent scientists so that a course of action could be determined which would be of greatest benefit to the public. Although there is no evidence that saccharin causes human cancer, the Society's Department of Epidemiology and Statistics will be investigating this most important aspect of the problem.

AMENDMENTS TO 1978 BUDGET

Mr. Chairman, the restorations made by the executive branch amendments to the 1978 budget received in February 1977 will appear at this point in the RECORD:

Agricultural conservation program	\$190,000,000
Very low-income housing repair grants	5,000,000
Water and sewer grants	150,000,000
Domestic farm labor housing grants	7,500,000
Great Plains conservation program	16,205,000
Summer food service program	230,000,000
Administration for summer food program	500,000
Total restorations	599,205,000
Original budget total (NOA)	12,317,812,000
Revised budget total (NOA)	12,917,017,000

COMMITTEE RESTORATIONS

Mr. Chairman, this revised budget failed to restore funds for many programs which through the years Congress has considered to be essential to maintain a healthy agriculture and a sound national economy. For these programs, the committee has restored the reductions made in the 1978 budget so as to continue previous year levels of operation.

I will provide a summary table of the restoration included in the bill:

Title I—Agricultural programs

Extension Service: Rural development activities	\$1,000,000
Agricultural Marketing Service: Payments to States and Possessions	1,600,000
Agricultural Stabilization and Conservation Service: Salaries and expenses—workload for conservation programs	1,431,000
Total, title I	4,031,000

Title II—Rural development programs

Farmers Home Administration: Rural development grants	10,000,000
Rural community fire protection grants	3,500,000
Mutual and self-help housing grants	9,000,000
Soil Conservation Service: River basin surveys and investigations	1,500,000

Watershed planning	\$1,200,000
Watershed and flood prevention operations	10,000,000
Resource conservation and development	7,750,000
Agricultural Stabilization and Conservation Service: Forestry incentives program	15,000,000
Water bank program	10,000,000
Total, title II	66,950,000

Title III—Domestic food programs

Food and Nutrition Service: Child nutrition programs: Nonfood assistance	28,000,000
State administrative expenses	5,975,000
Nutritional training and surveys	700,000
Net budget authority	185,000,000
Special milk program	120,000,000
Food donations program	21,780,000
Total, title III	361,455,000

Total committee restorations	432,436,000
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Restores funds for new planning and construction starts.

Net budget authority resulting from restoration of \$300 million of NOA to offset retention of an equal amount in Section 32, less several reductions explained later in this report.

OTHER COMMITTEE RECOMMENDATIONS

Mr. Chairman, in addition to the budget restoration amendments and the committee restorations, the committee is recommending certain increases above the budget to meet special needs as presented by Members of Congress and others during the hearings on the 1978 budget. These involve both NOA and loan authorizations and will be itemized at this point in the RECORD:

Title I—Agricultural programs

Office of Inspector General: Continue premium pay program	\$400,000
Agricultural Research Service: Human nutrition research (Grand Forks, N. Dak.)	250,000
Pecan research	40,000
Cottonseed research	250,000
Sunflower research	200,000
Sugar beet research	350,000
Pseudorabies research	300,000
Soybean research	1,781,300
National sedimentation lab	100,000
Other special research projects (details shown on page 40 of this report)	273,000
Total, ARS	3,544,300

Animal and Plant Health Inspection Service: Japanese beetle and burrowing nematode (spot checks and emergencies)	350,000
Fire ant eradication	4,460,000
Total, APHIS	4,810,000

Cooperative State Research Service: Soil erosion in Pacific Northwest (STEEP)	350,000
Dried bean research	25,000
Mesquite research	100,000

Cooperative forestry research	788,000
Total, CSRS	1,263,000

Extension Service:

Equipment for 1890 colleges and Tuskegee	500,000
General increase	4,500,000
Urban gardening assistance	3,000,000
Farmer-to-consumer direct marketing	1,500,000

Total, Extension Service	9,500,000
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Farmer Cooperative Service: Special study on trends and effectiveness	150,000
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Federal Crop Insurance Corporation: Expansion to 25 new counties in addition to 25 already in budget	325,000
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Title II—Rural development programs

Farmers Home Administration:

Loan Programs: Farm operating loans	(\$125,000,000)
Insured housing loans	(288,000,000)
Guaranteed housing loans	(300,000,000)
Water and waste disposal loans	(150,000,000)
Community facility loans	(50,000,000)
Industrial development guaranteed loans	(650,000,000)
Recreation loans (restoration)	(1,000,000)
Irrigation and drainage loans (restoration)	(1,000,000)

Total, loans programs	(1,565,000,000)
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Rural water and waste disposal grants	50,000,000
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(NOTE.—For the Rural Electrification Administration under Title II, the Committee recommends that no monetary limitations be placed on the guaranteed loans for electrification and telephone programs. It also recommends that the insured loan programs for both purposes be approved at the levels proposed by the 1978 budget—a continuation of the 1977 level.)

Title IV—International programs

Foreign Agricultural Service: Study of foreign trade restrictions	\$250,000
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Title V—Related agencies

Food and Drug Administration: Further saccharin testing and improvements at the National Center for Toxicological Research	4,150,000
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Mr. Chairman, we spent 6 or 7 weeks in hearings. We heard testimony from 300 witnesses and our printed record is 5,067 pages. We had a very difficult problem this year, because nearly all the top-level people are new. We had Civil Service people who could tell us about the past, but they could give us no assistance on the problems of the future. We had a hearing 1 day with the new top staff, but they had not had a chance to get their feet wet. They did the best they could, but they could not give us much help on what their plans are for the future.

It was under these conditions the subcommittee wrote this bill. It is based on

our past experience. However, we think we have a good bill.

Mr. Chairman, we wish to bring the Members a bill that we think is sound, based on our prior experience, and I say again that this is the basic bill that this Congress will consider during this session.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I would like to emphasize what a pleasure it has been to work with our distinguished subcommittee chairman and the other members of our committee on this appropriation bill.

I would like to commend to the Members the report. We all have copies of it, and it is available. A lot of time went into the paragraphs that appear in that report, and I believe it tells the story of this bill quite well.

One thing I would like to reiterate is that this bill is more of a consumer bill than it is a farm appropriation bill. Out of the \$13.6 billion recommended in the bill, over 60 percent of the funds are earmarked for domestic food programs, with only \$2 billion going for agriculture programs, for farm research, and for conservation.

This is a small investment when we consider that it enables 5 percent of our population to feed not only our people but many of the hungry all over the world. Every farmer in the United States feeds himself and 56 others at home and abroad. Our farmers offer the American consumer the best buy in food available in any country in the world.

Mr. Chairman, I am confident that our American farmer and those who support him with goods, services, and capital will be this decade's economic heroes. We must realize the vast power for good that comes from American agriculture, the power to produce and provide the food without which we cannot live and to improve the quality of life in the world.

Two years ago I was privileged to represent this House as a delegate to the FAO. Represented there also were 141 other nations of the world, most of which are Third World powers and most of which are "have-not" nations. I found out firsthand there what I had long felt, that the other countries of this world have far more affection and respect for the capabilities of our country to produce food than they have for the capabilities of our country to produce adequate weaponry or to put a man in space.

Our food productivity tells the American story. It tells the story of the success of the American experiment, and we do ourselves a grave injustice when we back away from the unique gift our American farm families give us as a power for peace in the troubled world.

The \$2.02 billion in this bill for agriculture will prove to be money well spent for our Nation's future and to make sure that food is available in the decades ahead.

I would like to remind my city colleagues that every day foreign cars, TV's, and other consumer goods are unloaded on our docks and agricultural commodi-

ties are then loaded on the ships for export, and that these exports make a large contribution to our balance of payments. We all know where we would be if we had not had the \$23 billion of farm exports last year to help pay for the oil that we needed to operate our schools and run our factories. We should extend our efforts to expand these markets.

Last year we exported \$23 billion worth of food products, providing jobs opportunities on the east coast to card-carrying union members and people who live in the big cities. Those jobs would not have been there if it had not been for the \$23 billion worth of farm commodities we exported to pay for the oil we imported.

This year we estimate we are going to import \$36 billion worth of energy products to keep this country going. If we do not export energy in the form of food to pay for that, we are going to have some of the worst disjuncting we have ever seen in the balance of payments in the history of our country, with serious economic consequences for all of us.

Our agricultural exports are also beneficial to employment in this country. More than 50,000 jobs are created for every \$1 billion worth of agricultural goods exported.

Agriculture employs nearly 17 million people for the production and sale of food.

Mr. Chairman, the food we produce contributes largely to our national goal of a stable and a peaceful world. Trade is one of the most persuasive reasons for nations to find political accommodation, particularly if that trade is in food.

Having just been to the People's Republic of China, Mr. Chairman, I found that it is interesting to recognize that in that nation with a whole new culture, the first one of Mao's teachings is to be self-sufficient, they must be efficient in agriculture. They recognize the basic strength that comes from food-production capability, and they bend every effort to make sure that their production is at or near the top, and actually it is. They produce more per acre in their country than is produced in any other country in the world.

Mr. Chairman, one of the things they are proudest of is the fact the Russians, as they say those backsliding members of the Communist group, have not succeeded in producing enough food to feed themselves, with a little left over, while the Chinese system is doing far better under the teaching of Mao because it emphasizes agriculture.

How much longer in the race for credibility among world powers will our Nation succeed if we continue to downgrade that which the competing nations on the other side of the Bamboo or Iron Curtain so widely realize must be emphasized, must be strengthened, must be given every ability to move ahead? I think we can learn quite a bit from their actions.

Mr. Chairman, as we all know, this bill includes the funding for our domestic food programs. In 1969 the Food and Nutrition Service was established in an effort to eliminate hunger and malnutrition in this Nation. This appropriation bill contains \$8.6 billion for domestic

food assistance programs, once again reaffirming this committee's commitment to see that all of our people have access to an adequate diet.

I think it is wise for the people to note that today, with \$8.6 billion in this bill, on the demand side of the food equation, this contrasts with what we had only 7 or 8 years ago, when we had \$6 billion on the production side.

On incentives, price payment programs, and the others to enable farmers to produce more, we have cut that down to under \$1 billion; and we have gone from \$300 million to \$8 billion on the demand side, making a net change in the last 7 or 8 years of some \$14 billion from production incentives to the demand side of the equation.

Mr. Chairman, 5 will get anyone 10 that none of the Eastern newspapers will carry the story of this because they never have. However, that is one of the massive changes that have been going on and that should be taken note of. In moving away from emphasizing the production side, we might well be shortchanging our consumers.

Mr. Chairman, one of the programs that has come under the greatest amount of criticism is the food stamp program. Our committee has proposed placing 7 percent of the food stamp program funds in reserve. This amount represents the funds that are received by ineligible persons or by persons receiving more than they are entitled to. The committee felt that every effort must be made to see that the help in this important program reaches those who truly need the assistance.

Mr. Chairman, if anyone takes the time to go back into the hearing records—and I doubt very much that many Members are going to do that—he will find that in response to a question I asked the head of the food stamp program that 7 percent of the people in the food stamp program who are not entitled to any food stamps whatsoever are getting food stamps. Further in response to a second question by me, we found that there are an additional 18 percent who get more food stamps than they are legally entitled to, so 25 percent of the people participating in this program either get food stamps they are not entitled to at all or more food stamps than they are, in fact, entitled to.

Mr. Chairman, I think the thing we ought to realize is that this shortchanges the people who need help and who are unable to get it because of the racketeering or the misplaced, shall we say, emphasis that is going on in this program.

This demonstrates to all of us that the food stamp program is one of the places where action should be taken, positive action, by this Congress to eliminate the abuses so that those who truly need help under this program—and there are many who are not being reached in the way they should be reached—will get the opportunity to participate and those who are taking advantage of the program will be eliminated and so that thereby we can reduce the burden that is being placed on the taxpayer.

Mr. Chairman, under the funding for the Food and Drug Administration, our committee has provided \$1 million for the

Food and Drug Administration to conduct its own research on saccharin as opposed to relying on the Canadian studies.

I am intrigued by the fact that our Canadian neighbors have said that if a rat drank 800 containers of diet pop in 1 day it might get into trouble. Well, Mr. Chairman, I suspect that an elephant or a tiger or anything else might get into trouble if it drank 800 cans of soda pop in any 1 day. But I believe we ought to develop our own studies.

After the committee report was issued, it was revealed that there are substantial scientific flaws in the Canadian studies on saccharin. First, the saccharin was not pure. In subsequent screening tests on the impurities the results were positive, indicating that these impurities themselves are potential carcinogens. In the same tests, performed with pure saccharin, the results were negative. Second, the dose level was substantially above the maximum tolerated dose. Third, the test animals ingested a much higher amount of sodium than the control animals. Fourth, there is no way to determine whether all the fetuses received the same amount of saccharin. For all of these reasons, and more, the scientific validity of the Canadian experiment has properly been drawn into question.

I believe we ought to relate this with that of a herbicide in the wheat producing areas. I come from a spring wheat producing area and our Canadian neighbors to the north are allowed to use Endovan which is a chemical herbicide that eliminates wild oats. Companies cannot sell that in the United States because it would cost \$1.5 million dollars in registration tests to put it on the market. So it is used up in Canada but not here. A year ago we had \$100 million loss from wild oats that could have been prevented had we been able to use Endovan.

Someone might say, well, we are protecting the consumers in the United States.

If we were, Mr. Chairman, that would be fine, but we are not, because the Canadian wheat, treated with Endovan—which I assume must be safe, I am not saying it is not safe—but the Canadian wheat, treated with Endovan, is brought into the United States, milled into flour, and the U.S. consumers eat bread made from wheat treated with Endovan. As I say, the American farmers are not able to use this herbicide. I believe that either the wheat containing it should not be permitted to be used or our own farmers ought to be able to use it.

As far as the impurities that have been found in saccharin, which are thought to be the carcinogen, we should go back to another lesson that should have been impressed on some of our scientists when agent orange, that we used to remove the canopy of trees in Vietnam, was found dangerous because it had some type of carcinogen in it and we had to stop using it, and we now are disposing of a pileup of agent orange. But, there again, it was not the chemical herbicide that was causing the birth defects, it was the impurity dioxin in the herbicide. And if the chemicals had not contained the

dioxin, then it would not have been dangerous.

The point is that in this type of research we ought to get at the facts rather than listening to a lot of headline hunters producing some scare tactics that are neither valid, accurate, or reasonable, and, in the process exposing the people to considerable danger on down the line or limiting our food producers in using safe and economically helpful compounds. Not too long ago we had the Food and Drug Administration before our committee, and we were talking about another supposed carcinogen, DES, stilbestrol, which is used to fatten cattle. I asked the head of Food and Drug, "Where have you found the DES residue under the zero tolerance? Have you ever found it in any skeletal tissue in anything that will be made into hamburgers, steaks, or chops?" He said, "Never have we found the slightest bit of DES in any skeletal tissue." I said, "Well, where have you found it?" he said, "Only in the liver." I said, "Well, because you found it in the liver, you then decided that even though it lowers the cost of fattening cattle by some 15 or 20 percent, we should not use it." He said, "Well, under the Delaney amendment, under the zero tolerance, we have had to eliminate that." I said, "Well, aren't you the same agency that OK'd the use of the morning-after birth control pill that contains DES just a few months ago?" He said, "Yes, we did." I said, "How many milligrams of stilbestrol do one of those pills contain?" He told me the number of milligrams. I said, "How much of the most grossly contaminated beef liver you have ever found would a woman have to eat to equal one of those morning-after birth control pills that you say is safe?" They got their slide rules out, and the answer came back, "Thirty-five." I said, "So a woman would have to eat 35 pounds of the most grossly contaminated beef liver ever found to equal one of those morning-after birth control pills you say is OK to use?"

They said, "Congressman, it is not that. It is not 35 pounds; it is 35 tons."

So here is an agency that says, fine, you can use the morning-after birth control pill, but the most grossly contaminated beef liver ever found you would have to eat 35 tons to equal it. There was still a little bit of laughter going on in the back row, and I said, "Well, there must be more to this than meets the eye." They said, "Yes, Congressman, it is not only one pill; it is one pill a day for five days." I multiplied that out, and I said, "That comes to 175 tons." They said, "Yes, it is."

So here we have the case of a growth stimulant being denied the farmers of America that could lower beef production costs by 10 or 15 percent; yet the OK of DES contained in morning-after birth control pills where a woman in five days gets as much stilbestrol as she would get from eating 175 tons of the most grossly contaminated beef liver ever found. This points out that we have a lot of work yet to do.

In conclusion, I might say that this bill contains the funding necessary to provide a basis for a sound, workable national food and fiber policy. Our laws

must make it financially possible for our farmers to produce food and fiber. In an effort to help our farmers accomplish this, the committee has recommended significant increases in the action agencies responsible for rural development. The committee has also recommended increased funding for those programs which will strengthen food production.

I urge all of my colleagues to support this bill, not only for the good of our agricultural community, but to enable our consumers to continue to be the best fed people in the world at a fair price, with enough left over to help our balance of payments.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the senior member of our subcommittee, the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, this legislation helps to focus attention on the fact that the people who are the greatest producers in the Nation—American farmers—receive the least consideration from the standpoint of Government programs of any major segment of the population. Only about one-sixth of this \$13.7 billion appropriation bill is directly related to farmer programs. The farmer is blamed for many things, particularly high prices of food and meats in the marketplace. This is a very unjust accusation. His share of the consumer's dollar is often as small as the percentage of the agriculture appropriation bill which goes into farm programs—as low as one-sixth.

The report which accompanies this bill is always well written, always illuminating, and always sound. Much can be learned from it of the importance of the farmer to the Nation in comparison with the small return which he receives from the Nation and from much of the world which he feeds and clothes.

It is this situation which is forcing too many farmers and particularly farm families to the wall. Farming is a very costly operation. High investments are required and there is never a certainty of a satisfactory return. The age-old bugaboos of weather and low return are still as great a threat as ever. In one drought-stricken area after another, the farmer has lost his crops this year. This is ruinous to the average farmer who must pay rapidly escalating prices for everything that he uses in crop or livestock production. He still is at the mercy of the marketplace when he sells his produce.

Farmers are probably the only group in our country who are without protection. All the others who produce or process are organized at one level or another and are assured of a fair return on their labor or their investment. Subsidies or guarantees or wage/price agreements protect them. Not so the farmer. This is a situation which requires a much more realistic assessment and more sympathetic understanding than has ever been given the farmer in this country. Farm programs are built in a stopgap manner which does not provide the permanent assurances that the farmer needs to continue production. He is needed. The world wants his product. Foreign nations have the money to buy his product. Our own country should find better

ways to insure that he continues to produce.

Mr. Chairman, I support the bill. The committee has done a careful and good job.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 10 minutes to my colleague, the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, as a member of the Agriculture Appropriations Subcommittee, I rise in support of this bill as it is the sole vehicle by which the Federal Government's agriculture programs are funded.

The formal title of the bill reads "Agriculture and Related Agencies Appropriation," but this is vastly misleading. A title nearer the truth should read, "Agriculture, Rural Development, Food and Nutrition Services, and Related Agencies Appropriation." The bill contains a total obligational authority of \$13,673,387,000. Of this amount, \$12,658,830,000 is new budget or obligational authority, the rest being transferred from section 32.

You, my colleagues, and the American farmer, should realize that only 15.9 percent of the new budget authority contained in this bill is for agriculture programs. Funding for these programs total \$2,020,428,000. Rural development programs account for 13.7 percent of the new budget authority, or \$1,737,429,000. Related agencies account for 2.3 percent of the new budget authority, or \$292,780,000. International programs account for 7.6 percent of the new budget authority, or \$965,985,000.

Mr. Chairman, when you add all of these programs together—programs which are provided for under four of the five titles of this bill—you still do not come close to the 60.4 percent of new budget authority for our domestic food programs, which of course includes the food stamp program.

The report accompanying this bill re-emphasizes the often overlooked dependence that all Americans have on the country's farming sector. A mere 5 percent of the country's population now provides enough food, not only to feed the remaining 95 percent of our population, but enough to help feed much of the rest of the world as well. Yet the Government's support of the farmer, as reflected in this bill, is certainly minimal. It is misleading to equate the total dollar amount in this bill with the support agriculture programs receive. This budget is bloated with dollars for welfare-type programs which, in my opinion, have no place being in the Agriculture Department.

I wish to bring to the attention of my colleagues the valuable role that our agricultural exports play in bolstering our country's balance of payments.

The Agriculture Department presently forecasts agricultural exports totaling \$24 billion in the current fiscal year, up from \$22.8 billion in fiscal 1976. This represents the sixth consecutive year that U.S. agricultural exports have increased, and the fourth consecutive year that these export totals have exceeded the \$21 billion mark.

The projected \$24 billion which this

country is expected to receive in the current fiscal year will go a long way toward negating the impact of the \$41 billion the Treasury Department estimates the country will be forced to pay for oil imports in this calendar year.

When compared to the total value of agricultural imports, our exports demonstrate a very favorable trade balance. In fiscal 1976, this country had a \$12.3 billion agricultural trade surplus. The Foreign Agricultural Service informs me that it is anticipating a surplus of \$10.4 billion in the current fiscal year, in spite of the high prices now being paid for imported coffee.

Of particular importance to Members from Arkansas, Georgia, California, and Alabama, as well as Virginia and its neighboring States of North Carolina, Maryland, and Delaware, is that the value of poultry exports is expected to reach \$300 million in the current fiscal year, over twice the \$143 million figure of fiscal 1975. Robert Strauss, the President's chief trade negotiator, has written me that improving market access for poultry products into the European Community is a high priority at the Multilateral Trade Negotiations now underway in Geneva, Switzerland.

Too often the important role that agricultural exports play in maintaining a stable domestic economy is overlooked by negotiators who seem to be preoccupied with U.S. manufactured goods. Too often, the American farmer ends up taking the brunt of this neglect. I speak for many when I express the hope that Mr. Strauss and his team will vigorously exercise his stated assurance that agriculture not be understressed, as it has been in the past.

Dairy product exports also have shown a significant gain. Forecasts for total exports in the current fiscal year amount to \$200 million, which compares favorably with the \$143 million of fiscal 1975.

As much of the strength of this country's ability to produce agricultural commodities depends on the latest advances in agricultural research. I wish to bring to the attention of the House funding contained in this bill for the Agricultural Research Service. Established in 1953, the ARS provides an invaluable source of Government support for the improvement of agricultural production here and abroad. Under this bill, the ARS is to be funded at a level of \$281,909,000 which is \$22.6 million above the appropriations level for fiscal 1977, but \$15.2 million below the Department's request.

While no departmental request is beyond question, I do want to stress that agriculture research is becoming increasingly vital in the latter part of this century as the world population continues to increase at an almost inconceivable rate, and while agriculture production is beginning to reach limits which can be expanded only through the application of modern technology and new research efforts.

The report accompanying the omnibus farm bill recently reported by the Agriculture Committee states that in 1940 agriculture research accounted for 38 percent of the Federal Government's total research and development budget,

while in 1976 this percentage dropped to a mere 1.8 percent. I am pleased that the authorizing committee believes that greater national support should be directed to food and fiber production study. Recognizing this need, the Appropriations Subcommittee increased funding for part of the Department's research effort by providing \$9 million for cooperative forestry research, an increase of \$788,000 over the fiscal 1977 funding level and the fiscal 1978 budget request.

The forestry incentives program, for which the Department has not submitted a budget request since the program's inception in 1974, is funded in this bill at a level of \$15 million. Each year Congress must reinstate funds, despite the proven effectiveness of the program, which is designed to encourage the development, management and protection of non-industrial private forest lands in order to increase timber production. I am encouraged that, in response to my questions during subcommittee hearings, M. Rupert Cutler, the newly appointed Assistant Secretary for Conservation, Research, and Education, stated that he endorsed the objective of the program and would push Department-requested funding for it in the next budget go-around.

Finally, I wish to mention the \$3.5 million contained in the bill for Rural Community Fire Protection grants to public bodies to fund up to 50 percent of the cost of organizing, training, and equipping rural volunteer fire departments. In fiscal 1976, this program helped to organize 120 fire departments, acquire 390 fire trucks and equipment, and train more than 31,433 firefighters. Across the country, this program has provided much needed assistance to communities which just are not able to provide full funding for needed fire protection. While the value of this program has been demonstrated again and again, there has not been a departmental funding request since the program's establishment in 1972.

Mr. Chairman, on an inside page of the May 31 Washington Post, a news article summarized a report, conducted in part by Labor Secretary Ray Marshall before he joined the Cabinet, which contends that U.S. agriculture policy over the past new decades has been twisted to benefit the large agriculture producer, to the detriment of the small farmer. As I represent a district of Virginia in which many family owned and operated farms are located, I am troubled by the implications of this report. I believe it important that the family farmer, who historically has been a bulwark of this country, is not forgotten in the competition for Agriculture Department dollars.

In this respect, I am encouraged by the pilot project being undertaken by the Agriculture Department's Extension Service to perfect a program whereby special attention is given to farmers with gross sales under \$10,000 a year. The project is being carried out in five Virginia counties. Designed to help farmers make the best of their available agricultural resources, the project uses an intensive one-to-one contact between an Agriculture Department trained para-

professional and the farmers to improve management practices and production techniques. I believe that programs such as this, and others, must receive the full support of Congress through the appropriations process.

Mr. Chairman, this bill funds the Food and Drug Administration and earmarks \$1 million for a study by this agency of the effect on humans of saccharin and other artificial sweeteners, a subject of much public controversy.

At this point, the evidence is far from conclusive that saccharin, when ingested by humans in normal amounts, can cause bladder cancer. A Canadian Government study showed that, when fed to rats in large doses, saccharin appeared to cause bladder tumors. Yet, a study conducted by Johns Hopkins University showed that, after testing over 1,800 humans, saccharin consumption has "no significant effect" on the development of bladder cancer. New Canadian evidence became available last weekend and will be duly considered.

But, clearly, one must balance the intent of the Delaney clause, which prohibits the use of any food additive when evidence is found that it induces cancer in man or animal regardless of the quantity ingested, with the practical realities of consumption of such an additive. For instance, for a human to ingest a similar amount of saccharin as was fed the laboratory rats used in the Canadian study, he would have to drink 800 12-ounce diet sodas each day and every day over his entire lifetime.

As pointed out during subcommittee hearings, the proposed ban on saccharin is only one of many examples of the overzealous pursuit of a narrow interpretation of the law by our regulatory agencies. It has been shown that the fire ant, which has been a persistent pest for southern farmers, can be eradicated by the application of Mirex twice a year. Yet, because the use of Mirex has been restricted to once a year, the fire ant continues to threaten humans and crops. The use of the pesticide DDT has not been shown to be harmful to humans during the entire 30 years of its widespread use. Other examples abound. When a clear and well demonstrated danger to the health of humans and animals exists, reasonable action should be taken to restrict or prohibit the use of such agents. But short of such imminent danger, we must consider the practical benefits gained by agriculture and consumers through continued safeguarded use.

While the Agriculture Department budget provides virtually the sole means of Federal Government cooperation with the farming sector of our economy, as I indicated before, it is important to realize that a full 60.4 percent of the budget before us today is for domestic food programs. Over the years, the Agriculture Department has largely become a welfare agency.

The bill contains an appropriation of \$5,673,804,000, for the food stamp program, the full amount requested by the Department; 17.2 million people are expected to participate in the program in the next fiscal year. During subcommit-

tee hearings, food and nutrition officials told us that the request was based on an unemployment rate in fiscal 1978 of between 6.3 and 6.6 percent. (Average unemployment currently is 6.9 percent.) Economists of the Joint Economic Committee tell me that the Department's estimate is "a little optimistic" and below any forecast now available. Of course, if we do not reach the estimated unemployment figure, more taxpayer money will be needed to fund the food stamp program, perhaps in spite of any pending legislative proposals.

Of the total amount appropriated for the food stamp program, \$400 million is being earmarked by the committee for use only if absolutely necessary to carry out program obligations. This amount represents 7 percent of the total food stamp program budget, as officials testified that a full 7 percent of those receiving food stamps were ineligible. I heartily endorse this action, and while I suspect that the reserved funds will be used eventually, I feel that the move reflects strong congressional sentiment that the current waste of taxpayer dollars must stop.

Mr. Chairman, the points I raise here merit the attention of all Members of the House. The members of the Agriculture Appropriations Subcommittee have spent much time constructing a bill which meets the needs of the American farmer, and the consumer of his products. I wish to express my appreciation to the subcommittee staff which has been of particular help to me and my office staff. The appropriations process is an inexact science in which differing interests compete for limited budget dollars. Under these circumstances, I support the bill before us as the only appropriation vehicle to support our Nation's agriculture. I regret that food stamps and consumer-welfare-type programs constitute most of the funding suggested. As they are presently constructed, they do not belong in this bill, and certainly cause it to appear bloated.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. NATCHER), who is a longtime member of the committee and very active in all the programs.

Mr. NATCHER. Mr. Chairman, it is a distinct honor and a privilege for me to serve on the Subcommittee on Agricultural Appropriations, with my chairman, the distinguished gentleman from Mississippi (Mr. WHITTEN), and my friend, the distinguished gentleman from North Dakota (Mr. MARK ANDREWS), the ranking minority member.

Mr. Chairman, the Subcommittee on Agriculture and Related Agencies Appropriations once again brings to the floor of the House for your approval the annual appropriations bill for fiscal year 1978.

In this bill we recommend \$2 billion for direct assistance to those engaged in agricultural production throughout programs such as research, extension, insect and disease control, marketing, and the farm income stabilization mechanisms under the Commodity Credit and Federal Crop Insurance Corporations.

Under title 2 of the bill we recommend \$1.1 billion for rural development assistance to rural people including housing and other grant programs for small towns and rural areas. In addition, we recommend loan authorizations of approximately \$8.8 billion for the various loan programs of the Farmers Home and Rural Electrification Administrations. Under this title we also recommend \$680 million for the development restoration and protection of our natural resources to help assure that our environment will be protected and that future generations will have a productive resource base which is necessary and justified.

Under title 3 and 4 of the bill we recommend a total of \$9.6 billion for direct assistance for people who require food stamps, school lunches and breakfasts, special milk and other domestic feeding programs. Under these two titles we recommend an additional \$1 billion for Public Law 480 and other international food and agricultural programs of the Department of Agriculture.

Under title V of our bill we recommend \$273,019,000 for the Food and Drug Administration.

Mr. Chairman, today there are only about 4 percent of the people in this country engaged in agriculture. An average of nearly 800,000 people have left the farm in each of the last 5 years and we are now down to a farm population of a little over 10 million people. The total land in farms in the year 1950 was 1.2 billion acres and today we have a billion acres. The average size of the farm has increased considerably in the last 10 years and it has just about reached the point today, if our young people on our farms decide to stay in agriculture, they must either inherit a farm or succeed in borrowing a large sum of money to invest in land which is adequate for a livelihood.

If we are to feed the people in this country and to continue exporting some \$21 billion worth of farm commodities each year, we must keep our land in production and through our soil conservation and ACP programs see to it that it is preserved. Along with our production, of course, we must have an increase in income. The American farmer is not receiving a fair share of our national income.

Agriculture, Mr. Chairman, is our largest industry and when agriculture is in trouble, our country is in trouble. Assets invested in agriculture today exceed those of any of the next 10 largest industries. Agriculture employs more workers than any other major industry and, in fact, employs 23 times the number of people employed in the coal and oil industry and five times more than the number employed in the automobile industry.

Mr. Chairman, we know that agriculture is one of the major markets for the products of labor and industry. It spends more for equipment than any of the other large industries. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equip-

ment exceeds the assets of the steel industry and is five times that of the automobile industry. It uses more petroleum products than any other industry in this country.

When this country was first settled, we had more than 8 billion board-feet of fine timber. According to recent figures that I have received, we are now down to less than 2 billion board-feet.

All down through the years, Mr. Chairman, our Soil Conservation Service, Extension Service, Agricultural Stabilization and Conservation Service, Farmers Home Administration, Rural Electrification Administration, Foreign Agricultural Service, Research and Control Services have produced great benefits for the American farmer. Our Farm Cooperative Service, Agricultural Marketing Service and our Packers and Stockyards Administration are all of great concern to every farmer in this country.

Nearly every year since I have been a member of this subcommittee, we have had to restore funds in the bill for soil conservation, ACP, and research programs and extension service. This year the amendments sent up by our new President take care of some \$600 million for the different programs where severe reductions were made in the budget for fiscal year 1978 as presented and this has made our task a little easier. For instance, the ACP money was restored under the special amendments made to the budget and this was quite unusual to say the least.

The American farmer must receive more income and especially so since he is confronted with higher taxes, higher farm operating costs, and higher costs for all of his machinery. Since I have been a member of the Appropriations Committee, I have called attention each year to the Secretary and to the Administrators in the different agencies of the Department of Agriculture that farm income must be increased and that the Department must make every effort to strengthen the family farm so that it can keep its important role as the primary factor in agriculture and in American society.

Today in our country, we have in cultivation some 385 million acres of land.

As you know, Mr. Chairman, we make recommendations for annual appropriations in the bill for the Food and Drug Administration and certain other independent agencies.

When our new Secretary of Agriculture appeared before our subcommittee in behalf of his budget for fiscal year 1978, I called his attention to the fact that the severe reduction in the extension service part of our budget simply could not be accepted.

In part, we find the following testimony which pertains to extension and to certain other matters which are of great concern to us at this time:

Mr. NATCHER. Mr. Secretary, each year, as you know, each agency in the Department appears before our committee to justify their budget request, and this, of course, will take place this year. We have had the Extension Service before our committee and while they were here I expressed my concern that maybe Extension now is a stepchild. In all the increases in the bill before this

committee, the one for Extension is so small it will result in a cutback in the number of employees.

If we had to take this bill as you well know, Mr. Secretary, having served in the House, to the floor without Extension, Farmers Home Administration, Rural Electrification Administration, Soil Conservation, and one or two of the other agencies that we consider major, as well as all the rest of them in the Department of Agriculture, we would be in trouble.

Now, you and I know that the Extension service carries the word and deliveries (sic) the message as far as agriculture is concerned throughout the United States. For the farm wife and the farmer. We are in favor here on the Hill, as you well know, of a lot of new programs from time to time, but we are just hoping that in the Department of Agriculture you don't forget the programs that are successfully operated and have been all down through the years. One is Extension.

Mr. Secretary, just as one member of this subcommittee, I would appreciate it, as you go along, if you would take a look at Extension. I say to you the amount before this committee is not adequate. When you say that any agency as important as Extension is in the Department of Agriculture, as a result of the budget request, will have to cut back. I believe Mr. Miles' figure was 396 employees, is that correct?

Mr. MILES. I believe it is.
Mr. NATCHER. Mr. Secretary, that is a mistake. To me that is a serious mistake.

I know that you can't have all the money everywhere that you want. I know that, but these programs are ongoing programs that mean so much to the American farmer—certainly I don't think that new programs should take the place of them. One is Extension.

FARM PRICES

Mr. Secretary, in your statement to the committee—and, Mr. Chairman, I will be through in just a moment—you point out that this is the year and it will be a landmark year for agricultural legislation, price support programs, Public Law 480 food stamp programs, all these requiring new legislation. You know, Mr. Secretary, you and I have heard people say from time to time that the cost of food is directly brought about as a result of the farmer and agriculture generally and you and I know that is not true.

Based on the 1910, 1914 parity index, if the American farmer were receiving what he should for wheat today, you would agree with me it would be over \$4 a bushel. It would be somewhere in the neighborhood of \$4.50 a bushel. Wheat is now selling for a little over \$2 a bushel, as I recall. I said wheat. I meant corn.

Now, as far as wheat is concerned, wheat should be selling probably for a little over \$4 a bushel, based on the parity price support index that we adopted years ago, 1910, 1914. What is it, about \$2.10 a bushel? Something in that neighborhood, isn't it?

Secretary BERGLAND. About \$2.30.
Mr. NATCHER. It should be a little over \$4 a bushel. So, Mr. Secretary, there is one of the places where I think you ought to take a good look at it, and I know you will.

There are a number of other matters I would like to discuss with you but I have taken too much time.

I want to close by saying again to you, Mr. Secretary, you are going to do a good job and you will get a lot of support on this Hill.

Thank you.

Our farm program legislation as you know, Mr. Chairman, expires the last day of this year. A farm bill has been passed in the Senate and within the next few weeks, the Committee on Agriculture in the House will bring out its bill. There is no reason why when the two commit-

tees go to conference proposals can be agreed upon which will place the bill in a position whereby the President will then sign it. This, I believe, will take place because I know that our new President is very much concerned about agriculture and certainly he knows that any farm bill must have target and loan prices which protect the American farmer. Target prices do not necessarily mean surplus agriculture commodities by any means and there is no reason why in the calendar year of 1977 we in the Congress cannot produce a good agriculture bill.

I join with my chairman in the request that he has made now for many years that if we are to maintain production and protect our international trade balances, we must guarantee that farm products determined to be surplus to domestic needs are sold on world markets at competitive world prices. Mr. Chairman, to do otherwise would depress prices at the farm level and would impair our ability to earn the foreign exchange needed to pay for our imports. In order to keep our overseas customers, we must maintain an ample supply of commodities on the market that are available. Mr. Chairman, our agricultural commodities for 1976 will increase from some \$21 billion up to about \$23 billion. We must keep in mind that here we have commodities going abroad that will help us with our deficit in balance of payments and especially insofar as oil imports are concerned that are now over \$35 billion a year.

In order for us to help the underdeveloped countries of the world, we must have an adequate food supply. Food and economic assistance, Mr. Chairman, instead of military weapons. According to the figures submitted to our committee, it is estimated that about half of the world's population suffers from malnutrition with some 10,000 people dying every day from starvation.

Mr. Chairman, since 1961 the number of farms has decreased by some 27 percent. This figure is about 2.8 million and in 1961, we had 3.8 million farms. In addition to a decline in the number of farms and farm population, farm debt is up considerably. In 1976, total farm debt reached the extremely high level of \$90.6 billion and in 1950 it was \$12.4 billion.

Mr. Chairman, the amendments to the budget that I mentioned several minutes ago provide for \$599,205,000; \$190 million of this amount is for the ACP program; \$5 million for very low-income housing repair grants; \$150 million for water and sewer grants; \$7,500,000 for domestic farm labor housing grants; \$16,205,000 for Great Plains conservation program; \$230 million for summer food service program and \$500,000 for administration for summer food program.

Mr. Chairman, we recommend to the Committee \$304,495,000 for Agricultural Research Service for fiscal year 1978. As you know, this Service was established in 1953 and here we conduct basic and applied research in the fields of livestock, plant sciences, entomology, soil and water conservation, agricultural engineering and nutrition and consumer use.

For our Animal and Plant Health Inspection Service, we recommend \$429,-

225,000. For our Cooperative State Research Service, we recommend \$137,950,000. For our Extension Service, we recommend \$252,971,000 which is an increase of \$10,500,000 over the budget and \$11,065,000 over the 1977 appropriation.

Mr. Chairman, for our Agricultural Marketing Service we recommend the sum of \$46,379,000.

For our Rural Electrification Administration we recommend a loan program of not less than \$750 million nor more than \$900 million for electric loans and not less than \$250 million for telephone loans.

Mr. Chairman, for our Soil Conservation Service, we recommend \$226,051,000. For our ACP program we recommend \$190 million.

Mr. Chairman, for our domestic food programs we recommend \$7,642,208,000. This, as you know, includes the special milk program, food stamp program, food donations program, elderly feeding program, and child nutrition program. Of course, Mr. Chairman, we all know that two or more of these programs should not be charged to Agriculture but should be charged to the Department of Health, Education, and Welfare. Here we have the largest amount in the bill and most of the money involved should not be charged to Agriculture.

Mr. Chairman, this is a good bill and our Committee on Appropriations recommends it to the Members of the House. If our country is to survive and prosper, we must continue to be interested in and to assist when necessary the custodians of the natural resources of our country. Again, Mr. Chairman, I would like to say that in order for us to produce the necessary food and fiber for our people and to be able to export billions of dollars worth of commodities abroad, we must reforest our lands, protect our watersheds, and conserve our soil and water.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, early this year, the administration announced its intention to inaugurate a new program of payments to the processors and producers of sugar. The formulation of this program took several weeks and, finally, about a month or so ago the administration came out with the regulations. But, of course, the basic idea, authorizing payments up to 2 cents a pound, was well known for several months. My reason for taking this time is to ask a question of the chairman of the subcommittee as to whether the administration made any sort of presentation to the subcommittee at any stage during the subcommittee's consideration of the appropriation request.

Mr. WHITTEN. If the gentleman will yield, may I say to my colleague, the gentleman from Illinois (Mr. FINDLEY), that I have no awareness that any statement was made to the committee. Certainly no presentation was made to the committee in connection with this.

I do understand that in the press and in other statements some attention was given to it. I am not as familiar with what transpired as my friend, the gentleman from Michigan (Mr. TRAXLER), a member of the subcommittee. However,

as to what happened before the committee, we had nothing there.

Mr. FINDLEY. To put it this way, if I may, Mr. Chairman, the subcommittee has jurisdiction over the Commodity Credit Corporation.

Mr. WHITTEN. Right.

Mr. FINDLEY. These payments, as I understand it, would be financed out of the resources of the Commodity Credit Corporation. It would seem to me that it would be natural and prudent and reasonable for the administration to take the subcommittee fully into its confidence at an early stage and keep it informed. Would the gentleman agree?

Mr. WHITTEN. In my experience here, I do not know of any place where they have failed to advise the committee and to actually have hearings with the committee, even though the basic law gave them certain authority. And I would expect the same thing here, not only with our subcommittee, but with regard to the legislative committee. So while these matters are discussed and projected into the press, and otherwise, I have never known them to act on that without advising the proper committees, which includes our subcommittee, and they have not.

Mr. FINDLEY. It is an extraordinary situation, then, would the gentleman agree with me?

Mr. WHITTEN. That is right. Certainly they should, and, I trust, will.

Mr. FINDLEY. I thank the gentleman. The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. I thank the gentleman for yielding.

Mr. Chairman, I think it is important to put this in the proper perspective. As we recall, last summer, nearly a year ago, President Ford asked the International Trade Commission to review the sugar question as to whether or not foreign cane sugar was being dumped in the United States to the disadvantage of our farmers and industry.

The ITC in February or March made its findings known and recommended that quotas be imposed, among other things. At the time when the present Secretary of Agriculture was sworn into office he immediately appointed a 3-member sugar task force which went to work and filed its recommendations about the same time the ITE came in with its quota recommendations.

The findings of the task force were not dissimilar to those of the ITE. The ball then moved over to the White House.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. TRAXLER. Mr. Chairman, will the gentleman yield further?

Mr. FINDLEY. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, I hesitate to take up so much time. I know we will be talking about these matters later, but just so there will be some background in response to the gentleman's questions, I will continue briefly.

The administration looked at the various options that were available to it in lieu of the quota. That is where the figure of up to 2 cents a pound came from. It is not the Department of Agriculture recommendation; it is the administration's recommendation. They looked about for various alternatives, and this is the one they settled upon.

My recollection is that we had completed our hearings at the time the administration finally settled on this program.

Mr. FINDLEY. Mr. Chairman, on that point I did not understand the gentleman's last comment.

The hearings were completed at what point?

Mr. TRAXLER. Prior to the administration's 2-cent recommendation.

Mr. FINDLEY. In a circumstance like that, would it not be usual for the administration by letter to notify the subcommittee of this new development? Would that not have been a reasonable and proper expectation?

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield and if I may reply to that, it certainly would be the expectation. I do not know of any exception to that procedure. There is no requirement as a matter of law, but, from the standpoint of working together, we have had that kind of experience prior to this time.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Chairman, I rise in complete support of H.R. 7558, the Agriculture and related agencies appropriations bill for fiscal 1978, as reported by the Subcommittee on Agriculture and Related Agencies of the House Appropriations Committee. As a member of the subcommittee, I have the distinct pleasure and honor of working with a most capable chairman, Mr. WHITTEN of Mississippi, and a distinguished ranking minority member who has a deep understanding of the problems facing American agriculture, Mr. MARK ANDREWS of North Dakota.

It has been a difficult process to review all of the programs operated by the Department of Agriculture and the Food and Drug Administration this year. However, I firmly believe that our subcommittee has provided a bill which sustains our basic policy of providing the best environment for farmers and consumers in the world. The American consumer has the most plentiful food supply of anyone in the world, and in many instances fails to realize the importance of a healthy American agricultural economy. We find it so easy to take our food supply for granted, and turn our attention away from news reports of droughts and extraordinary storms that can destroy a year's work by a farmer in 1 day.

The American farmer is a special individual. He takes risks far greater than those faced in any other profession, and works for a return that provides less income than the interest rates on insured savings account. It is not very surprising that many commercial banks are reluctant to provide agricultural loans with the average farm having an income of only 2 percent greater than its costs in recent years. For this very reason, the Federal Government must work to be certain that the American farmer has a chance to continue his production, even in the face of prices for his farm goods lower than his cost of production.

The provisions of the bill before us today are designed to provide the farmer and the consumer with stable food prices and farm income. It was an extremely difficult task to choose among the many requests for funds submitted to the subcommittee this year, and it certainly would have been a far easier job if our subcommittee had unlimited funds. But dealing with fiscal realities, this bill provides a mixture of programs that seek to cut waste and allow for growth in the agricultural sector of our economy.

Title I of this bill provides the "farm programs." It is in this section of the legislation that we continue the programs that help our farmers continue their production. With only 5 percent of our people working on the farm, we have to have programs that will allow these individuals to maximize their productivity for the benefit of the 95 percent of Americans who live off the farm.

One key priority in this year's bill is the restriction of activity by the Federal Grain Inspection Service. Testimony before the subcommittee indicated that the Service was expanding its scope of operations beyond our export inspection points into all domestic marketing grain terminals. While the Service can be congratulated for its dedication to its job, we found that the expansion of activities provided by the service would serve only to increase the cost of grain trade in the United States, with no benefit whatsoever, since there have not been any reports of problems in the inspection of grain at domestic inspection points. We passed amendments to the Grain Inspection Act late last year in order to end the problems we were having with our foreign buyers who found that they were receiving substandard and short-weighted grain. FGIS has established an operation which can accomplish that job.

Our next concern this year is to continue the activities of the Agricultural Research Service. It is no secret that improved production methods can lower farm costs and increase farm income. ARS has done an admirable job over the years in working with American agriculture to continue the research that is needed to provide new varieties of crops and to deal with the diseases and pests faced by our farmers. I am particularly pleased that the subcommittee was able to increase the amount of funds provided for sugar beet research. The \$350,000 increase provided in this bill will go a long way toward helping all American sugar beet farmers toward reducing the expenses they face during a

period of prices far below the cost of production. Two hundred thousand dollars of this increase will be used to conduct research on the utilization of cell and tissue culture techniques and pollen storage to accelerate genetic improvement of sugar beets. This research will be conducted at Michigan State University in East Lansing, Mich. Michigan is one of the prime sugar beet producing areas in our Nation, and I know the funds will be well spent by the very capable research staff at MSU.

I am very sorry, however, that we were unable to provide a larger increase in research efforts on dry beans. Mr. Edminster, the Administrator of the Agricultural Research Service, presented us with an impressive agenda of work to be done during our hearings, but in accordance with the recommendation of the National Dry Bean Council that we not increase funding in this area for fiscal 1978, the subcommittee used the general increase in research funds for other crops.

The programs offered by the extension service are very important to our farmers and consumers alike. The extension service offers programs as diverse as development of marketing programs, the 4-H Clubs of America, and urban gardening. It is a very difficult decision to not allow the level of increase in extension funds that can be effectively used, but within our restrained fiscal position, we were only able to offer an increase over the request sufficient to allow the extension service to continue its operations and fiscal 1977 levels. Nonetheless, even this limited increase is an important one since it sustains our very effective nutrition aides program and allows for the continued growth of our 4-H Clubs in urban areas.

Funds provided to the Commodity Credit Corporation can be the most important funds we provide in some years. These funds are used to provide stabilization and protection of farm income for those crops that may be facing unusual decreases due to world market pressures. Efforts may be made later today to restrict the use of these funds under President Carter's price support proposal for domestic sugar beets and cane. That effort must be unalterably opposed so that we may avoid the possibility of legislating against a program in an appropriations bill before both USDA and the President have had an opportunity to finalize its design. Such action is certainly premature, and detrimental to any efforts that will be made later this year by our colleagues on the House Agriculture Committee to deal with the problems that have resulted since the House failed to extend the Sugar Act 3 years ago.

Title II deals with programs to help the growth of rural communities. These programs become more important as Americans continue to move out of urban areas and into rural areas. Many of our smaller communities do not have the tax base that is needed to pay the full cost of community development, and the programs of the Farmers Home Administration are used for this purpose. As I said earlier, since our farmers often find it difficult to obtain credit from commercial lending sources, the Federal Government

through the guaranteed loan programs of FmHA provides needed operating and ownership loans to our farmers. The subcommittee has provided a number of significant increases in these programs in order to allow our rural areas to continue their growth, and has restored the proposed cuts in many of the grant programs that are the only feasible source of funds for most rural areas to develop water and sewer programs, housing programs, and the like.

We have also provided several needed restorations in the Soil Conservation Service budget. The proposed policy of "no new starts" in many of our river basin and watershed programs is completely out of line with congressional intent and the needs of rural America. Many projects have been started, and to cut the funds for the next step is simply a waste of funds previously expended which the Congress and the Nation cannot afford.

Title III is the section of the bill which provides by far the most money, and is entirely for the American consumer. This section of the bill funds the food stamp program, the school lunch and breakfast programs, special milk, and all other nutrition programs for every American to ensure that each person has the opportunity to get the nutritious food that we all need.

I was very pleased that we were able to restore the proposed cuts in the special milk program. This program has proven its importance over the years, and any effort to cut this program is purely unconscionable. This year the subcommittee through an unfortunate set of circumstances was able to give thorough review of a very important program, the supplemental food program. The past administration had proposed that we drop this supposedly "duplicative" program, and the Carter administration was unable to provide the detailed review needed to restore the cut due to the press of out congressional budget deadlines. Information provided to the subcommittee by the Honorable LINDY BOGGS of Louisiana with respect to the operation of the program in New Orleans, and the detailed account provided to me by the good people responsible for Focus: HOPE in Detroit, clearly demonstrated that this program is needed and effective. We still face the problem of obtaining administrative funds for these programs through USDA, rather than through the Community Services Administration as is presently the case. I was recently encouraged by a letter I received from the distinguished chairman of the House Agriculture Committee, the Honorable TOM FOLEY, in which he indicated that the authority for the program is extended until 1981 and USDA is directed to provide 10 percent of the value of the commodities for the administration of the program under provisions of the comprehensive food stamp legislation currently before his committee. I hope our colleagues on that committee can complete their work in the near future so that we can end the administrative headache faced by the people who run these essential feeding programs. Funding for the supplemental food program will be \$17.6 million in fiscal 1978. Title IV of this bill provides for our international agricul-

tural programs, including the very important food for peace program. Under the direction of the Foreign Agricultural Service, American agriculture has had the opportunity to expand its markets overseas to the point where our agricultural exports are a very important component of our balance of payments. Agricultural exports at a level of some \$23 billion in fiscal 1976 continue to pay for the oil we import, preventing a drain on our balance of payments.

A very important factor of our review of the food-for-peace program is the committee's realization that in some instances the direction provided by Congress and the U.S. Department of Agriculture is being frustrated by decisions made by officials within the Office of Management and Budget to disapprove certain sales of commodities to foreign countries under title I of the program. This was characterized earlier this year by an OMB decision to disapprove a sale of dry beans to Zaïre and Lebanon, even though Secretary Bergland personally endorsed the sale. The provisions of the committee report direct USDA to report to all appropriate committees of the Congress the stated reasons for the disapproval of any sale under Public Law 480. It further states that any commodity, whether it is a price support commodity or not, is eligible for sale under this program. In this fashion we hope to restore congressional control to the expenditure of funds in line with the intent of Congress. Chairman MAHON has personally assured me of his interest in this matter, and we will be working together in the coming months to resolve the problems we face in these sales.

The final title of this bill provides funding for the Food and Drug Administration, including a special appropriation for FDA to do its own research on the potential dangers of saccharin. Everyone of us here knows what impact the ban of saccharin will have on diabetics throughout this Nation, and we cannot afford to go that route until we know for a certain fact that the substance in commonly used amounts is, in fact, harmful.

Mr. Chairman, I am pleased to have been a member of the subcommittee which has worked long and hard on the bill before us today. I realize that we could not fund every legitimate request before the subcommittee, and I quite honestly wish we could do more. But given the realities of our budget limitations, I am convinced that we present you today with a bill which will sustain the growth of American agriculture, and will continue to provide Americans with a food supply second to none.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to our colleague, the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman from North Dakota for yielding this time to me.

I want to commend this committee for doing what it historically does—taking care of the interests of rural America.

If I might have the attention of the gentleman from Mississippi (Mr. WHITTEN), there is, however, one part of

the committee report that I would like to ask the gentleman to comment on. I am referring to page 71 of the report where the committee is dealing with the Farmers Home Administration and what is referred to here as "formerly identified as the Rural Development Service."

The reason for my asking this question is that I am interested as the ranking minority member of the Subcommittee on Family Farms, Rural Development, and Special Studies of the Committee on Agriculture. The chairman of our subcommittee, the distinguished gentleman from Minnesota (Mr. NOLAN), is here as well, although I have not spoken to him about this matter.

I am wondering if the committee chairman could give us, No. 1, the rationale for this language, and, No. 2, an explanation as to whether the rules of the House permit referring to the Rural Development Service as "formerly" the Rural Development Service, thus, for all practical purposes abolishing the Service as a separate entity.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I presume that the rules do permit it. I have no reason to say otherwise.

May I review briefly the history of this? Several years ago we had before us the recommendation, which was in the form of a bill and was reported to the House, to set up a rural development program. Someone in the Department sent me a copy of it. The bill was on the floor. So I had a copy of the recommendations and the justification for the bill from the Department which an individual had passed on to me.

I took it to the then Speaker and to the then chairman of the legislative Committee on Agriculture and showed them that those sponsoring this measure at that time, which was some years ago, said that they needed 5,000 additional people, that they did not have people then trained to deal with rural America. They said they would have to replace the Farmers Home Administration, the Soil Conservation Service, the FHA, the Extension Service, and all the rest.

I made no recommendation. I just pointed that out to the then Speaker and to the then chairman of the legislative Committee on Agriculture; and they withdrew the bill. Of course, there was a whole lot of publicity saying that I had killed the rural development bill. I had not done anything except to show them what the sponsors advocated.

Therefore, when our subcommittee met to offset the fact that, as chairman of the subcommittee, I had made that point, we set up this little item of the Rural Development Service. That was set up by our subcommittee and, in turn, it was set up for the purpose of bringing together the various programs that various departments concerned with rural development had that would be helpful to rural areas. It was set up without legislation, by the subcommittee, and approved by the Congress as recommended. This group that we had was set up in connection with the problem that I have pointed out.

I have personally been somewhat disappointed at times with whether they made any real contribution.

Following what I just related, with this matter being carried on through the years, we did pass the Rural Development Act; but it was my view then and it is my view now that nearly everything in that act is presently within the jurisdiction of the Farmers Home Administration.

As the gentleman will realize, our subcommittee several times has recommended to the legislative committee that the name of the Farmers Home Administration be changed so as to more truly portray the fact that it really should be the Rural Development Administration. It has jurisdiction over 16 or 18 major functions which go to rural development, so it would be better to have a little group set off here on the side, where its biggest work should be, to help the Farmers Home Administration, which has the program jurisdiction. I have felt for some time that it should be in its proper place, and that is as a part of the Farmers Home Administration.

Therefore, we certainly are within our rights to put it in the report. Whether it was wise to have done so is a matter of opinion; but I certainly want to keep the activity going. However, its work will still be in connection with the Farmers Home Administration, which has the money, the personnel, and the programs plus the obligation.

Mr. GRASSLEY. Is the gentleman satisfied that we will be able to pinpoint responsibility and that there is somebody in the Department of Agriculture assigned the responsibility of coordinating the activities?

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GRASSLEY) has expired.

Mr. ROBINSON. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa.

Mr. GRASSLEY. As I was saying, Mr. Chairman, is the gentleman satisfied that we will be able to pinpoint responsibility and that there is somebody in the Department of Agriculture assigned the responsibility of coordinating activities in all of the various departments which affect rural America in order to see that the farmers or people living in rural America are getting a fair shake through these other departments?

Mr. WHITTEN. If the gentleman will yield, may I say that I feel the head of the Farmers Home Administration should do just what the gentleman says. I point out that this little group has never had that authority. They are just a paper-writing, news-distributing group, and their jurisdiction and responsibility have not gone to coordinating the program; they merely tell people about it.

Therefore, I would like to see the Farmers Home Administration take that responsibility. I want to repeat again that this little group has never had that authority, nor has it fulfilled that function. They have brought together the information and distributed it.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman.

I wrote to the Secretary of Agriculture on this point, and I have a letter saying that he is opposed to this approach and that he expects to emphasize rural development. I got the impression from his letter that he expects to do that through a separate service of the Department.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GRASSLEY) has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa.

Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. In response to the gentleman's last statement, Mr. Chairman, I might say that the Secretary will have to get up early and stay up late if he wants to go any further in that direction than this subcommittee has.

I have the highest regard for the Secretary, but I would like to call the attention of the gentleman that under the reorganization plan in 1953—I believe that was the year in which it was passed—the Secretary of Agriculture has authority to delegate additional authority to various groups, and he has authority to give this group more authority than it now has under existing law.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman.

Mr. CORRADA. Mr. Chairman, I fully support the aims of H.R. 7558, the fiscal 1978 appropriations bill for the Department of Agriculture and related agencies. I would like to particularly endorse title II, which provides funds for rural development and assistance, including funds for the Farmers Home Administration, the Rural Electrification Administration, the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service.

Over the years these programs have provided a much needed impetus to our agricultural sector in Puerto Rico. In 1976, \$94 million was allocated to Puerto Rico, and \$34 million added for the transition quarter. It is estimated that funding will reach \$156 million in the current fiscal year, and \$142 million for fiscal 1978. The loan program to farmers provided \$8.2 million in fiscal 1976, with \$2.5 million for the transition quarter. Current funding will total somewhat less, at \$5.3 million. Rural housing programs represented \$47.9 million in fiscal 1976, \$26.4 million for the transition quarter. This will increase to \$91.4 million for fiscal 1977 and \$90 million for fiscal 1978. Another program of Farmers Home, the community services program, which provides services in rural areas such as water and sewer, was funded for Puerto Rico at a level of \$20 million in fiscal 1976, with \$7 million for the transition quarter. For fiscal 1977 funding will be \$44.5 million. Finally, \$16.8 million was allocated for business and industrial development loans, with \$1.8 million for the transition quarter, in fiscal 1976. Next year's funding for these purposes will be \$12.6 million.

Another USDA division, the Rural Electrification Administration just last year approved a \$25 million loan to the Puer-

to Rico Telephone Co. to expand telephone service in the Caguas exchange.

The USDA Soil Conservation Service has been involved in several major activities in Puerto Rico, involving land treatment, flood prevention, agricultural water management, and related watershed projects. There are currently three projects in operation, namely the Rio Afiasco Watershed, Oeste, Culebrinas, Sur and Suroeste Soil Conservation Districts; the Rio Guayanés Watershed, Este Soil Conservation District; and the Bajura Watershed, Rio Guana, jibo, Oeste and Suroeste Soil Conservation Districts.

Two projects have been approved for planning, the Rio Maunabo Watershed, Sudeste Soil Conservation District, and Yaurel Watershed, Sudeste Soil Conservation District. Another watershed application has been approved and is in a preliminary investigation stage. This project is the Rio Culebrinas Watershed, Culebrinas and Noroeste Soil Conservation District. In addition, the El Caribe RC&D project application has been submitted to Secretary Bergland for planning authority. This project will stress land use planning, stabilization of critical erosion areas, water resource planning, flood prevention, and efficient water use.

In addition to title II, I also fully endorse the funding for the various feeding programs, including the WIC program and the special milk program for our Nation's schoolchildren. In a nation such an abundance of food, it would be unconscionable to allow our citizenry to go hungry. These programs are part of our commitment to this notion.

Mr. GIAIMO. Mr. Chairman, H.R. 7558, the Agriculture and related agencies appropriations bill for fiscal year 1978, provides \$12,659 million in budget authority and \$11,495 million in outlays.

The subcommittee allocation under the budget resolution targets is \$13,974 million in budget authority. Of this amount, \$1,319 million is automatically available through permanent legislation. Therefore, budget authority exceeds the allocation by \$4 million.

Outlays are \$13,768 in the budget resolution for this bill. However, \$2,109 of this amount will be spent from prior year appropriations. This means that the bill as reported is less than the outlay allocation by \$164 million.

Using congressional scorekeeping methods this bill is \$258 million less than President Carter's recommended budget authority.

Additional appropriations by the subcommittee could cause the allocation to be exceeded. If the Congress adopts the omnibus farm bill now reported by the Agriculture Committee and the Appropriations Committee reports a supplemental for a larger agriculture research effort, budget authority would exceed the allocation in the budget resolution.

This bill represents some shifting between spending priority functions within the subcommittee allocation. Budget authority for the income security function will be higher than the Budget Committee assumed, while the agriculture function programs would receive less. Income security outlays are estimated the same as the first budget resolution

because the Appropriations Committee directs that no less than 7 percent of the appropriation be held in reserve.

The current coverage, in total budget authority, only, is not significant relative to the size of this appropriation bill. The \$4 million is 3 percent of the subcommittee allocation.

I congratulate the gentleman from Mississippi for bringing this difficult bill to the floor in such a timely manner.

Mr. VANIK. Mr. Chairman, for some time, I have been concerned about forms of improper competition in world trade. Not only do unfair trade practices create disputes among nations, but I believe that they often cancel each other out, resulting in considerable activity among the world's governments with little net gain for anyone. While not patently a form of unfair competition, I have also wondered whether export promotion activities of the Departments of Commerce and Agriculture have any favorable cost/benefit ratio. In particular, I do not understand why the United States, which is in such a dominant position in the world's agricultural trade, needs to promote the Nation's farm products. It is a little bit like Saudi Arabia advertising the benefits of its oil—or to mix energy sources, it is like carrying coal to Newcastle.

In reviewing some of the testimony of the Department of Agriculture's foreign agricultural service in the fiscal year 1977 hearings, I noticed that the statistics they provided, do not seem to match with other statistics on the volume and value of U.S. agricultural exports. Therefore, during the past several months, I have asked staff to study the accuracy of FAS statistics.

I believe that the Department has been submitting erroneous data to the Congress to justify its FAS program. The errors are so gross that they either demonstrate incompetence or outright deceit to the Congress. I have referred these issues to the committees involved, and I would hope that the Appropriations Committees would take the Department to task for the quality of these budget presentations.

Second, since the Department has gone to such exaggerated lengths to justify the program, it raises serious questions on whether there is really a favorable cost/benefit ratio, or whether the public would not be better served by curtailing the appropriations for this program. I hope that the errors in the Department's presentations will cause the Appropriations Committees to ask new, hard questions about the worth of this program.

I would like to take a few minutes to describe some of the problems which we found with some of the fiscal year 1977 statistics provided to the Congress.

On page 466 of part 4 of the Agriculture and Related Agencies Appropriations for 1977, it states that "U.S. cattle find new market in Hungary." Yet the 1975 Calendar Year U.S. Foreign Agricultural Trade Statistical Report and the 1976 fiscal year report show a decline in cattle sales.

The question arises, Which is correct? The Administrator of FAS made the

following statement at the agency's fiscal year 1977 appropriations hearings:

U.S. Cattle Find New Market in Hungary. Promotional activities and technical and trade servicing activities in Hungary enabled the Holstein-Friesian Association to complete its largest sale to a single country last summer, 6,300 head of cattle. Holstein-Friesian Services, Inc., the export arm of HFA, is now the largest air shipper of cattle. HFS now ships nearly 1,000 cattle per month by air. As a result of market development activities, sales increased from 1,799 head in 1971 to 8,500 in 1974 with 5,000 shipped during the first six months of 1975.

In looking at other departmental statistics, I noticed discrepancies. Two agencies within the Department of Agriculture compile export statistics for livestock—the Economic Research Service, ERS, and the Animal and Plant Health Inspection Service, APHIS.

Representatives of both USDA agencies provided the following statistics on live cattle exports to Hungary.

Calendar year	ERS	APHIS
1972	775	765
1973	2,911	2,957
1974	3,618	4,983
1975	3,031	3,223
1976	597	1,245

Note that the quantities provided by ERS are actual figures obtained from the Department of Commerce. Quantities reported in statistical reports are rounded to nearest 1,000 head.

The Economic Research Service publishes import and export statistics on agricultural commodities in "U.S. Foreign Agricultural Trade Statistical Reports." These statistics originate in the Department of Commerce and are used in official U.S. balance-of-trade statistics.

An ERS official said that statistical information originates with customs declaration forms at the port of export. A statistical copy of the form is sent to the Bureau of Census tabulation center where it is entered on computer tape. ERS purchases the tape and extracts from it agricultural data. He added that commodities shipped from inland ports are particularly susceptible to error. Between 1973 and 1976 most cattle exports were shipped from inland ports.

APHIS veterinarians are responsible for examining livestock prior to export to insure that only healthy animals leave the United States. APHIS compiles statistics on livestock examined and shipped overseas. According to officials of the Foreign Agricultural Service, APHIS statistics are considered to be more reliable than those compiled by ERS.

Although two USDA agencies compile export statistics for live cattle, I was surprised to learn that the information presented by the Foreign Agricultural Service to the Appropriations Committee was obtained from yet other sources. The testimony states, in part, that the Holstein-Friesian Association of America, HFAA, completed a sale of 6,300 head of cattle to Hungary in the sum-

mer of 1975. HFAA is a FAS foreign market development cooperator representing Holstein-Friesian cattle breeders. This figure is not correct. Officials of Holstein-Friesian Services, Inc., HFS, the wholly owned export sales subsidiary of HFAA, told us that only 3,236 cattle were sold to Hungary during all of 1975. FAS officials could not provide any documentation to me to support the 6,300 figure.

The remainder of FAS' testimony on cattle sales to Hungary was taken from an article in a FAS publication. The author of the article said that the export figures quoted in the magazine, Foreign Agriculture, were based on cattle sales by one exporter, HFS, to all countries, not just Hungary. Therefore, this portion of FAS' testimony is misleading since it implies that HFS cattle sales to Hungary alone were about 1,000 head per month, or 12,000 per year. HFS officials said that its cattle sales to all countries in 1975 and 1976 were less than 12,000 head. The testimony further suggest that HFS sold 1,799 cattle to Hungary in 1971 and 8,500 in 1974. According to a HFS representative, it did not sell any cattle to Hungary in 1971 and only 5,093 head in 1974. Total HFS sales to all countries during those 2 years were 2,691 and 8,389 respectively. While these statistics not only do not represent sales to Hungary, they likewise do not accurately reflect sales to all foreign markets.

The "success story" on cattle sales to Hungary is both inaccurate and misleading. The way in which this testimony was prepared suggests a disregard of elementary standards of quality control in that:

Exports of cattle to worldwide markets were placed in a context suggesting exports to a single country.

Government export statistics were disregarded in favor of the sales figures of one private U.S. exporting firm.

The completion of a sale to Hungary during the summer of 1975 was altogether erroneously reported.

In another case, on page 466 of the fiscal year 1977 hearings, the FAS boasts of its increase in rice sales to the Middle East. While the data on pages 121 and 125 of the Statistical Reports, 1975 and 1976, respectively, show an increase in calendar year 1975, they show a dramatic decline in 1976.

One might ask, if it truly were the work of the FAS which helped to contribute to the fiscal year 1975 increase, was it also the work of the FAS which contributed to the fiscal year 1976 decline?

The FAS testimony states:

Rice Council Activity in the Middle East. The Rice Council for Market Development, working closely with Agricultural Attaches in Tehran and Beirut, has effectively contributed to the dramatic increase in exports of American rice to the Middle East. Sales of American rice to the Middle East reached 702,556 tons during fiscal 1975—over 3 times that of the preceding year—and accounted for nearly one-third of total U.S. rice exports.

The Department of Agriculture's Economic Research Service, ERS, reported U.S. rice exports to the Middle East between fiscal years 1970 and 1976 as follows:

U.S. rice exports

[In metric tons]

Fiscal year:	
1970	102,308
1971	65,335
1972	109,985
1973	121,018
1974	150,455
1975	698,823
1976	423,862

¹ This figure is lower than the one reported in FAS' fiscal year 1977 testimony. ERS' fiscal year 1976 Statistical Report reported a lower figure than did its fiscal year 1975 report.

As shown in the table, U.S. rice exports to this area have increased considerably in the last 2 years. Two countries, Iran and Iraq, accounted for the major part of this increase as shown in the following table.

U.S. Rice Exports

[In metric tons]

Fiscal year:	Iran	Iraq
1970	0	0
1971	10	0
1972	13,182	0
1973	40,289	0
1974	20,399	8,999
1975	461,261	109,856
1976	178,474	80,733

Iran and Iraq accounted for about 82 percent of U.S. rice exports to the Middle East in fiscal year 1975 while their share fell to about 60 percent in fiscal year 1976. FAS officials told my staff that while exports to these two countries fell in fiscal year 1976, it is important to note that they were substantially higher than in fiscal year 1974. In spite of the fiscal year 1976 decline, FAS believes that the United States has captured a major share of the Middle Eastern rice export market. Officials of its market development cooperator, the Rice Council for Market Development, Rice Council, told us that U.S. export to the two countries, are still continuing at a high level. According to these officials, between August 1976 and May 1977 exports to Iran and Iraq have already amounted to 401,000 and 60,000 metric tons respectively.

REASONS FOR THE INCREASE ON RICE IMPORTS BY IRAN AND IRAQ IN FISCAL YEAR 1975

FAS officials told us that neither they, nor the Rice Council were responsible for the surge in Iranian and Iraqi demand for rice in fiscal year 1975. FAS does, however, claim some credit for channeling this demand to U.S. rice, and away from our principal competitors.

As for Iraq, a FAS official said that construction of a dam on the Euphrates River by the Syrians resulted in a decline of available irrigation water downstream in Iraq. Iraq's rice production declined as a result, necessitating an increase in imports. According to the Rice Council, Iraq's efforts to alleviate the short water supply will take years to complete.

In 1974-75 the FAS' agricultural attaché in Iran gave the following reasons why Iran increased rice imports:

Domestic production fell in 1973 due to bad weather and crop disease.

Consumer incomes were rapidly increasing, thus increasing demand.

The government was subsidizing the retail

price of rice at artificially low levels, thus increasing demand.

FAS officials told us that for these reasons, the two countries overbought in 1975. As a result, they had larger than normal carryover stocks at the end of the year and needed to buy less rice in 1976.

The agricultural attaché in Iran at the time of its 1975 buying spree told us that he was partly instrumental in channeling Iranian demand to U.S. rice and away from our competitors.

During the 1973-75 period, the Rice Council did not carry out any FAS funded market development activities in Iran or Iraq. The Rice Council's only FAS funded promotional activities during the period were in Arabic speaking Middle East countries such as Saudi Arabia, Kuwait, Lebanon, Syria, and Jordan. Iran is a non-Arabic speaking country. These activities were a press service campaign which distributed promotional materials such as rice literature, photos, and recipes to the media, business, professional, and educational organizations; and distribution of an Arabic language "American Rice" cookbook to rice firms in Lebanon and Saudi Arabia and at an exhibition in Syria.

Rice Council officials have, however, made annual visits to Iran since 1968. These trips were not funded by FAS. These officials told us that while formal FAS funded market development was not responsible for Iranian or Iraqi purchases of U.S. rice, they emphasized that their own efforts helped persuade U.S. rice millers and exporters to exploit the sudden increase in Iranian and Iraqi demand. These officials said that, in part, it was the quick response by U.S. exporters, the Rice Council, and the FAS attaché in Tehran which shut out our competitors. A Rice Council official put it this way:

We were there, and our competitors were not.

Additionally, Rice Council officials told us that for the most part the United States was the only source for the quantity and type of rice desired by these two countries.

CONCLUSION

This FAS success story is misleading because it fails to note that most of the "dramatic increase in exports . . . to the Middle East" was to Iraq and Iran. This is significant because there was no FAS funded market development program in these two countries. The promotional activity of the Rice Council in Iran was with their own money.

In its testimony, FAS used a private activity to support a public program. What a cooperator does with its own money does not appear to be a relevant justification to support the FAS market development program.

We analyzed another claim made by FAS in their fiscal year 1977 testimony. FAS made the following claim:

Soybean Exports to Taiwan Increased 50 percent. U.S. exports of soybeans to Taiwan increased almost 50 percent in FY 1975 from the previous year. The American Soybean Association (ASA) has actively promoted increased sales of U.S. soybeans to Taiwan through such trade servicing activities as visits of U.S. feed and livestock technicians

to Taiwan and cooperation on feed mill technician training. Both activities encourage improvements in Taiwan's livestock feeding techniques by teaching the benefits of using soybean meal as a low cost high efficiency feed ingredient in the livestock rations. These visits allow for one-to-one consultations in the plants and the development of end products suited to Taiwan's conditions.

According to ERS statistics soybean exports actually declined in fiscal year 1975, however, an FAS official told us that the reference to "fiscal year 1975" in this success story is an error. The reference should have been to calendar year 1975.

According to USDA figures, U.S. soybean exports to Taiwan were as follows from 1970:

[In metric tons]	
Calendar Year (CY) :	Soybean Exports
1970 -----	586, 033
1971 -----	533, 900
1972 -----	636, 986
1973 -----	600, 694
1974 -----	491, 815
1975 -----	911, 626
1976 -----	695, 242

The decline in soybean exports to Taiwan in calendar year 1974, and subsequent increase in 1975, was independent of FAS-sponsored market development. Association documents and FAS officials gave the following reasons for the 1974-75 export pattern:

The June 23 to September 20, 1973, embargo on soybean exports. According to an FAS official, the embargo caused considerable ill feeling among Taiwan importers. They tended to keep their purchases to a minimum since the United States seemed to be an unreliable supplier.

An economic recession in Taiwan in 1974 caused a decrease in demand for soybeans.

The association described the 1975 increase in export volume as a "surprise" and offered the following analysis:

Under a free market situation without any emergency control as occurred in 1973-74, continued low interest special loans for imported soybeans provided by the government, plus declining world soybean prices, were credited as factors boosting soybean imports to an unexpected record volume during CY 75.

It is important to note that the association does not claim that market development had anything to do with the calendar year 1975 increase—an increase which it termed "unexpected."

CONCLUSION

By juxtaposing the calendar year 1975 export figure with a description of the market development activities of its cooperator, the American Soybean Association, FAS has, perhaps unwittingly, claimed a causal connection between the two. An FAS official said that it was probably misleading to imply that the export volume for any given year is the consequence of market development activities which may have only an incremental although cumulative effect on volume after many years of promotional effort.

OVERALL CONCLUSIONS

FAS, by juxtaposing statements about the quantity of commodities exported in

fiscal year 1975, with descriptions of its cooperators' market development activities has, perhaps unintentionally, implied a cause-effect relationship between these activities and exports. This was misleading because:

Although the effect of cooperator market development activities may increase our exports over the long run, FAS cannot quantify this effect either in a particular year, or over time.

Short-term demand and supply conditions in various countries have more impact on our exports in a particular year, than does a market development campaign.

In addition, as described in the cases reviewed, FAS testimony was often misleading due to errors in facts presented. For example, incorrect quantities were reported in one case, while in other instances the increases in U.S. exports of commodities resulted from factors having nothing to do with cooperators' market development activities, or occurred in countries where there were no such activities.

Mr. ALEXANDER. Mr. Chairman, during the 5 years since the enactment of the Rural Development Act a combination of executive hostility to full implementation and insufficient congressional effort toward reordering priorities has slowed attempts to turn the promise of this broad ranging, landmark legislation into performance.

Some progress has been made; but, there is still a long way to go to reach the objective of revitalization of small countryside communities, towns, and cities.

Budget restraints keep this appropriations bill from being what all of those of us concerned with the future of the Nation's countryside would like to have achieved. It, nevertheless, contains significant steps forward. Loan levels for community development and farm operating programs are generally higher than in the past. Grant programs have been restored and/or increased.

I believe the harvest from this bill will be economically and culturally stronger communities better able to provide more numerous and attractive job opportunities. This has always been a major concern for countryside communities and in times of higher unemployment, such as now, the need to respond becomes even more urgent.

The progress evident in this bill has come through the leadership of our subcommittee chairman; and a coalescing of concern and active support of the Congressional Rural Caucus, CRC, the members of the House Committee on Agriculture, and the many nongovernment national organizations, with non-metropolitan concerns, that provide assistance through the CRC advisory team.

Foundations for the potential progress through this bill have long been laid. We must move more rapidly with the building.

Through this bill we propose to help the administration make better use of proven loan and grant program, administered by the U.S. Department of Agriculture, through increasing the fi-

financial resources available to them. This is necessary to accommodate the rapidly expanding credit needs of the individual citizens and the communities of our Nation.

Using the Federal and private institutions already in place across the Nation we can stimulate generation of jobs at a profit to the taxpayer. The result will be increased tax revenues as a result of increased, or new, wages and salaries as well as profits from business, industrial, and farming enterprises.

The programs which we are strengthening through increasing the available resources are some of the most economical, effective, expeditious, and beneficial mechanisms available for countering problems of unemployment and underemployment, as well as economic instability. Depending heavily on repayable loans with modest grant assistance, these programs put a minimal strain on the Federal Treasury.

U.S. Department of Agriculture data show that in fiscal year 1976 and the transition quarter the Farmers Home Administration made 244,208 loans valued at \$6,903,633,762 and made 1,433 grants valued at \$287,286,196. It is estimated that with this loans and grants FmHA activity created or saved 1,055,728 private sector jobs.

The loans are repayable and do not appear in the budget as outlays unless a loss is experienced or an interest subsidy is paid.

The decade-long migratory trend from rural to urban places has, in recent years, been arrested and reversed. People are leaving the metropolitan areas in unprecedented numbers. These people need jobs, housing, and community facilities when they get where they are going.

Small communities do not have the resources to cope, alone, with the problems arising from sudden, large increases in population. The programs authorized by the Rural Development Act, if fully implemented, can meet the needs of these communities and at the same time, help solve the national unemployment problem. And, history tells us that this can be done at a net profit for the taxpayer.

Mr. BEDELL. Mr. Chairman, as we engage in consideration of the Agriculture appropriation bill for fiscal year 1978, I would like to commend the Appropriations Committee for its foresight in providing funding for research into Aujeszky's disease, commonly known as pseudorabies.

The amount designated for this purpose is \$300,000, the same amount specified for such research in the fiscal year 1977 supplemental appropriation bill. This additional funding for fiscal year 1978 for research into this deadly livestock killer is timely and necessary as the disease is spreading rapidly.

Though few in the general population have ever heard of pseudorabies, the small and, unfortunately, growing numbers of pork producers who discover that their herds are afflicted know all too well the hazards of this fatal disease, which causes death in all affected newborn pigs and fetal death with abortion in preg-

nant swine. The undeniable trend is toward a rising incidence of the disease. If allowed to continue uncontested by research and appropriate control and eventual eradication efforts, the problem will only grow more serious.

Consider the following estimates of State-by-State herd contamination which were compiled by the Veterinary Services—Animal and Plant Health Inspection Service—USDA—last March:

Pseudorabies incidence in swine

State	1974	1975	1976
Alabama	1	0	5
California	0	5	5
Florida	1	1	1
Georgia	3	5	16
Illinois	3	8	75
Indiana	40	59	116
Iowa (Iowa Agriculture Department)	31	48	250
Kansas	15	20	30
Maryland	0	0	2
Minnesota	0	4	11
Montana	0	0	1
Missouri	1	10	20
Nebraska	15	21	33
North Carolina	0	1	1
Ohio	0	2	2
Oklahoma	0	0	1
Pennsylvania	1	0	0
South Carolina	0	0	1
South Dakota	12	33	148
Tennessee	0	0	2
Texas	1	7	13
Wisconsin	1	1	3
Wyoming	0	0	3
Totals	125	225	739

Mr. Chairman, this ominous tally, which many knowledgeable people feel is a conservative estimate of the scope of the problem, clearly illustrates that pseudorabies does not recognize the limits of State boundaries. It adheres to no quotas. It will arise wherever, whenever, and however it can.

I believe that it is imperative that we determine the true nature and extent of the killer, and that we act to defeat it.

By providing research funding in the fiscal year 1978 USDA budget, we are taking another important step toward the first, very basic goal of understanding the enemy. As I stated in testimony before the House Appropriations Committee's Subcommittee on Agriculture this past March, it is far wiser to provide adequate funding now, in the fiscal year 1978 budget, than to spend more dollars later and risk greater economic hardship for swine, cattle, dogs and other species of domestic and wild animals which are also susceptible to the disease.

Toward the second, equally important goal of establishing an effective program for the control and elimination of pseudorabies, the USDA's Animal and Plant Health Inspection Service, APHIS, after extensive public and professional discussions, has very recently proposed regulations which would phase-in standards involving a certification program and rules on interstate transportation of swine for breeding or feeding purposes. These rules and regulations are designed to insure that USDA would

work with the States to set up and maintain a control program leading to eventual eradication.

It is my understanding that APHIS estimates that it will need \$1.55 million to cover the costs of this control program. That is separate from the \$300,000 which is already included in the fiscal year 1978 agriculture appropriation bill for the pseudorabies research activities of the Agricultural Research Service. It was most unfortunate, although unavoidable, that the USDA announced its control proposal after the House Appropriations Committee had already completed its work on this appropriation bill, thus leaving no time for proper and thorough consideration of funding for APHIS' control proposal.

Nevertheless, I think that it is important to recognize the distinction between our research effort, and proposals for control and eradication of the disease. In my view, we should conduct our campaign against pseudorabies on two fronts—by providing adequate funding for research on the causes and effects of the disease and by establishing a responsible and effective program to eliminate it. These are two separate issues.

I am pleased that the Committee has included funding for research on pseudorabies in the fiscal year 1978 agriculture appropriation bill, and I urge support for this appropriation. But, beyond that, I hope that the Senate and the House will work with the administration to create a pseudorabies control program, and that this effort will be conducted in a timely, constructive and equitable manner. I will certainly do all I can to contribute to that end, and I hope that my colleagues in the House will be aware of the pseudorabies problem and be receptive to the congressional effort to solve it.

Mr. GRASSLEY. Mr. Chairman, I just want to express some concern at this point about a recommendation in this bill concerning the Rural Development Service and the rural development coordination activities mandated by section 603 of the Rural Development Act of 1972. The responsibility for carrying out these activities was delegated by the Secretary of Agriculture to the Rural Development Service in 1973. Language in the report on H.R. 7558 suggests that the Rural Development Service now be eliminated, and recommends that the Farmers Home Administration be required to assume the section 603 responsibilities.

I certainly respect the views of the gentleman from Mississippi, the chairman of the Subcommittee on Agriculture and related agencies, but I have some serious problems with this recommendation. First, I question whether this kind of reorganization should be attempted in an appropriation bill. Our Subcommittee on Family Farms, Rural Development and Special Studies will be taking a look at rural development programs and policy later this year, and the administrative structure of the rural development effort at the Federal level will, of course, be a part of that consideration. The other body is in the process of doing this right now and, in fact, the counterpart of our subcommittee in the other

body issued a report in March recommending that the Rural Development Service be maintained as a separate agency within the Department of Agriculture, and that the RDS Federal assistance program retrieval system, the National Rural Development Information System and the National Rural Development Leaders School be continued and expanded. I believe we need to take a good look at this whole issue and make our recommendations on the basis of our own evaluation of rural development needs, taking the findings of the other body into consideration. It would be premature to carry out the suggestions in the report on H.R. 7558 before such an evaluation is made.

In addition, I want to point out that the administration opposes this proposed merger of the Rural Development Service with the Farmers Home Administration. I wrote Secretary Bergland about it last month, asking for his views on the matter, and I wish to include his response in the RECORD at this point.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 3, 1977.

HON. CHARLES E. GRASSLEY,
House of Representatives,
Washington, D.C.

DEAR CHUCK: Thanks for your letter of May 5, 1977, expressing your concern about the Whitten Subcommittee recommendation to merge the Rural Development Service (RDS) with the Farmers Home Administration (FmHA).

Because of my commitment to this Administration's principle of cooperation and coordination of governmental programs, the Department is not recommending the proposed merger. We believe that the interests of rural people are better served by having an independent agency to oversee the activities of some 42 departments and agencies that can provide assistance in rural development. Through the working relationships that RDS has developed with executive branch program managers and policymaking officials, we are able to ensure that rural people have access to a fair share of the available resources. These are necessary components to a successful rural development effort.

The Rural Development Service has no funded programs of its own to administer. This places the agency in the unique position of being the only agency in the federal government that can direct its attention to and provide information on the broad range of resources available to rural communities throughout the government and the private sector. To merge RDS with a program agency, such as FmHA, would not only be detrimental to the interests of rural people but would impair our capacity to carry out the mandate of Section 603 of the Rural Development Act.

You will be interested to know that I strongly support the intent of Section 603 of the Rural Development Act and am in the process of fully implementing existing regulations to revitalize cooperation with those branches of government which can assist with the development of rural America. It is my hope that they will willingly cooperate in the fulfillment of both the spirit and the letter of the Rural Development Act of 1972.

I look forward to working with you and other members of Congress in establishing a comprehensive and coordinated approach to the development of rural America.

Sincerely,

BOB BERGLAND,
Secretary.

The Secretary says:

To merge RDS with a program agency, such as FmHA, would not only be detrimental to the interests of rural people but would

impair our capacity to carry out the mandate of Section 603 of the Rural Development Act.

In light of the Secretary's strong feeling on this it certainly should be reconsidered before action is taken that might be regretted later.

It may well be that our rural development effort should be restructured. There may be better ways of approaching the needs and problems of rural areas about which we are all so concerned. But we need to look at the whole picture from the standpoint of the basic authorizing legislation, rather than trying to change one part of it through the appropriation mechanism. The views of the distinguished chairman, the gentleman from Mississippi, are not shared by all of his colleagues in the House, and I would hope the USDA would look upon the language in this report as a suggestion only, for their consideration, rather than a legislative mandate that must be carried out.

Mr. AMMERMAN, Mr. Chairman, this bill will provide funds in fiscal year 1978 for a wide variety of worthwhile programs and activities in the agricultural sector. I would like to dwell on a few of them which are of particular interest to my district as well as the State of Pennsylvania as a whole.

The trend in Federal financial support for the State agricultural extension services has been a matter of special concern to Pennsylvanians, and I am sure to the citizens of many other States, for some years. The budget estimate for extension activities in fiscal 1978 has once again shown essentially no increase to enable the States to cope with effects of inflation. And this is one area in which the Carter administration chose not to recommend added funds in its February budget amendments.

I am gratified that our Agricultural Appropriations Subcommittee, as well as the full committee, has proposed an increase of \$10.5 million over the administration's budget for the Extension Service. Of particular concern to my State is funding for the conduct of Extension activities through the land-grant colleges under authority of the Smith-Lever Act. For this area, in which the 1978 budget request was the same as the 1977 appropriation, the committee allocated \$4.5 million of the \$10.5 million increase. The committee also restored \$1 million for rural development activities which had been eliminated from the budget, and it added \$1.5 million to fund the Farmer-to-Consumer Direct Marketing Act of 1976, which had been excluded from the budget. In addition, the committee recommended increases of \$3 million for the highly successful urban gardening program as well as \$500,000 for the activities of the 1890 land-grant colleges.

I find the proposed \$4.5 million increase in Smith-Lever funds to be particularly useful. In Pennsylvania some 57 percent of our extension budget is derived from Federal sources. The combination of constant budgets and the inexorable pressure of inflation have forced us, and I suspect many other States, to cut extension staff and services. This modest 3-percent increase is less than I would like but, hopefully, it will

permit our State extension services to avoid further personnel cutbacks.

I must register one note of disappointment with the extension funding proposed in the bill. Once again, the committee has failed to recommend funding for the expanded forestry program.

I am convinced that greater emphasis on extension education in our forestry resources can pay real dividends. I am hopeful that the Senate will again include in its version of the bill the \$5 million needed for this program, and that this time the funds can survive conference.

In two other areas, however, the committee has included funds which should improve our overall forestry program. The proposed appropriation for the cooperative State research services includes \$9 million for cooperative forestry research, an increase of almost \$800,000 over both the 1977 funding level and the 1978 budget request.

The committee has also restored to the bill \$15 million for the forestry incentives program. Neither the Ford nor the Carter administrations had recommended funding for this program, which is designed to encourage the development, management, and protection of private nonindustrial forest lands and was authorized by the Agricultural and Consumer Protection Act of 1973. It is designed to provide technical assistance and long-term cost sharing agreements with private landowners and should be of real value in States with relatively large areas of undeveloped but potentially productive private forest lands.

The committee also restored funds for a variety of other programs which had been excluded from the revised budget. The \$15 million for forestry incentives is part of a total of \$67 million which has been put back in the bill for rural development.

For domestic food assistance programs, which utilize about 70 percent of the funds provided in this bill, the committee has restored \$361 million. This amount includes \$120 million for a program I find particularly deserving of mention, the special milk program. It is designed to increase consumption of fluid milk in primary and secondary schools, child care centers, summer camps and other nonprofit institutions. The increase in funding to \$155 million, the level appropriated in 1977, will restore subsidized milk to children who attend school on split shifts, children who bring their lunch, as well as those who do not eat lunch at school, all of whom would have been excluded from the program under the administration's proposal. I believe the committee's action in this area reflects the important nutritional benefits which some of our children were obtaining from the fluid milk provided in this program.

Mr. Chairman, I have dealt with but a few of the many items that are funded in this bill. This should not be taken to imply a lack of interest in or support for the wide variety of important activities in the agricultural sector which will be financed under H.R. 7558. While this bill does not do everything we might want, it will finance a balanced agricultural

program that is within the budget resolution target for this sector. I believe it is deserving of our support, and I urge my colleagues to vote in favor of H.R. 7558.

Mr. PRESSLER. Mr. Chairman, one of my constituents wrote to me recently with the suggestion that we take the Department of Agriculture appropriations and give a direct payment to each farmer in the United States. He thought this would aid our farmers and rural Americans far more than the current Department of Agriculture programs.

My South Dakota constituent may have a point. Since coming to Congress, I have always advocated the need to promote a producer-consumer partnership in our country. All too often, American consumers are unaware of the costs of agricultural production and of the quality of life in rural America.

The appropriations measure before us today demonstrates this unawareness. As a member of the executive committee of the Rural Caucus, I am cognizant of Congress' unwillingness to fund programs aiding rural Americans. The Rural Caucus submitted a budget package to the House Budget and Appropriations Committees specifically for the needs of rural areas. Many portions of the Rural Development Act will once again go unfunded this next fiscal year—as they have since the act became law.

H.R. 7558 asks us to approve new obligatory authority for the Department of Agriculture, yet only \$2 billion of the \$12.7 billion budget request is directly related to agricultural production and only \$1.8 billion is for rural development. If this measure is supposed to reflect a producer-consumer partnership, it looks as if the producer is getting the short end of the deal.

Admittedly, producers benefit from the food stamp and school lunch programs, and other consumer-related programs within the Department of Agriculture. However, it appears that our priorities are out of order if we are appropriating approximately the same amount of money for the food for peace program as we are for rural development. The Department of Agriculture's budget reflects the direction of that agency's energies. 70 percent of the budget provides direct assistance to consumers, while the producers are only getting 30 percent of the budgetary pie.

It is my hope that we will soon see a greater understanding between rural and urban America.

Mr. WHITTEN. Mr. Chairman, we have no requests for additional time.

Mr. ANDREWS of North Dakota. Mr. Chairman, we have no requests for additional time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

FEDERAL GRAIN INSPECTION SERVICE

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 for employment under 5 U.S.C. 3109, \$10,944,000: *Provided*, That this

appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

AMENDMENTS OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer two related amendments and ask unanimous consent that they be considered en bloc. One of them is the amendment that I am presenting and the other is to strike section 614, which is in a different section of the bill.

The Clerk read as follows:

Amendments offered by Mr. WHITTEN: Page 4, line 23; strike the period and insert "Provided further, none of the funds provided by this act may be used to pay the salaries of any person or persons who require non-export, non-terminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such act."

And strike section 614.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, at the time we were marking up the bill we were informed that several hundred inspectors were requested for the internal points of the United States. We on the committee were familiar with the fact that there had been some problems at the terminal markets at places of shipment abroad. At that time, it was not understood by the committee that there would be any need for additional inspectors in the interior part of the United States due to the fact that we were not aware of any problems there.

Subsequent to the markup on the bill, in which we wrote section 614 limiting the total number of personnel, we learned from our good friend from Iowa (Mr. SMITH) that under the new act, which was passed by the Congress and became law, that those employees of grain companies could no longer serve on a part-time basis as inspectors in the inland markets. Since that is true for many of the areas where they use these part-time employees who are identified with certain grain companies, it makes it necessary to provide additional people.

What this amendment does is to strike section 614 where we prohibit such people and then provide funds for inspectors, who will be limited to inspecting grain that goes into interstate commerce and into world trade. I think it is a sound position and a position that we have found necessary after we wrote the bill. I trust it will have the support of the committee.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from North Dakota is recognized.

Mr. ANDREWS of North Dakota. Mr. Chairman, I would like to point out to the House that the concern of the committee was that our grain inspection be tightened up. This, after all, was the subcommittee that had inspectors going

over to Europe to find out what was happening in weighing and quality control in our grain exports, to find out why our farmers were continually forced to be the residual suppliers in an international grain market. We found the abuses that were there, turned the information over to the Justice Department for prosecution and directed the Department of Agriculture to take steps to clean this up. However, some of the things that they did did not make much sense.

One of them was they wanted 471 employees in grain inspection in Washington, D.C. There is not a whale of an awful lot of wheat or corn or soybeans that moves through the port of Washington, D.C., and it does not make much sense to have 471 people in the Grain Inspection Service here. They ought to be out in the field doing what they are supposed to be doing.

This originally was part of our language saying let us put the people where they ought to be. The amendments that are now offered by the gentleman from Mississippi on behalf of the committee strengthen that resolve and point out that these people in the field should be working on export grain and in terminal elevators but should not be putting an unnecessary burden on the small country elevator where the grain is shipped within the United States and where the abuses of grain grading have not taken place.

Mr. Chairman, we support the amendments, we think they are excellent and much needed.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

I support the amendments. They remove the absolute limit on personnel for Interior points and also provide that the Department shall not require local elevators to keep voluminous records which really serve no purpose. The Department interprets the law to require audits and extensive recordkeeping of all the transactions of any local elevator which requests an inspection of even one lot of grain. Clearly the records that serve a purpose at a local elevator are limited mostly to those involved in an official inspection or weighing and other records such as total volume in and out which they would have anyway. This amendment will save thousands of hours of unnecessary bookkeeping by small businessmen which would have served no useful purpose and would have been unnecessary to fulfill the purpose of the act.

THE CHAIRMAN. The question is on the amendments offered by the gentleman from Mississippi (Mr. WHITTEN).

The amendments were agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c) necessary to prevent, control, and eradicate pests and plant and animal disease; to carry out inspection, quarantine, and regulatory activities; to carry on services related to consumer protection; and to protect the environment, as authorized by law, \$429,225,000 of which \$2,750,000 shall be available for the

control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions and \$4,460,000 may be for repayment to the Commodity Credit Corporation of advances (and interest thereon) made in accordance with authorities contained in the provisions of the appropriation items for the Animal and Plant Health Inspection Service in the Agriculture and Related Agencies Appropriation Act, 1976: *Provided*, That \$1,000,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That this appropriation shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but, unless otherwise provided, the cost of constructing any one building shall not exceed \$62,500, except for three buildings to be constructed or improved at a cost of not to exceed \$120,000 each, and the cost of altering any one building during the fiscal year shall not exceed 7.5 per centum of the current replacement value of the building: *Provided further*, That this appropriation shall be available for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, except for purchase of land for an Animal Holding and Testing Facility at Ames, Iowa: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts.

AMENDMENT OFFERED BY MR. McEWEN

Mr. McEWEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McEWEN: on page 7, line 22, strike out: "\$429,225,000 and insert the following: \$432,505,000."

Mr. McEWEN. Mr. Chairman, my amendment would add \$3.28 million to the Animal and Plant Health Inspection Service—APHIS—for fiscal year 1978. These funds are intended to enable APHIS to raise the indemnity payments for grade dairy cows and registered stock afflicted with brucellosis to \$150 per head and \$250 per head respectively.

I would like to explain to the distinguished subcommittee chairman that I support the bill on which he and his able colleagues have labored so hard. Had the extent and severity of the current brucellosis outbreak in New York State, the State of Washington, and

some other States been known earlier this year, I would have brought this matter before the House Agriculture Subcommittee so that my proposal could have had the benefit of a complete review by the Agriculture Subcommittee and the full Appropriations Committee. However, this problem did not become evident until this spring and, due to the infectious nature of brucellosis, it is still not known how many dairy herds will be sharply reduced or forced to depopulate.

As I have mentioned, farmers in a number of States have been severely affected by this recent increase in brucellosis in dairy cows. Brucellosis is also a problem for beef cattle producers. However, the Federal brucellosis indemnity program usually provides enough compensation to permit the cattlemen to replace beef animals that have to be slaughtered.

Dairymen are not so fortunate. The Federal brucellosis indemnity of \$50 for grade animals and \$100 for pure bred stock is far below the current market value of dairy animals. While milk production per cow has steadily increased since World War II, the number of dairy cows has decreased by 50 percent. In 1950, there were 22 million dairy cows. In 1976 the figure was 11 million. This is one reason why the national average price of a grade dairy cow has increased from \$198 a head in 1950 to \$500 a head in 1977. Shipping costs and the standards each farmer requires in his herd can add to that average price. In my own congressional district of New York, it is more common for a dairy farmer to pay \$600 or \$700 for a grade animal.

I am pleased that the brucellosis eradication program has been continued and expanded in the bill we are considering. I am disappointed that sufficient funds are not available to increase indemnity payments for grade dairy animals and registered stock that contract brucellosis.

There are 26 herds in New York State currently under quarantine. The State department of agriculture and markets is in the process of testing more than 800 herds and officials in Albany are fearful of finding as many as 60 infected herds as a result of this survey. At least two county fairs in my congressional district will not show dairy animals this summer. This will be the first time in more than 100 years that one of these county fairs, the Jefferson County Fair, has not shown dairy animals.

However, the New York State is not alone in coping with a brucellosis outbreak this year. Four States have shown a marked increase in bovine brucellosis in the last year: Florida, Kentucky, New York, and Washington. The following chart compares the latest available data showing the number of infected herds with the number of infected herds one year earlier:

Herds infected with bovine brucellosis		
	April 30, 1976	April 30, 1977
Florida	477	524
Kentucky	285	317
New York	5	26
Washington	1	11

Florida and Kentucky do have a large number of beef cattle herds, but in New York and Washington, all the infected herds are dairy herds. The numbers may not be as impressive in New York as they are in Florida and Kentucky, but the personal loss suffered by dairymen is severe. A farmer from St. Lawrence County, N.Y., with a 100-head herd was recently forced to depopulate. He must start from scratch, if he can finance such a major undertaking. One of the biggest dairymen in northern New York has had to destroy 68 reactors out of his 200-head herd. New York State Agriculture and Markets Department officials are continuing to test the remaining animals every couple of weeks. Without adequate indemnity, it is questionable whether dairy farmers who lost their herds could stay in business.

I have discussed raising indemnity payments with officials at the Animal and Plant Health Inspection Service. It is their opinion that the present level of indemnity payments is not sufficient to compensate a dairy farmer whose herd is struck by brucellosis. It is my understanding that they intend to come before Congress when they are prepared and request additional funds to raise the amount of brucellosis indemnity payments. APHIS officials were kind enough to supply me with their estimates that raising the indemnity payments as I propose would cost \$3.28 million.

I also spoke with USDA's general counsel staff to confirm that the authority to increase indemnity payments exists in the present law. It was their opinion that 21 U.S.C.A. section 114A provides the Secretary of Agriculture with discretionary authority to set brucellosis indemnity levels and that additional authorizing legislation is not required to raise these payments from current levels.

In most cases, I believe \$150 per head for grade dairy animals and \$250 per head for registered animals would be adequate to keep the dairy producer in business. Many States, although not all, have supplementary brucellosis indemnity payments that provide some additional assistance, but the combination of Federal and State payments rarely enables a farmer to replace his losses. I know dairy farming is in danger of becoming a dying way of life in northern New York and I suspect this is the case in many parts of the country. The price of getting into the business is almost prohibitive and the risks that threaten today's producer can be crippling. If \$3.28 million can reduce one of these risks and allow more families to stay in this important business, it is a small price to pay.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think my colleague on the Committee on Appropriations, the gentleman from New York (Mr. McEWEN), raises a serious question here and one that is proper to raise. With inflation and all the other problems we have, certainly it is proper for the Secretary of Agriculture to review the present rates of indemnity payment.

However, I call attention to the fact that for brucellosis eradication we already have in the bill approximately \$47

million, and that is, in turn, a part of the larger sum of \$429 million which is carried in the bill for the Animal and Plant Health Inspection Service and which the gentleman's amendment would change.

The reason I say that his amendment, in my opinion, would not go to correcting the problem is the fact that the amount of the indemnity is fixed by the Secretary of Agriculture under existing law. In many States, in their efforts to eradicate not only brucellosis but also some other diseases, the State pays an additional indemnity. Those indemnities have historically been much less than the value of the animal prior to its having contracted the disease.

With time, and with the inflation of the dollar, it has gotten to where the amounts that have been set out by the order of the Secretary of Agriculture appear small, indeed, as compared with the actual worth of the animals.

So if the amendment offered by the gentleman were approved, it would not be controlling on the Secretary of Agriculture to change these rates. I do hope the Secretary will follow up on this and that he will review the amounts fixed for the indemnity, but I hope the committee will vote down that amendment. And if it is voted down, I hope that it in no way will be taken as Congress being opposed to the Secretary reviewing the rates presently existing. I think the debate here will help bring the results which we both desire.

I do hope we defeat the amendment, because if we do accept it, it will make the amount go over the budget request for this item.

If the gentleman withdraws his amendment, I will join the gentleman in asking the Secretary of Agriculture to review this.

I would hope that the gentleman might withdraw the amendment, since I do not think it reaches the point the gentleman makes. The debate, in turn, does reach the subject matter and gives such justification for the Secretary to review present limits and to make more realistic commitments.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I thank the distinguished chairman of the subcommittee for the concern the gentleman expresses for the seriousness of the problem.

May I say to the gentleman, it is a little like the chicken and the egg situation; which are we going to have first?

The additional funds appropriated to permit an increase in the indemnities or an administrative act on the part of the Secretary to increase indemnities and then, I assume, come to the Committee on Appropriations for supplemental? I wondered what the distinguished chairman would suggest on that.

Mr. WHITTEN. Mr. Chairman, may I say that if the question of supplemental funding comes up, we certainly will deal with it.

However, the \$3.28 million the gentleman suggests would be a part of the \$429 million available appropriation. It strikes me if the Secretary would agree with what the gentleman would like for him

to, and which I would recommend, then within the available \$429 million they would probably have no trouble finding sufficient funds.

Mr. McEWEN. Mr. Chairman, if the gentleman will yield further, I appreciate that.

Let me state also one other concern here, that is that with the present outbreak there are new reactors being found and new herds are identified that are infected almost daily. I am concerned with the time element, when we make them effective. I presume it is not going to be retroactive, that if it is going to be helpful to those facing almost a total financial disaster, it will wipe out the dairy operation. I think that the action has to be timely.

Mr. WHITTEN. Mr. Chairman, may I say to my colleague that the bill before us provides funds beginning the 1st of October. I am utterly and completely sincere, as I know the gentleman is, and I recognize the problem.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WHITTEN was allowed to proceed for an additional 2 minutes.)

Mr. WHITTEN. Mr. Chairman, I will be glad to join with the gentleman in asking the Secretary to review this. If he should review it, and act according to the desires of the gentleman and my own, and if it took additional money, it would be my expectation that sufficient funds could be found.

Mr. McEWEN. Mr. Chairman, if the gentleman will yield further, could I ask the gentleman if that action could be taken before the beginning of the fiscal year under the authority the Secretary has now?

Mr. WHITTEN. The Secretary, so far as I know, is authorized under the existing law to take immediate action with funds available from now to the beginning of October. That is my understanding of the present law.

Mr. McEWEN. Mr. Chairman, let me say I deeply appreciate the gentleman's assistance.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the gentleman withdraws the amendment.

The Clerk will read.

The Clerk read as follows:

FARM INCOME STABILIZATION
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE
SALARIES AND EXPENSES

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); sections 7 to 15, 16(a), 16(b), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590q); sections 1001 to 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1510); the Water Bank Act (16 U.S.C. 1301-1311); and laws pertaining to the Commodity Credit Corporation, \$161,019,000: *Provided*, That, in addition, not to exceed \$76,415,000 may be transferred to and merged with this appropriation from the

Commodity Credit Corporation fund (including not to exceed \$34,218,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds appropriated or made available under this act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 18, line 21, strike out the period and insert the following: "*Provided*, That no part of the funds appropriated or made available under this Act shall be used for the payment of salary of any officer or employee to formulate or carry out a program providing payments to sugar processors."

Mr. MICHEL. Mr. Chairman and members of the committee, we have here a rather familiar sound, if we were all quiet enough to hear it. It is the sound of the lobby bird, with its familiar song: "Gimme, gimme, gimme."

It is the plaintive sound of a special interest group singing a song of woe, calling for some of the taxpayers' money. We have all heard that before. Indeed, some say that it is the official congressional song. Now we are hearing it from the sugar farmers this time. They say they will stop singing if we hand over to them a quarter billion dollars of other peoples' money.

That is what President Carter apparently wants, to pay sugar growers through cash subsidies. We all know who is providing the cash. In words every American can understand, my answer to the sugar farmers' request for taxpayers' money is short and sweet: "No way."

If there is to be an amendment to the Agricultural Act that ought to be made to bail sugar growers out of a particular problem, that is one thing, but take a look at what my amendment is attempting to cure here today. Three years ago, as every housewife knows, the price of sugar soared. Sugar growers cashed in on the high prices and expanded their production. But the rise in production has resulted in a super-abundance of sugar on the world market. The inexorable law of supply-and-demand took over and sugar growers found themselves in trouble as the world became inundated with sugar.

Let me pause here to say that I am not gloating over the misfortune which has hit the sugar industry. It is difficult to guess correctly in such an industry, and I am sorry that some people have been

caught guessing wrong. But, when President Carter tells us that we must give a subsidy to sugar processors in the form of cash payments which in turn, are intended to be handed to sugar farmers, we are creating an intolerable situation. Some of these farmers have plantations, and they are big business, amounting in one case to 75,000 acres. So, what the President is doing is subsidizing the big boys at the expense of the taxpayer.

Let us look at the facts. The President says that he wants to keep Government costs down. Yet, this Carter subsidy program alone would require \$240 million in taxpayers' money. All of this money would go to subsidize 16,000 sugar farmers. But, we are not sure under the present act whether it is legal or illegal to make payments directly to farmers. In my judgment, there is no authority in law to do that.

What about the other 2 million producers of crops? They are asked to split sums between \$2 and \$4 billion. That does not seem like justice to me, when 16,000 are supposedly going to get a quarter of a billion dollars. As is typical in one of these subsidy cases, it will do nothing to solve the problems that caused the sugar growers to get into trouble in the first place. They are only encouraged to increase their production at a time when the world is fairly drowning in sugar.

If one happens to be in the domestic corn sweetener industry, this subsidy to big sugar will penalize one for having exercised good business sense. I do not know why those who toil in the corn sweetener industry should have to see their tax dollars going to their competitors in the field of sweeteners.

I just happen to think that we ought not to be deceiving the taxpayer. He is going to be hurt, not helped, by this raid on the public treasury. A government that is intent upon giving away taxpayers' money is not bringing down the price of sugar, but instead is bringing up the price of everything through inflation.

Mr. Chairman, I urge adoption of this amendment.

Mr. TRAXLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I come from an agricultural district, and I am pleased to tell the Members that I represent beet growers and consumers. The majority of my constituents are not farmers. They are consumers. The majority of my farmers are not beet growers. Indeed, I probably have more corn growers in my district than I have beet growers. But I will tell the Members that this amendment is not in the interest of American agriculture nor is it in the interest of the American consumer.

What is happening here—and tragically—we see one element of agriculture pitted against the other, and it ought not to be. This amendment ought not to have been offered, and we ought not to be discussing it. There is room in the sweetener business and industry and there is room for corn, beets, and cane. We should not let anyone kid us. Corn is now a subsidized commodity. I will not join with the gentleman in offering an amendment to strike corn from subsidi-

dized commodities, price-supported commodities. Nor will I join with him in his efforts to frustrate the administration's effort to see that we do not have a cartel formed by foreign sugar-producing countries which ultimately strangle our own processors of sugar and cane to the disadvantage of the American consumer.

We import up to 50 percent of the sugar consumed in this country. That figure is increasing. We imported 21 percent more cane sugar in the first 3 months of 1977 than we did in the same quarter in 1976. We need a domestic sugar industry, both corn, cane, and beet. I am opposed to an OPEC-like foreign sugar cartel that will surely come into existence if we allow the American sugar beet grower to go out of business. The International Trade Commission recognized that the foreign sugar producers were subsidizing the imported sugar into this Nation. They recommended quotas. This, obviously, posed some problems for the free-trade policy of the Carter administration. The administration recommends a subsidy of up to 2 cents a pound for domestic grown cane and beet growers. The rules and regulations to implement it have just been promulgated. We have an amendment to an appropriation bill to stop a program that has not even begun.

I must tell the Members that my beet people are not all that enthusiastic about this program. But I must also tell the Members that it is the only ball game in the block. And to strangle this infant before we know whether it is going to provide some survivability to what I consider to be an essential domestic industry. If the House adopts this amendment it is condemning our cane growers, our beet growers, our processors, our farmers, the workers in that industry, to eventual demise. They would be eliminated. I do not think it is in the interest of the consumers in this country to turn them over to a sugar cartel of foreign nations.

Mr. Chairman, I strongly urge the Members to defeat the amendment, cast a vote for the American consumers and the American sugar industry.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. TRAXLER. I yield to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. I thank the gentleman for yielding.

What is the rationale for making this payment to processors rather than to the producers?

Mr. TRAXLER. I have not had a chance to talk to the people in the Department of Agriculture who promulgated the regulations. I presume that is to avoid a necessity of inventorying every farm and its acreage by the Department. The producer knows how many acres are in production by the beet farmers, how many tons of cane or beets he has produced, how many pounds come from the particular acreage, and this would be the most likely and least expensive way of administering the program.

Mr. BURLISON of Missouri. But the gentleman knows of no objection on the part of his producers to this mechanism?

Mr. TRAXLER. Specifically, this proposal?

Mr. BURLISON of Missouri. The mechanism that is proposed.

Mr. TRAXLER. No, I do not. I think it is the cheapest way of doing the job.

Mr. BURLISON of Missouri. Mr. Chairman, I thank my friend, the gentleman from Michigan.

Mr. TREEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it needs to be brought out that the cost of producing cane sugar in Louisiana, which is one of the larger sugar cane States—Louisiana and Florida producing most of the sugar cane—is about 17 cents per pound. The cost is actually moving higher than that, but the last study, made a year ago, showed 17 cents a pound. The world market in May of this year was just at 10 cents per pound. In other words, the cost of production is 7 cents per pound higher than the world market.

I realize that the sugar farmers made a good deal of money a couple of years ago when sugar prices went literally out of sight. Those of us who were trying to extend the Sugar Act at that time predicted that that would happen. We had a stabilized sugar industry in this country for many, many years because we had the Sugar Act which set up quotas for the foreign producers, requiring those producers to meet those quotas and thereby giving us a stabilized sugar market.

This Congress in its wisdom—or lack of it—decided not to extend that legislation which had been so helpful in stabilizing the market, so the prices went up and the farmers made a good deal of money.

But after that peak the price has come down, and all the predictions are that we will have a worldwide glut of sugar for many years to come.

So what do we have today? We have producers in sugar beet areas and producers in sugar cane areas who are getting less than the cost of production for their sugar.

Down in south Louisiana the growing of other crops is not really feasible. As one gets a little further north, one can perhaps grow soybeans, but in coastal Louisiana sugar is really the only feasible crop.

There is a tremendous investment in terms of equipment in the sugar mills and in the specialized equipment needed for farming sugar cane that cannot be utilized for other crops, even if the climate and the soil would permit other crops to be raised.

We have a lot of people employed in this industry, and many of them will become unemployed unless something is done.

This is a very modest step the President has proposed. As I understand his program, all the money would go to the sugar grower; only the administrative costs that the processor would have imposed on him would go to the processor. So this money would go to the grower, and most of the growers in Louisiana are small growers.

Mr. Chairman, we have a lot of employment riding on this issue that we

have before us today. I urge that the amendment be defeated.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

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

Mr. MICHEL. Mr. Chairman, as I have indicated in my general remarks, if there is indeed a problem in the sugar industry, it ought to be dealt with. I am however, much more concerned about the growers' welfare than I am about the welfare of the processors. Under the Act we find it is impossible to get aid and assistance—and the gentleman from Michigan (Mr. TRAXLER) referred specifically to corn producers—to go directly to the sugar-producing farmers. I have sympathy for them, and I would have sympathy with any concept that would correct that situation.

What I have a problem with, however, is going through the back door by paying through the sugar processors. Some of them are giant corporations and multinationals, and in this kind of program we are simply making multi-million-dollar contributions to multinational corporations.

Mr. TREEN. Mr. Chairman, does the gentleman not understand that the President's proposal is for the money to go to the grower, all that is not necessary for administration of the program.

Mr. MICHEL. I know that, but I doubt he will be able to get that done for we may have a court proceeding, because it is currently illegal to pay sugar growers under the act. There is no way to get around that except through the processors, and we say that is wrong.

We are going to have an agriculture bill up for consideration in a few weeks, and that will include food stamps and all the rest of it under the authorizing legislation. Why can we not address ourselves to that problem in an orderly fashion when we come to legislate on that bill?

Mr. TREEN. Mr. Chairman, I suggest to the gentleman that that might be a good idea. So if the gentleman will withdraw his amendment, perhaps we can address the problem in that fashion.

Mr. MICHEL. I do not want to take that much of a chance with this administration.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the author of the amendment raised a point that all of us should bear in mind.

We do have an agricultural authorization bill coming before us in the next couple of weeks.

Mr. Chairman, I think it very mischievous in terms of a sound agricultural policy, and even more so, if you will, with respect to those of us who represent urban and suburban consumer areas, to try to legislate on an appropriation bill matters which, if they are to be treated with at all, should be dealt with in an authorization bill.

The plain fact of the matter is that if this amendment is adopted—and I cannot speak for everybody but I have heard comments from my colleagues from other sections of the country—much of

the State of Hawaii will become an economic dustbowl. The fact remains that in Hawaii they have a few large sugar producers. That was inherent in the nature of the development of the then territory and now State of Hawaii.

The further fact remains that all of the people working for these sugar employers are in a collective bargaining unit, and sugar companies in Hawaii are in such desperate economic shape that the union is working without a contract and working without a wage increase, despite oppressive inflation in Hawaii. They are working under these conditions because if they do not, the companies for which they work Hawaiian operations are in financial difficulty.

Mr. Chairman, as so ably pointed out by our distinguished colleague, CECIL HEFTEL—who has been a real leader, and a tower of strength, in this fight—this amendment would guarantee that sugar workers in Hawaii would face major job losses.

Mr. Chairman, that is all the more reason to think seriously about this amendment, which affects a few other sections of the country. There will be another amendment talking about tobacco and a third one talking about God knows what—perhaps even food stamps.

Mr. Chairman, it just makes sense that this Committee on Appropriations fund the programs as they are authorized to do under law; and if we have changes that we want to make, let us make them in the authorization bill. Let us not—at least those of us in the cities and suburban areas—be misled by the sophistry we will be hearing this afternoon.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Chairman, I rise in opposition to this amendment. It would be a misrepresentation to suggest that sugar farmers have brought their current plight upon themselves by overplanting in order to take advantage of world prices that peaked in 1974. The current depressed price for sugar, indeed, results from a number of factors, but overplanting by cane and beet farmers is not one of them.

I should like to point out that the current low prices are world prices, resulting directly from, of course, a worldwide abundance of the commodity.

Further, it is obvious that this program does not relate in any way to crops of previous years. A careful reading of the program reveals that the program takes effect only with the 1977 crop. As pointed out by the Department of Agriculture, sugar in inventory from crops prior to 1977 will not be eligible for price support.

Passage of this amendment would assure the destruction and elimination of our domestic sugar industry, and I urge its defeat.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Arizona (Mr. RHODES), the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding.

I intend to oppose this amendment. In my opinion, it is not wise for us to do anything at this time which might inhibit the growing of sugar in the United States. I think adoption of this amendment might actually make us even more dependent upon sugar grown in other countries, Cuba being one of them.

Mr. Chairman, I just do not believe that this is a proper time to do anything which would hurt the domestic grower; and I, of course, have in mind—I am sure the gentleman from Washington (Mr. FOLEY) does, too—the fact that if there were no domestic sugar industry, the balance-of-payments situation in this country would be further exacerbated. Therefore, Mr. Chairman, I join the gentleman from Washington in what I assume will be his opposition to this amendment.

Mr. FOLEY. Mr. Chairman, I thank the distinguished minority leader for his statement, with which I concur wholly.

As he has said, very wisely, the effect of this amendment will be to threaten the continuation of the domestic sugar industry and to make us more dependent upon foreign sources. The international sugar markets are almost all arranged in some form of national or international preference arrangements. There is a very small so-called free sugar market, and it was the pressures on that so-called free market in late 1974 and 1975 that led to the amplification of sugar prices, as a result of which sugar reached unprecedented levels.

Mr. Chairman, I would also like to appeal to those of my colleagues on both sides of the aisle by saying that the process of attempting to decide legislative issues in an appropriation bill has become an increasingly serious problem in recent years, and in this case there is no excuse whatever for ignoring the usual legislative procedures. The amendment should be defeated.

It seems to me, Mr. Chairman, this amendment is particularly inappropriate when the authorizing committee, the Committee on Agriculture, is within 2 days of reporting its final determination on an omnibus farm and food stamp bill, when we have asked the Committee on Rules for a hearing on June 28, just a week from tomorrow, when we have asked for a tentative scheduling of the legislation the second week in July. At this point to attempt to introduce authorization questions in an appropriation bill when in less than 30 days the authorization bill is going to come before the House is, it seems totally indefensible.

An opportunity will be afforded for anyone who wishes to be heard on this subject to do so within a matter of less than a month, in a proper way, on an authorization bill when it comes before the House.

For these reasons, as well as the important substantive reasons, I hope the Members will join in rejecting this amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding. I have been persuaded by the gentleman's argument. I was intending to vote for the amendment. But I must ask what happens to the consumer, where we have a world market price of 10 cents and a price of 17 cents, and going up, how are we going to stabilize the costs to the consumer? I am trying to vote against the amendment because I believe we should hammer this out somewhere else.

Mr. FOLEY. The problem is that the price of sugar is something around 9 cents, which is below the cost of production. If some help is not given the domestic sugar producers, both cane sugar and beet sugar, in my judgment what will happen is we will simply drive more and more of our production overseas. If that happens, the very small free market in sugar may produce cheaper sugar prices for a year or two, but as soon as bad harvests or other situations prevail, the amplification of this will, in my judgment, result in what happened in 1974 and 1975, and we will be paying extremely high prices on sugar, somewhat akin to what happened recently in the coffee market.

But, Mr. Chairman, rather than getting into a debate today on the merits of this issue, I would hope that the Members will vote against this amendment and postpone those issues to the farm bill debate which we will undertake in a few weeks.

Mr. McFALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to provide another answer to the question of the gentleman from New Jersey in that this program will not affect the price on sugar to the consumer at the present time at all.

Mrs. FENWICK. I know that.

Mr. McFALL. It will still be determined by the world price.

Mrs. FENWICK. I am aware of that, I was simply referring to the disparity between the prices, because it seems to me to be forcing very high prices as compared to those of the world market. That is all I meant.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, sugar beet growers throughout the Rocky Mountain area have reacted with mixed emotions to the subsidy program announced by the administration on May 4. The program came in response to pleas by domestic sugar producers to protect the domestic market from the depression which it has experienced the past 2 years and the threat of increased imports of foreign sugar which have been arriving in this country at prices below costs of production, even in those countries.

Growers, while appreciative of the administration's concern for the industry, are disappointed that the method proposed falls far short of the goals to maintain a viable domestic producing industry. The goal of the program was to support the price of sugar to the level

of cost of production. Current cost of production on the average is running around \$28 per ton of sugar beets. Even at the most optimum level in achievement for this program the returns to beet growers would be \$3 to \$4 per ton short of the cost of production.

The view has been widely held that an import quota reduction and an increased import tariff would have yielded the desired goal without undue price increases to consumers or the use of tax revenues. This type of program had been proposed by the U.S. International Trade Commission, but was rejected by the President. If the USITC recommendations had been accepted sugar beet growers would have had the opportunity to exercise their own business judgment and practices within a favorable market environment.

However, today we are dealing with the only proposal before us, the President's decision to institute a payment program. Even though this program is inadequate and does not meet the objective to maintain the domestic producing industry, it is better than nothing, and any attempt to restrict payments or to make the program inoperative will result in the demise of the sugar beet industry.

There have been questionable statements made by proponents of limitation which tend to muddy the waters with respect to costs and discrimination. The program as proposed is for sugar beet and sugarcane growers—not for processors or refiners, who will receive only administrative costs of writing and mailing checks to producers. To state that it would cost the corn sweetener industry millions of dollars is hogwash.

The House Agriculture Committee has just reported a bill which provides support for commodities competing with sugar beets, which in a sense is reverse discrimination. To state that this program will create an artificial incentive to increase sugar production is simply naive and has no basis in fact. Even if a maximum support level was to be achieved there is little likelihood an increase in production would take place as this level is still below cost of production by at least 1 cent per pound according to studies of the Department of Agriculture.

Any action to limit the program would create disaster in the Rocky Mountain area, as action is needed now to demonstrate to sugar producers that they will not face bankruptcy. This is only a stop gap measure to await a final determination of what this Nation's sugar policy should be.

If some measure like the Sugar Act is not enacted we will be totally dependent upon foreign sources.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I join the gentleman from California (Mr. McFALL) in opposition to the amendment, and I appreciate the remarks of the chairman of the Committee on Agriculture and the remarks of the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment. Its adoption would have catastrophic consequences for American sugar producers. The remarks of the gentleman from Washington (Mr. FOLEY) and the gentleman from California (Mr. BURTON) have clearly delineated the issues involved here. In opposing this amendment I wish to associate myself with their arguments.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the unfortunate amendment offered by my colleague. This amendment is ill-advised on a number of fronts, and certainly presents no preferable alternatives to those proposed by the Committee on Agriculture and the President.

I am a little puzzled at the furor that has been raised over the President's action. The authority for his action, the Agriculture Act of 1949 was duly passed by the Congress, signed by the President, and the authority it contains has been used on a number of occasions in support of other commodities. There is no reason I can see to question its legality at this late date.

Proponents of the amendment represent their position as a consumerist position. Mr. Chairman, this amendment is about as consumerist as an OPEC oil price increase. The almost 7 million tons of domestic fructose production in 1976 displaced roughly \$1.2 billion in imports. With the current price of sugar running approximately 3 cents a pound below costs of production, it should be obvious that we will lose a number of domestic producers. The loss of domestic production can be made up in only one way—more imports, aggravating our negative balance of trade. Two years ago it was a rise in the world price of sugar that caused the unconscionable prices American consumers had to pay. As sure as bust follows boom this will happen again, and with fewer domestic producers to shield us the effect will be even worse.

The argument that this program will cause undue enrichment is, at least in California, totally without merit. Our cost of production is running over 13.5 cents per pound; at current prices, the support will bring our producers' returns to about 12.5 cents per pound. If those were the economics of wealth, our country would be overpopulated with millionaires. Even if the costs of production were met, American consumers would be getting the best of the deal. Canada is establishing a support price for sugar beets that comes out at nearly \$70 per acre higher than President Carter's proposal.

The argument that the President's program would militate against small producers is absolutely inaccurate as it affects California, where there is no substantial amount of acreage in sugar beets grown by producers. Without the support payments recommended by the President it will be precisely family size

farms which will go broke or, if they continue to operate, look for crops other than sugar beets to invest their money and labor in. We are already facing an unfortunate trend by younger farmers away from sugar beet production because of the tremendous risk involved in growing a crop for market at volatile world sugar prices in competition with substantial imports.

I also want to take issue with the statement that sugar producers face difficulties which are self-created by "bad business decisions." Anyone with even a passing acquaintance with the difficulty of marketing farm commodities knows that volatility is the first law of such marketing. U.S. production does not set the world price for sugar any more than it does for oil, and holding U.S. producers responsible for price fluctuations simply does not square with the facts. It is true that this is one of the risks of farming, but it is in this case a blind risk and one which the consumer shares in the outcome with the farmer. We cannot eliminate the risk; however, a responsible farm policy should, as the President is trying to do, limit the damage as much as possible. That is the essence of a good farm program.

The one argument advanced by proponents of the amendment with which I can agree is that the President's plan will not solve the long-term problems of American sugar beet producers. It won't. We need fair, adequate legislation for this commodity to protect consumer and producer alike, and I will support such legislation when it comes from the Committee on Agriculture. What the President's program will do is to help insure that there will be a domestic sugar industry left to legislate about. The amendment before us seeks to end a program which is nothing more than damage control. If we adopt this amendment, and let the damage occur, what we will have to deal with is not damage, but the wreckage of the American sugar producing industry.

Mr. McFALL. Mr. Chairman, I would like to state my own objections to the amendment. I believe if we do not have some kind of a program to protect the domestic sugar producers we will not have a domestic sugar industry.

It certainly will have a disastrous effect upon Hawaii, and it will have an effect upon the consumer as it has been outlined by the chairman of the Committee on Agriculture. I think we have got to have some kind of program, and I oppose the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my good friend from Illinois (Mr. MICHEL) which seeks to halt the discriminatory payments that are proposed to be given to the major sugar processors. Mr. Chairman, this scheme is so fraught with preferential treatment that I suggest to the supporters that they would have a better opportunity to convince this body if they introduced a private bill. The effect of the administration-backed scheme will be a new quarter-billion-dollar giveaway to the sugar processors. While they are sup-

posed to pass on a portion of these payments, processors who grow their own sugar, the so-called majors, will stand to pocket the entire amount. In fact, the five largest grower-processors will receive over 20 percent, or \$50 million, of the "special fund."

Let me give the Members a few figures. First, AMFAC, Inc. of Hawaii, will be \$14.2 million. U.S. Sugar Corporation in Florida will be \$10.8 million. Alexander & Baldwin, Inc., of Hawaii, will get \$8.8 million. C. Brewer & Co., Limited, of Hawaii, will get \$8.8 million. Theodore H. David & Co., Limited, of Hawaii, will get \$5.7 million.

Mr. Chairman, in addition to these "big five" there will be an additional 40 growers and processor firms which will receive at least \$1 million.

Mr. Chairman, I believe the Members of this body should realize that this payment is to "bail out" these growers and processors, after they made a bad business judgment and overexpanded their production facilities 3 years ago in response to the enormous price increases. Now that laws of supply and demand have taken over, and there is now a surplus of sugar, they are urging the Government to "make good" their bad judgment. I do not think this is fair to other segments of the business sector who must suffer and bear with their bad judgment. Frankly, I am surprised that the administration would fall for such a scheme. Now, it is up to this body to put this in a rational perspective. The effect of this proposal will be to discriminate against the corn sweetener industry for about \$150 million annually; cost the taxpayers \$240 million annually; will not provide relief to the consumers; may not be legal; has not been considered by the appropriate committees of the House; may induce growers to produce even more at this time of surplus; could affect the marketing potential of corn sweeteners worldwide; and finally it could have a destructive effect upon the small family farm. I wonder why the proponents of this would push for this special relief proposal in light of these facts.

Mr. Chairman, I would like to briefly refute some of the so-called consumer benefits that are supposed to be contained in this bill. The proponents state that this approach will benefit the consumers, the household users, but it should be noted that 80 percent of the sugar consumed in this country is bought by soft drink manufacturers, confectioners, bakers, restaurants, and institutions. Therefore, any benefits from this proposal will not go to where it can do the most good, the household user. The proposal also harms the consumer since it discriminates against the domestic competitors of the sucrose industry, and the growers and manufacturers of corn sweeteners in particular. If the consumers do not benefit, and if the taxpayers do not benefit, who does? It appears that the grower-processor stands to "reap" this windfall, and all because they made the wrong business decision 3 years ago. I think this is a high price for the public to pay, in order to make good a bad decision. It should be noted that this proposal is opposed by the Holly Sugar

Corp., a domestic producer, as well as the American Federation of Grain Millers, local union No. 6 who both have sent letters urging this body to adopt the proposed amendment in the interest of the industry and consumer alike. I urge my colleagues to support this responsible amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

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

Mr. MICHEL. I thank the gentleman for yielding.

The gentleman is making a very good point. The distinguished chairman of the Committee on Agriculture was in the well a little bit ago. I was hoping there would be enough time for me to ask him a key question: What consideration did the authorizing committee give to this problem when we were talking about a new agriculture bill? The point is very little. Then he expects us to do it by way of amendment without hearings, without appropriate backup. I urge you to not be deluded by the game they are playing. The game being played here is special interest money, and it is much easier to do that by way of an administrative decision downtown than it ever is by convincing each Member of the merits of these payments. It makes an awful lot of difference.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

To respond to the gentleman from Ohio, there was an amendment offered in the committee in the course of the farm bill to prevent this program from taking effect. It was defeated. My point only is that this is the proper place to raise the amendment again, when the bill comes to the floor, just as it is with any amendment that is defeated in the committee.

Mr. MICHEL. If the gentleman from Massachusetts will be kind enough to yield again, what kind of dialog took place in the legislative committee on this subject?

Mr. FOLEY. If the gentleman from Massachusetts will yield, the gentleman from Illinois, Mr. FINDLEY, offered an amendment, which he may offer again—I do not know. I do not need to tell anyone here he is one of the most articulate and expert commentators in the House on agricultural matters. His argument was argued forcefully; it did not persuade a majority of the committee.

But the point I return to is when we have an authorization bill coming to the floor in less than 30 days, an amendment offered in the committee on the bill should be offered on the floor on that bill, rather than during the argument that we ought to have a backdoor method of legislation by means of a limitation on appropriation bills.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(On request of Mr. TRAXLER, and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. TRAXLER. Mr. Chairman, will the gentleman yield to me for about 1 minute?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. TRAXLER. I appreciate the gentleman yielding. I have the greatest respect for the gentleman in the well. We serve on the same committee.

I would not want the gentleman in the well to leave the impression that all processors will receive funding as a result of the President's proposal. I have two processors who will not. My growers will. The processors will receive only certain administrative costs which will be returned to them by the Federal Government and they have to account for the costs in great detail. These two independent processors may receive no funds for themselves but they will pass the funds on to the growers entirely under the rules promulgated by the Agriculture Department.

Mr. CONTE. If the gentleman will let me join him on that.

Mr. TRAXLER. One of the problems the administration created in devising this program is that it does not treat processors equally, which causes real problems for my constituency. I believe we are being discriminated against by the rule. I will work to correct the injustice done to my processors. Nevertheless, as I said, it is the only ballgame on the block and hopefully we can improve on it to remove the inequities. The key thing in my opinion is that we ought to do something to insure the survivability of domestic sugar. If we adopt this amendment, Members have told me there will be no help for the American sugar industry.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, first I want to express appreciation for those Members who have already acquainted themselves with the situation regarding sugar in Hawaii, but to speak of processors and multimillion-dollar and multibillion-dollar companies is not to understand what we are talking about.

The cost of the production of sugar when produced efficiently is 13½ cents a pound. We are now talking about a support of 2 cents per pound maximum. There can be no profit on that 2 cents. If the price remains at 10 cents the ultimate loss to the producers of sugar will be 1½ cents per pound.

But in Hawaii we have multimillion-dollar installations in 15 major growers and producers combined. We have another 500 small independents. Those 500 independents are responsible for 5 percent of the sugar in Hawaii. Ninety-five percent of the sugar of Hawaii comes from those 15 major combination grower-producers.

There is no way that the producer can benefit profitwise regardless of who owns the land and is the grower. There was formerly a 10-percent administrative cost that could go to the processor. That has been eliminated. They must prove their administrative cost, and they will not come near 10 or even 5 percent. The

companies involved in Hawaii will go on, as General Motors, if we take sugar away from Hawaii. They will not be phased out of business. They will reallocate their funds and their directions and priorities.

We can produce sugar in the Philippines with labor at \$2 a day. That is a lot better profitwise than paying \$4 an hour in Hawaii.

There are 9,600 people directly working for the sugar industry in Hawaii. There are 20,000 people who work in support industry positions. There are 30,000 people who will lose self-respect and jobs in Hawaii if we listen to either the Michel amendment or the Findley amendment.

This money ends up determining whether or not one-sixth of the American production of sugar will continue in Hawaii and whether or not 30,000 people in Hawaii will support themselves or become a part of welfare and a part of unemployment and the State of Hawaii will become a burden to the Nation the minute we take away that industry. And what will happen to us as a result?

Now, there is no way that we can do something like this without looking at the national consequences. Fifty-seven percent of our sugar needs in America are produced domestically. When we eliminate Hawaii, we are down to 40 percent.

Now, we have learned from oil. We have learned from coffee. We know what happens to us when we listen to the logic of these people who sold us on the idea of eliminating the Sugar Act in 1974. They are the same people trying to sell the same bill of goods today. As a result of their actions, the price of sugar went to \$1.20 a pound.

Now, it is significant, that as the price of sugar goes up, the price of corn fructose goes up as a liquid sweetener. It is contrary to the public interest of Hawaii, it is contrary to the public interest of the consumers of the Nation and it is not the way to aid the corn producer.

Mr. Chairman, I would hope we would not allow the sugar industry of America to fall into foreign hands, as we have seen happen to oil, as we have seen happen to coffee, where we have no control of the fact, to realize what can be done to the consumers of America when we are not self-sufficient in any commodity or product values.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, it is not often that I disagree with all those who have spoken and rise in support of my colleague, the gentleman from Illinois (Mr. MICHEL). I do so for two reasons: No. 1, it seems to me clearly in the best public interest that we have sensible legislation that subsidizes, if we have to subsidize, the producer and not the processor. Before I shed too many tears for the sugar industry, I have to remember some profits of not long ago. I have to remember those statistics on large subsidies that our colleague, the gentleman from Massachusetts, (Mr. CONTE) just cited.

There is a second reason, however, that we ought to take a good, hard look

at this. I happen to serve on the Budget Committee. I know that many of us here voted against the budget resolution because our deficit was too high. Here we are coming in with a backdoor method adding \$240 million that is not part of the first budget resolution. Right now there is probably still a meeting of the Budget Committee going on in the Speaker's dining room, where we have been going over estimates in various functional categories. In agriculture, we are going up somewhere between \$500 million and \$900 million, apparently, above the first budget resolution, if we count this \$240 million.

I think we have to take a good, hard look at ourselves. We have to discipline ourselves if we want to live within that budget resolution and we do not want to see these deficits climb.

Again, I am willing to vote to help the sugar industry through help to the producer. If the Agriculture Committee comes in with legislation to help that sugar producer, we will find the gentleman from Illinois (Mr. SIMON) voting for that legislation; but I am not going to vote for legislation for the processor.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am a little confused because I understood the gentleman to say that no money at all was going to the processors, that this money was going to go to the farmers and the processors were merely the conduit.

Mr. SIMON. Mr. Chairman, if my colleague, the gentleman from Illinois (Mr. MICHEL) wishes to respond, I will yield to the gentleman.

I understand the money will go to both; but I yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, if I may just read the amendment, it states:

No part of the funds appropriated or made available under this Act shall be used for the payment of salary of any officer or employee to formulate or carry out a program providing payments to sugar processors.

The amendment does not say anything about the growers. It states that no payments would be made to the processors. They are the persons who are going to get a big windfall. If I placed a prohibition on the growers, obviously I would be in grievous error, as indicated by the gentleman in the well. We do not want to hurt the efforts of the actual grower in balling himself out of the problems he has. But there is no way we can do this without some legislative enactment that would address itself to growers as distinguished from processors.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Louisiana.

Mr. TREEN. The fact of the matter is that the amendment would hamstring the administration, because the payments have got to be made through the processor. If the gentleman would examine the Federal Register of June 14, 1977, the proposed rules provide—

Processor shall agree to pay the producer the full amount of the price support payment after deduction for administrative expenses incurred in carrying out its obligations under this program.

So, the producers are getting some money, but only the administrative cost of handling the support program in favor of the producer.

Mr. SIMON. I would just add one other point. There are no limitations to what is paid to the producer. I like the concept of help, but help with limitations.

Mr. HEFTTEL. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Hawaii.

Mr. HEFTTEL. The money does not go to the producer. The producer passes it to the grower. The fact remains that the beneficiaries are the people who grow the sugar, and if they do not have that money available, they will not grow sugar. The consequences are the same, identical problem I have already presented in the time I have had.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. MADIGAN and by unanimous consent Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from Illinois.

Mr. MADIGAN. I thank my colleague from Illinois for yielding to me. I would just like to congratulate him on his statement and make the point that in the Agriculture Committee, when Secretary Bergland was questioned by me about this very program, I asked him what the legal authority was for such a program.

He replied that he had an opinion from the USDA general counsel that said that he did have the authority to do this. We asked him for his copy of that opinion, and what he sent to us was a 1954 opinion from the USDA general counsel, based on a 1949 law regarding milk support prices. The conclusion of the USDA general counsel was that there was not any authority to engage in such a program. That is the Secretary's own counsel.

Mr. SIMON. I concur with my colleague from Hawaii on the need to help the producer, but we ought to go at it head on and have legislation that helps the producer, and not in this roundabout way and not in excess of our budget resolution.

Mr. HEFTTEL. Mr. Chairman, will the gentleman yield further?

Mr. SIMON. I yield.

Mr. HEFTTEL. I think it is important to point out that this law is not retroactive. It does not affect the losses incurred in production of sugar prior to May 4 of this year. It was deemed to be fair to do it that way, that the losses already incurred will not be recouped by the sugar industry. That is why it is so critical that we immediately pass this legislation and prevent the bankruptcy of the sugar industry, certainly in Hawaii.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we ought to get back within the ballpark a little bit. We are not writing a sugar act here on this floor, I would hope. What we are trying to do is go along with the well-stated argument of the gentleman from Washington, the chairman of the Agriculture Committee, that this is not the time or the place to preclude what his committee may well do.

There is no authority in this appropriation bill for this act, but if we put in a restriction on this appropriation bill during the next fiscal year to spend any money for these types of payments, then we are in fact creating sugar legislation at this point in time without benefit of hearings or anything else. I am not trying to bail out the Carter administration. It has enough support on its side of the aisle to do that without the help of my colleague from Arizona (Mr. RHODES) and myself, but still what is at issue is the facts.

Here is a news release from the Department of Agriculture regarding its proposed sugar price support program dated June 13. Our former colleague from Minnesota, Mr. Bergland, who is now Secretary of Agriculture and a pretty competent operator with a pretty good farm background, on page 3, item 2, says clearly and specifically:

Processor pay producers the full amount of the price support payment after deduction of actual administrative expenses incurred in carrying out its obligations under the program.

Surely you can hyphenate it up and say the payments ought to go directly to the producers, but it is a whale of a lot cheaper and a lot more productive to go through the processor and cut down the cost of administration. That is why it is being done that way, not because Bob Bergland wants to subsidize a bunch of multibillion-dollar processors, as you might think when you heard the debate in the last few minutes.

I think we ought to realize that most of the sugar in this country is produced by the beet growers. They are not the big cane plantations. They are all individual farmers. We should realize that one-half of the sugar consumed in this country is not produced domestically. It is imported from other countries. And in the last 3 years our country spent \$5 billion importing sugar from other countries.

We are talking about a 13½ cents a pound target or goal price.

Our colleague from New Jersey said, "Why should the American consumer face this higher price?"

Let me share with my colleague from New Jersey what the price of sugar is in other countries at the present time. In Canada, it is \$28.75. In France, it is \$35. In the Netherlands, it is \$32. In the Soviet Union, it is in excess of \$36. Here we are trying to get \$13.50, the lowest net price to consumers of sugar anywhere in the world.

How did we come to this pass? We came to this pass because the United

States has become the dump market for sugar that does not have any home, because of some things that Congress has done and a number of other things. But when Venezuela comes up with its sugar crop and 90 percent goes to the European economic community at a price in excess of 20 cents they can dump their 10 percent surplus at whatever they can get. And they with a host of other countries dump it in our market today at ruinously low prices. Two or three years ago there was little surplus available, so it came in at 60 cents.

If you want to preclude the Secretary of Agriculture from taking the steps which need to be taken, you are going to do two things: in some years you are going to subject the American consumer to the highest price in the world; other years, sure, a bargain. You are going to further jam up our balance of payments and preclude our Nation from having several billions of dollars that could otherwise be spent for oil imports. And, finally, you are going to ultimately make us totally dependent upon someone else. The American sugar producer does not think this Carter proposal is the answer, they much prefer a limitation on imports, to eliminate the below cost of production dumping. But if the House now votes for this amendment it will be taken as a signal for no program of any type and within a decade there will be no domestic sugar industry—our consumers will then be totally at the mercies of Cuba, Latin America and other areas who will then get the price and I would suspect it will be a good deal higher than at present.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, our colleague from Louisiana told us the world market price was 10 cents a pound to produce.

Mr. ANDREWS of North Dakota. The world market price is the price for sugar which has no home. Over 90 percent of the sugar which moves from country to country moves under agreements. And I quoted the established price that holds on these agreements in most of the countries in the world. The world price is extremely volatile, a price which goes up and down like a roller coaster because it represents only a small portion of total world production that which may be surplus at one time and a bargain, but then later may be available only at 4 times the fair price when world production drops a little. We do not want to subject our Nation's consumers to that kind of boom and bust.

Mr. SMITH of Iowa. Mr. Chairman. I move to strike the last word.

Mr. Chairman, I voted against the defeat of the Sugar Act, and I still think it was a bad mistake when we failed to extend that law. At that time the price of sugar was something like 5 or 6 cents a pound, and it had been the same for about 20 years. It was about the only thing the United States had which remained at a stable price. But all of the

self-appointed representatives of consumers came in here and coaxed this Congress into letting that act expire and, as a result, the price of sugar has just about doubled.

On the other hand, we are in a different kind of situation now. We do not have these contracts but the new proposal prefers one kind of sweetener as compared to another.

I just want to warn some of my friends, with whom I have agreed 95 percent of the time on agriculture matters, that they had better not be coming in here with more provisions that provide a preference for one kind of a producer over another kind of a producer in the United States of a competitive product.

There is no justification for subsidizing one product—and not subsidizing its domestic competitor. They could figure out a way to get the same subsidy to corn sweeteners and cane sweeteners.

We are not talking about preferring American producers over some foreign market. In the bill that is coming out of the Committee on Agriculture they even have one provision preferring those wheat producers who happen to produce on summer fallow acres as compared to those that do not. It is not fair to prefer beet sugar producers over cane sugar producers or corn sweetener producers.

Mr. Chairman, if the committee does not eliminate provisions in that bill which are unfair to some producers, the Members might find alliances here they never thought they would see on this floor.

Mr. TRAXLER. Mr. Chairman, would my good friend on the committee yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, what I am curious about is this: How does the gentleman reconcile the price support for corn?

Mr. SMITH of Iowa. That is not a comparable situation. This is a processed product. Corn sweetener probably constitutes one-tenth of 1 percent of the value of corn. In this case, we are talking about one kind of a finished product as compared to another finished product. There is no subsidy on corn at the present time.

Mr. TRAXLER. Mr. Chairman, if the gentleman will yield further, does the gentleman know whether the legislation coming from the committee will have such a price support?

Mr. SMITH of Iowa. Mr. Chairman, making such a comparison is like comparing elephants to rabbits.

Mr. TRAXLER. Like myself, I know the gentleman would not oppose a price support program for corn.

Mr. SMITH of Iowa. Not on the basic product. For example, one that is 80 percent of the average market price.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate that the gentleman is familiar with the U.S. International Trade Commission. We sit together on the Subcommittee on State,

Justice, Commerce, and the Judiciary of the Committee on Appropriations, and we have worked together in this field many times. The Trade Commission held hearings on the whole sugar problem.

A corn sweetener industry spokesman appeared before the Trade Commission, and he testified under oath of his own violation that the corn sweetener industry was not competitors of and had no identity with the sugar industry in this country per se. That was his testimony.

Mr. SMITH of Iowa. Mr. Chairman, we have processors in Iowa who say they can produce for a price that compares to about 12 to 13 and 14 cents. If they cannot produce competitively, we should let them stay completely out of the sweetener business. We should not subsidize one kind of sweetener and in that way keep others from producing or processing corn sweeteners.

That is not right. I do not like the way we are doing this. I do not think we ought to do this on an appropriation bill, and I do not like an amendment that just eliminates any action we have taken.

I will say to this Committee on Agriculture that if it and the administration continues operating as I have seen during the last 2 or 3 weeks down in the Department, preferring one producer over a producer of a competing product in the United States, it is going to find opposition in this House for such a program.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I want to commend the gentleman for the contribution he has made here.

I just want to say that when we were raising some "ned" about this, there were some overtures that were made downtown.

They asked us, "If we do the same thing for the corn industry as we did for sugar, would that not be satisfactory?"

In keeping with the views of the gentleman in the well, I said "By no means. If they cannot cut it on their own, there is no need for the Government to come in and subsidize."

The CHAIRMAN. The time of the gentleman from Iowa (Mr. SMITH) has expired.

(On request of Mr. TRAXLER and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 2 additional minutes.)

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, I understand the gentleman's position, but I want to assure the gentleman that there is room in the marketplace for both American corn sweetener and American sugar. Because of the economics of the industry, the lower end of the sweetener industry is almost reserved to corn sweeteners because they can do it cheaper.

Mr. SMITH of Iowa. There is a very minor part of the sweetener industry. It does not amount to anything compared to the total industry. That is not my point.

Mr. TRAXLER. There is a gray area in which they tend to compete. There is another area dealing with granulated, in which there is no present technology that the corn sweetener industry can put a granulated product on the supermarket shelf to compete with sugar.

Mr. SMITH of Iowa. That is right.

Mr. TRAXLER. In our county, for instance, they use many forms of corn sweeteners for such items as carbonated beverages, bread, cookies, ice cream, and canned and bottled foods. Almost all of the bread is baked with a corn sweetener.

Mr. SMITH of Iowa. Right.

Mr. TRAXLER. In other words, there is some flexibility here.

What we are really talking about is preserving the American sugar industry.

Mr. SMITH of Iowa. Corn sweeteners are such a minute portion of the sweetener market anyway. We are just talking about pennies by comparison, so why be unfair about it?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the gentleman in the well spoke of his reservation about using appropriation bills in this manner.

Yet, am I correct that notwithstanding that reservation, the gentleman does support the Michel amendment?

Mr. SMITH of Iowa. I do not know that I will. I would like to fashion an amendment, but it seems impossible to do that in the form of a limitation on an appropriation bill, that would prohibit discrimination among competing products.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope we can go ahead and vote down the amendment.

Let me give my reasons. As chairman of this subcommittee through the years, I have felt that it was a mistake to let the producer of any agricultural commodity be dependent upon an annual appropriation of the Congress for part of his income. This is for the reason that, with a growing urban population, sooner or later the big majority of the people will not understand that the producer has to earn the cost of production plus a profit or he will go broke and we all will have that much less food to eat.

That is the basic feeling I have, but here is the main reason that I think we should vote this amendment down at this time: In the first place, anything appropriated under the rules of the House is all right simply because the rules say so. Therefore, there is nothing wrong with putting a limitation on this bill if the rules say it is proper to offer it. However, the reason I ask the Members to vote this down now is that we are not only putting a limitation on this appropriation bill, which is clearly our right, but because I do not think it wise to put it on right at a time when the legislative committee is attempting to write a new law. There is no program such as this currently existing, despite the announcement, despite the consideration, despite the feeling by the Secretary that they are

going to have to do this to keep the producer producing.

Since it is not in existence now, to write this prohibition on this bill when our legislative committee is at the moment writing a law that will be controlling in the future, I think is getting the cart before the horse. I think we should forgo such an amendment at this point and see what comes down from the legislative committee.

Therefore, Mr. Chairman, I would just hope that we vote down the amendment and that we wait until the new bill comes before us. At that time we can address ourselves to the merits of the bill presented to us by the committee that is going to write the law for the future.

Again, Mr. Chairman, I urge that we vote the amendment down.

Mr. FITHIAN. Mr. Chairman, I rise in support of the Michel amendment, not because it is necessarily the best way to deal with this subject, but because apparently it is the only way to deal with it that I have seen, at least in the immediate future.

I do not like the proposition that we should support one kind of producer of a sweetener over another.

Mr. Chairman, that is my basic objection. I could cite some statistics as to the importance to the sweetener industry and its growing importance technologically and financially to the corn belt. However, I think that already has been done here today.

I may be wrong, but I do not foresee our addressing the basic sugar problem in the omnibus farm bill. It may or may not be germane to that legislation since there is no section dealing with sugar at present in the bill which was voted out of our committee.

Therefore, Mr. Chairman, I would urge the Members of the House not to look upon this proposed amendment, offered by the distinguished leader in the minority party, as a Republican versus Democratic issue. I think, rather, we should attempt to consider it on the basis of whether or not the House of Representatives is willing to support one kind of sweetener producer over another. That is the real essence of the question here.

Therefore, although I would prefer, as did the gentleman from Iowa (Mr. SMITH), some other mechanism by which to deal with the problem, I see no real possibility that such a mechanism will be available. Therefore, those of you who represent areas not directly affected by either sugar or corn fructose manufacturing, might well want to consider this in terms of the major principle; that is, whether or not we are going to support one kind of sugar producer over another.

Mr. Chairman, I am greatly concerned by the administration's plan to subsidize the U.S. sugar industry by as much as a quarter of a billion dollars a year. I am convinced that this proposal is unfair, because of its potentially disastrous effect on corn growers and processors and because it would act to discourage the type of research that we should encourage in private industry.

Despite the fact that the corn refining industry has produced sweeteners for more than 100 years, it is only recently that production of corn sweeteners has been possible to replace sugar at a lower cost. The significant strides of this industry should not now be curtailed through this ill-advised policy.

The corn refining industry is uniquely American in two ways. First, it has utilized and supported the improvement of America's foremost agricultural crop—corn. Second, it is widely recognized as an industry which has pioneered in encouraging, developing, and applying technological innovations. It is not an industry which, content with a technological status quo, has sought only to protect its position through Government support while concentrating only on increasing production and expanding its markets.

Indeed, the corn refining industry and its individual members have supported fundamental research, making major contributions to starch chemistry, biochemistry, and genetics. From the latter work has come new crops, such as waxy maize and the amylo maize, which have added to farm income and multiplied new agriculturally derived products.

One of the major products of this research is high fructose corn syrup, which can replace sugar in many applications. In fact, when the fructose-to-dextrose ratio is increased, sweetness equal to sugar can be attained at a lower calorie content.

As a result, high fructose corn syrup has changed the picture in the U.S. sweetener system. Already it has displaced some sugar. As more advanced versions of the product are developed, it will displace more sugar. The President's sugar subsidy plan, then, would inhibit the operation of normal free market forces. It would seek to alter the economic result of normal forces of consumer demand upon the supply of sugar.

The sugar subsidy program would place the U.S. Government in the unique situation of discouraging the type of research and development which we should instead seek to encourage—the work which has taken place in this industry. That can hardly be considered fair to corn producers and refiners.

Respected economists have estimated that the sugar program would cost the domestic corn industry an estimated \$150 million a year. Of that amount, an estimated \$18 million would be lost by Indiana farmers and corn refiners. Is it fair to penalize one producer in the agricultural sector simply to benefit another? I think not.

To promote continuation of the type of research which led to development of high fructose corn syrup and to promote stability and equity for corn producers, we need to approve legislation to block the President's proposed sugar subsidy plan. I urge my colleagues to support such an amendment in our consideration of the agricultural appropriations bill today.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding to me, and I generally find the gentleman's arguments compelling in the Committee on Agriculture, but today I do not understand his argument that he is making that we are giving support to the sugar producers and not to the corn producers. The gentleman from Indiana knows as well as I do of the very generous price support level in the general farm bill that will be coming before this House, and that we have had for years for corn, in 1971, the last year, it was \$893 million. Here we are talking about \$240 million, that is all that is proposed for the sugar farmers. I do not understand the conflict here when the gentleman says that we are giving support to the sugar producers and not to the corn producers.

Mr. FITHIAN. Mr. Chairman, if I might recover some of my remaining time, I would point out that the distinguished gentleman from Iowa (Mr. SMITH), in his reply to that particular question, said that we are dealing with a finished process-type of product. Clearly, then, we are dealing specifically with the processing of sugar versus the production of corn fructose.

As has been indicated, in the portion of the agricultural bill that would address itself specifically to the producer, I would not have any objection to looking at some economic activity on the part of the agricultural establishment. But I would remind the Members of the House that are not members of the Committee on Agriculture, that that is not a part of our endeavor in the drafting of the general farm bill. Therefore I would suggest that although the Michel amendment is not the best way to get at it, it seems to be the only way.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the best way to address this whole problem, very simply, is to say that "this is the only game in town." I do not know of anybody in Louisiana among the sugar producers, none of whom are in my district, who support the program of the administration, but it is the only game in town, it is the only one to be played.

In Louisiana sugar is most important to us, and although there is considerable criticism about the only game in town, it is the only program presently available which would help to do what is needed, it is necessary.

I might point out that we have been growing sugar cane in Louisiana since 1795. In 1975 over 329,000 acres of cane were harvested in Louisiana consisting of some 7 million tons of production, second largest amount in the United States.

More importantly, sugar provides employment for some 18,500 people, people actually working in the fields and in the mills. This industry is one of our largest employers in a State needing jobs badly.

The income to sugar producers in 1975 was \$129 million. This year it is projected that because of the depressed prices, the farmers will receive \$66 million less, a

loss of some \$200 to \$400 per acre. If some assistance is not given, we are going to see a number of these producers go out of business, and a great number of these people will be out of work. Our State cannot afford the loss of income or jobs.

Secretary Bergland announced on March 31, 1977, he was recommending a 2-cents-a-pound price support, but also a limitation on imports. That is what the sugar farmers want, both beet and cane farmers, they really do not want a direct subsidy, but only protection from unfair foreign competition.

The International Trade Commission on March 17, 1977, proposed a reduction of imports. We now have the proposal announced by the President of a 2-cent-a-pound subsidy, which we are arguing over this afternoon. The International Sugar Agreements negotiations in Geneva have now collapsed.

The point is, what are we going to do for the sugar farmers who are on the verge of collapse now if we kill the subsidy? The President has not chosen to follow the recommendations of his Secretary of Agriculture or the International Trade Commission and his efforts for an international agreement have failed.

I have asked for a hearing in the full Committee on Agriculture to address this problem, but there is no foreseeable solution in the near future to be of any immediate assistance to the sugar farmers who are in trouble right now.

Mr. Chairman, I look at the program as one of a stopgap, temporary measure to help the sugar producers now. It is the only program in effect, I repeat it is the only game in town.

No one is going to plant sugar for this program. They are losing money even under this program. No one is being unfair to anybody else. We are simply trying to keep the sugar farmers in business.

The specter of trade with Cuba disturbs me. Cuba is a big exporter of sugar. It may well be that Cuban sugar may soon find its way into our markets, finishing off the domestic sugar producer, which will make American consumers completely dependent upon foreign sources of sugar. I do not think anybody wants that, but if we do not defeat the Michel amendment, that may be exactly where we are heading. I thought that the oil situation taught us a lesson on being dependent on foreign imports.

Mr. Chairman, I urge the Members to vote down the Michel amendment on the basis that none of us like the program, but it is the only program the administration has seen fit to come forward with. There could have been others, such as limitation on imports, but it is the only one we have got. Give the Agriculture Committee time to look into new sugar legislation, but do not kill the only chance we have got to be of some assistance now to an industry that so badly needs it.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will try and make my remarks brief. Mr. Chairman, the amount of sugar beets produced in my district, I

can assure the Members of the House, is very small in relation to the total agriculture production in my congressional district. Listening to the various arguments here, I must say with all due respect that many of them have been strictly parochial in nature, and many of the arguments we have heard here really do not answer the main concern that I think all of us should have; namely, the total impact on this Nation. It seems to me that the proponents of this amendment have failed to answer the concerns that have been expressed by the opposition to the amendment; namely, No. 1, that as a result of the adoption of this amendment—which I hope will not be adopted—the sugar market in this country will be flooded by foreign producers. They are already, of course, in the course of being flooded right now.

Second, is the concern that has been expressed with reference to the loss of thousands of jobs. I think the figure of 30,000 was mentioned in connection with the loss of jobs in Hawaii. It seems to me we should get away from these parochial approaches, whether this legislation represents a subsidy to one segment of agriculture or whether it represents a giveaway to producers in terms of robbing the consumers. I had hoped we would have gotten away from this consumer-versus-producer type of argument. I think we have made substantial progress in that area. It has been some time since we have heard these arguments, and I think it is unfortunate that they have been produced today.

Let me remind the membership that what affects 30,000 workers in Hawaii certainly would affect the consumers of the State of Hawaii, if not those of the Nation as a whole. What affects thousands of workers on the island of Hawaii certainly affects the consumers of this country. If, indeed, we are going to permit the flooding of our domestic market by foreign producers and cause the ultimate elimination of sugar producers in this country, this certainly affects the consumers of this great Nation.

Let me, last, address myself to the point raised by the gentleman from Illinois (Mr. SIMON), for whom I have the highest regard, in which he referred to our obligation to balance the budget. I certainly share this obligation but would point out that every time we have discussed the national deficit the Committee on the Budget, and I think for very good reason, has pointed out the direct relationship between the number of unemployed in this country and the size of the national deficit. So it seems to me that when we are talking about 30,000 workers in Hawaii and many additional thousands on the mainland being thrown out of work, certainly this is going to have a very serious impact on the national deficit, and I think these are some of the points we should consider in hopefully voting down this amendment.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Wyoming (Mr. RONCALIO) has 5 minutes of that time.

Mr. RONCALIO. Mr. Chairman, the administration's announced price support program for domestic sugar producers, with maximum Government payments set at 2 cents per pound, is intended to be a stopgap measure to enable our domestic sugar beet and sugarcane producers to survive. Domestic sugar producers have been operating at a loss for some time now, with the price of raw sugar having now declined to 10 cents per pound. Projections are that the price will fall even farther, as low as 8 cents by this fall.

With the cost of production averaging 14 cents to 16 cents per pound, producers cannot continue without being forced out of business. If this occurs, the effect on this country would be dramatic. The immediate impact would be the loss of capital investment and reduced employment opportunities in communities where sugar is produced, with a corresponding burden on unemployment and other social programs. At the same time, however, the American housewife would be forced to depend on the whims and vagaries of the world market for her supply of sugar.

Just as with energy, we in this country cannot produce enough sugar to meet domestic demand. To force our country to rely even more on foreign countries for our sugar would be to repeat the cruel lesson we are now learning with out energy supplies.

The maximum Treasury outlay for the proposed 1977 crop price support program is expected to be \$240 million. This is based on the assumption that the total domestic production of 6 million tons of sugar will be eligible for the full 2-cent support payment. This type of program is fully consistent with the other types of support programs the Government now makes available for other types of farm commodities, such as corn, which has been covered by such a program for many years.

The administration recognizes that there will be sizable payments made to some producers, since the sugar industry by its very nature comprises a few large producers as well as many small producers. Economies of scale are especially important in the production of sugar crops because of the high production costs. It is intended under the proposed program that all producers, regardless of size, receive exactly the same Government payment of each pound of sugar produced and marketed. To cancel the support payments program for some at this time could still greatly damage the viability of domestic sugar production.

INCREASES IN SUGAR BEET PRODUCTION COSTS,
WYOMING

TABLE 2.—COSTS OF PRODUCING SUGAR BEETS, WORLAND AREA, 1974 AND 1976, AND POWELL AREA, 1976, WYOMING¹

Cost items	Worland		Percent change, 1974 through 1976	Powell, 1976
	1974	1976		
Tractors, trucks, machinery:				
Fixed	\$77.96	\$104.01	+33.4	\$72.29
Operating	46.49	69.59	+49.7	61.69
Materials:				
Fertilizer	56.25	55.36	-1.6	66.22
Herbicides	11.28	10.91	-3.3	17.50
Nematocides	35.00	48.60	+38.8	
Insecticides	8.32	8.56	+2.9	9.60
Seed	4.95	9.45	+90.9	9.85
Other	1.67	3.35	+100.6	1.60
Contract labor	54.50	59.00	+8.2	55.00
Full time labor	47.45	58.29	+22.8	46.29
Miscellaneous	20.90	21.35	+2.1	17.00
Interest on cash costs	13.36	16.96	+26.9	14.06
Management	44.00	35.20	-20.0	28.80
Land:				
Net rent	51.75	84.94	+64.1	72.16
Taxes	2.68	3.00	+11.9	1.92
Water	5.75	5.68	-1.2	8.00
Improvements:				
Fixed	9.86	18.73	+89.8	14.87
Operating	4.14	8.30	+100.5	4.66
Total production Land opportunity costs	496.31	621.28	+25.2	501.51
Expected yield (tons per acre)	22	22		18
Cost per ton (break-even price)	\$22.56	\$28.24	+25.2	\$27.86
Changes in costs:				
Per acre (2 yr)		+124.97	+25.2	
Per ton (2 yr)		+5.68	+25.2	
Per acre per year		+62.48	+12.5	
Per ton per year		+2.84	+12.5	

¹ Data from "Costs of Producing Crops, Big Horn Basin Area, Wyoming, 1974," Agriculture Extension Service, Division of Agricultural Economics, University of Wyoming, January 1975, AE 75-01, pp. 10 and 11, and preliminary costs for Worland area, 1976. Also see "Costs of Producing Crops, Powell Area, Wyoming 1976," Agriculture Extension Service, Division of Agricultural Economics, University of Wyoming, September 1976, pp. 18-19. See complete copies of sugar beet budgets attached.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I want to relate the reason why I simply have to vote for the Michel amendment. I could never explain why I voted for a subsidy of \$240 million to sugar farmers and sugar processors.

I have listened very carefully. I have the highest regard for the chairman of the Committee on Agriculture. At the same time it is impossible to explain why I would vote to give \$240 million to the producers of sugar. The consumers of New England and the headlines of this country will say that the Congress gave payments not to stabilize prices but for income support. Four of these payments will be \$1 million or over.

There are no hearings that I can go to in order to understand why this is being done. The General Accounting Office questions the legality of this. And I simply state if this is "the only game in town," as has been suggested, and that the "farmers do not want subsidies," as has been urged, then I will vote against subsidies and vote for the amendment offered by the gentleman from Illinois.

It has been asserted here that the sugar farmers are on the verge of col-

lapse. If that is so, I do not think we should give them \$240 million. We should develop a rational program of loans and grants and assistance so that they can recover—if, in fact, they are on the verge of collapse.

Therefore, Mr. Chairman, with great reluctance and with misgivings I will vote for the Michel amendment.

The Department of Agriculture's proposed program of payments to sugar processors and growers is unnecessary, unwise, and of questionable legality. This program will cost the taxpayers \$240 million per year and will provide no relief to consumers. It is a multimillion dollar bailout of the giants of the sugar industry by the Government of the United States. This program is another example of the taxpayers being called upon to rescue giant corporations from their unwise business decisions. No one called upon the sugar producers to give back some of their record profits of recent years; we should not now call upon the taxpayers to have the sugar producers from the consequences of their own actions. The present glut of sugar is the result of the decision by the sugar industry to plant as much sugar as possible when prices were sky high. Profits were enormous during that period. Now that the price has fallen, the taxpayers are being asked to subsidize the industry.

The Department of Agriculture has proposed payments of up to 2 cents per pound to sugar processors whenever prices fall below 13.5 cents per pound. Sugar processors or millers who distribute the funds can legally keep up to 38 percent of the payments, providing them with a windfall. Corporations which grow sugar and also mill and process it can keep most of the subsidy. Among these corporations are many of enormous size; it is estimated that at least 25 grower-processor firms will receive annual subsidies of more than \$1 million. One, Amfac, Inc. of Hawaii, will receive about \$14.2 million per year.

Funds for this giveaway were not budgeted. There was absolutely no discussion of this program in any congressional hearing. The \$240 million bailout of large sugar growers is an example of the worst type of "back door" spending. President Carter's suggested budget for agricultural programs was \$2.8 billion. Nowhere in this budget was there mention of a sugar subsidy. Now, the administration is asking for almost one-tenth of its suggested total for all farm programs for an unprecedented program of sugar payments which was never budgeted.

Sugar is one of many commodities which has never been included in the traditional farm support program. We are asked now to depart from this tradition, at a staggering cost of \$240 million, with no opportunity to examine this program.

In addition to the highly unusual method by which the sugar subsidy plan reached the Congress, there is also considerable doubt as to its legality. The Sugar Act, which included authority for payments to the sugar industry, expired 3 years ago. The Agricultural Act of 1949

does not authorize payments to producers and provides that any payments to processors must be for the sole purpose of direct price supports. In spite of this, the Agriculture Department proposes to inaugurate a plan to provide income, not price supports, which will go in large measure to producers. The GAO is currently examining the legality of the payment plan. It is certain that private lawsuits will be filed challenging the legality of the subsidies.

The payments provide no real solution to the problems of U.S. sugar producers and may actually increase those problems by creating artificial incentives to increase sugar production at a time of a worldwide surplus. Many sugar growers will receive no benefits at all; some actively oppose the proposed payments. The inequities and deficiencies in the subsidy program are surely the result of the hasty fashion by which this system of payments was devised.

The USDA's sugar subsidies constitute severe discrimination against the corn sweetener industry, which is in direct competition with the sugar industry. Because the producers of corn sweeteners did not make the mistake of overproducing, they will now suffer discrimination.

The proposed sugar payments will benefit the larger growers and processors, at the expense of the small farmers. The giants of the industry will receive multimillion dollar payments. Payments of this magnitude—the top four recipients will receive \$14.2, \$10.8, \$9.6, \$8.8, and \$5.7 million annually—will not only discriminate against the corn sweetener industry, but will also produce serious anti-competitive effects within the sugar industry, helping to finance the demise of small sugar farms at the hands of the gigantic grower-processors who will benefit most from the proposed subsidy plan.

Mr. Speaker, the unprecedented provision of payments to sugar growers and processors is an unjustifiable ripoff of the taxpayer, to the tune of \$240 million per year. The planned subsidies will contribute to the growing concentration of our Nation's agricultural sector in the hands of a relatively few giant corporations. It will provide the most money to those least in need of it. It will discriminate against the corn sweetener industry. It will perpetuate an artificial incentive to produce sugar. It will engender a series of law suits challenging its dubious legality. If we want to deal with the problems in the sugar industry, let us do so in a careful and systematic fashion. Unfortunately, this has not been done, and the resulting subsidy plan reflects the haste with which it was conceived. I urge my colleagues to vote in favor of the amendment offered by the gentleman from Illinois and against this unfair and unnecessary burden on the taxpayer.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, on walking onto the floor today, I was over-

come by a sweet aroma, and it was not until I noted the specifics of an amendment to be offered by Representatives FINDLEY, MICHEL, and others that I realized the source of such a pleasurable sensation. This amendment would prohibit the administration of any funds intended to bail out the large sugar processors and producers to the tune of \$250 million. Frankly, I am at a loss to understand why the American taxpayer must, via an administrative vehicle of dubious legality, subsidize our own sugar producers and, in effect, subsidize competitors in other nations whose sugar is being imported in huge volumes into this country. If the administration feels that imports are causing a glut on the market, and thus putting in jeopardy domestic producers, then it ought to seek, through normal legislative channels, a mechanism for price supports. However, to circumvent current law and the intent of Congress by funneling millions and millions of dollars through sugar processors and producers, some of whom will inevitably keep payments in the millions for themselves, is hardly in the public interest, or in the interest of establishing a good rapport with Congress.

In the interest of good government, and the prevention of a \$250 million boondoggle which could set a very dangerous precedent, I urge my colleagues to support the amendment which would prevent the administration of the sugar bailout program.

Mr. FINDLEY. Mr. Chairman, I rise in support of the Michel amendment. I do so for several reasons. First of all, this is the best place to stop an unwise payment program to sugar processors and producers.

No hearings were held on this proposal either in the Appropriations Committee or in the Legislative Committee.

No administration presentation was made to the Congress in any form that I know of. It is not a budgeted item. The whole thing is under a very heavy legal cloud. The Federal courts have held that producer payments are contrary to existing statute.

Furthermore, the last time the Congress spoke on the question it voted to terminate payments to sugar producers. This was about 3 years ago when it voted to let the Sugar Act expire. That is the last time that the Congress made any position statement on the question of sugar producer payments.

It is, of course, heavily discriminatory against the producers of corn for sweetener. It is, of course, true that income of corn producers is supported by target payment, and nonrecourse loans; but it is also true that sugar is protected by substantial import tariff and corn, of course, has no such advantage.

The best procedure is for us to adopt this amendment. Then let the administration come before the Congress with a legislative proposal. Then let hearings be held; let the authorization process be completed and then, and only then, let us take up the question of authorizing appropriations.

A supplemental for fiscal 1978 will come in plenty of time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I have no further arguments to make other than those already made and those Members on the floor now were here at the time.

But in a capsule, I just want to make sure we do not see the administration giving away another \$240 million. It was not in the first budget resolution and will simply add to the national debt. But more important, as a matter of principle it is just wrong for us to stand by and permit this bonanza to a few big corporations.

This is special-interest legislation in its worst form and, if my amendment fails, you are going to let it happen without an affirmative act by the Congress.

I know the forces working behind the scenes to thwart my effort here today. The sugar lobby is still very much alive and the teamsters also have more than a passive interest and then there is that "unholy alliance" that one of our previous speakers against this amendment has crowed about putting together, so I know what we are up against.

I would just plead with Members to note your individual consciences.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I wanted to answer one point that the ranking member of the Agriculture Committee made on the floor, where the gentleman said the problem was caused by all this cheap sugar coming in from foreign countries.

I was going to ask the gentleman to yield, but time ran out. If we argue that logically, we have to agree that we are being beaten in New England very badly by the importation of shoes. Most of our shoe industry has been wiped out by cheap shoes from England, Italy, Czechoslovakia, and "you name it."

Therefore, if we follow this logically, we have to give the shoe manufacturers in the United States a subsidy of maybe 50 cents or a dollar for every shoe they manufacture.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Mr. Chairman, if the gentleman from Massachusetts has made his point, I yield.

Mr. ANDREWS of North Dakota. Mr. Chairman, that is precisely why my colleague from Massachusetts has argued many times eloquently in this House that some protection has to be made to the people who manufacture shoes in this country, so that we are not totally dependent on imported shoes in this country. That is precisely the point for sugar. I do not think our consumers are going to benefit if they buy all their sugar or all their shoes from foreign producers.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Whatever time I have, the gentleman from Massachusetts may have.

Mr. CONTE. Mr. Chairman, we are already through the tariff as far as protecting sugar. There is, I believe, a 2-

cents-a-pound tariff on sugar coming into the United States.

Mr. ANDREWS of North Dakota. Mr. Chairman, if the gentleman will yield further. The Carter administration is proposing this program in lieu of the Trade Commission recommendation to limit the dumping of surplus sugar in this country. Most growers would prefer the Trade Commission recommendation to those of the Carter administration.

Mr. BAUCUS. Mr. Speaker, we have heard a number of arguments, pro and con, on this amendment this afternoon. Some of these are irrelevant to the question at issue here; others are crucial to it. I would like to explain my opposition to this amendment by separating relevant from irrelevant and concentrating on the former.

Sugar is not oil, and a sugar embargo would not be as devastating as an oil embargo. Frankly, I have no proof that passage of this amendment would lead to the formation of an evil sugar cartel and the enslavement of the American consumer to the Cubans. Furthermore, the fact that inventories from pre-1977 crops are excluded from payments under this program may cause grumbling among sugar producers, but it is certainly not a reason for opposing this amendment. If we passed every program on the basis of whom it excluded, our budget would certainly be busted. There are much better arguments for opposition to this amendment, which I will cover shortly.

Those supporting the amendment claim that sugar payments may be illegal. The proper forum for that question is in the courts, and I am sure that such a court test will occur. Supporters of the amendment have also trotted out the old "budget buster" argument. This argument is inevitably used by those opposing a spending program; the real opposition is usually to the program, not to the busted budget. The heart of the argument for the amendment lies elsewhere and must be seriously addressed.

It seems that sugar producers made a lot of money three years ago. Now the price has fallen, and they are losing money. It would be incorrect to respond to this situation with a gloating "I told you so" attitude. As we have seen, U.S. sugar producers have not been the sole determining influence on the price of sugar on the domestic market. As sugar supplies dwindled and prices rose in 1974, worldwide production picked up, and despite the increasing volume of foreign sugar entering the country, President Ford elected to keep the tariff level low and impose an extremely non-restrictive quota level on foreign sugar. As a result, imported sugar flooded the U.S. market and prices fell dramatically, but it was not until September 1976, that the tariff rate was increased and imports discouraged. The low prices and great volume of sugar on the market today are more a result of these actions than the logical production plans of American farmers and producers. When prices are high, profits materialized and producers here naturally increased production. We will be in a sorry state when we begin criticizing groups for making

a profit or responding in a manner that was sure to lower prices.

The world price has fallen below the U.S. cost of production. By doing nothing, we will certainly see many U.S. producers go out of business. This will cause U.S. production to drop, and prices will eventually rise. This is hardly a "pro-consumer" response.

Proponents of this amendment point out that big U.S. producers will receive millions of dollars of payments under the subsidy program. These millions should not be viewed as windfall profits. Receipt of them will mean that producers will lose less money, but they will still be losing money. Unfortunately, due to the nature of the authorizing legislation and the nature of the sugar industry, large payments to large producers will accompany smaller payments to smaller producers. But to prevent the former, we would have to give up the latter.

My good friend, the gentleman from Massachusetts (Mr. DRINAN) points out that if sugar producers are on the verge of collapse, a long-term program is what is needed. I certainly agree with him on this point, and I hope we will have a chance to vote on such a program when the authorizing legislation comes up next month. That is the time to decide the question, not now. As a member of the Appropriations Committee, I am particularly sensitive about the difference between appropriations and authorizations. We did not debate this question of authorization during consideration of this bill in my subcommittee, and I will ask my colleagues to refrain from debating such matters as this until the proper time.

The administration should be commended for using existing authority as well as it has to aid sugar growers. Certainly a better program can be designed, and we will have a chance to do just that in a few weeks. Now is not the time to turn our backs on sugar growers. We support the price of nearly every other crop, and no one today has pointed out why sugar should be made an exception. The proposed subsidy program is not an anti-consumer measure. This amendment, which would shut the program down, should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) to close the debate.

Mr. WHITTEN. Mr. Chairman, again I say, we should vote this amendment down. The one primary purpose all of us should have is to see that we continue to be a Nation which has ample supplies of food.

May I say, the law as it stands now authorizes the payment for price supports to producers of the most basic commodities, of which sugar is one. They can pay it to the processors.

Now, I contend that that law, if it is to be changed, should be changed by the legislative committee which will soon bring out a bill.

Now, my friend, the gentleman from Illinois (Mr. FINDLEY) said earlier that we had had no chance to get a vote. That bill will go into the Committee on Rules. The Committee on Rules can say whether this Agricultural Act of 1949, as

amended, is a part of the agricultural law and that rule can easily make it available to all of us.

Now, involved in this is a question of not how much payment goes to somebody, but whether we are going to keep on being self-sufficient in the production of food.

I think that we should, but whether I am right or wrong, I think I am certainly right in urging that we do not pass something in advance on an appropriation bill concerning a law that we have not yet passed. Since that law will be coming up and we can work our will on it, I hope we will vote the amendment down at this point and wait and deal with the subject when it comes before us in proper form.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. CONTE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred twelve Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Massachusetts (Mr. CONTE) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 272, not voting 42, as follows:

[Roll No. 354]

AYES—119

Allen	Fisher	Mikva
Ambro	Fithian	Minish
Anderson, Calif.	Florlo	Moakley
Anderson, Ill.	Forsythe	Moorhead, Calif.
Archer	Frey	Mottl
Ashbrook	Gilman	Myers, Gary
Aspin	Goldwater	O'Brien
Bauman	Gooding	Pursell
Benjamin	Gradison	Quayle
Bevill	Grassley	Regula
Blouin	Hamilton	Rinaldo
Broomfield	Hansen	Rodino
Brown, Ohio	Harkin	Roussiot
Burke, Fla.	Harris	Sarasin
Caputo	Harsha	Sawyer
Clawson, Del.	Heckler	Schulze
Cleveland	Hollenbeck	Sharp
Cohen	Holt	Shuster
Coleman	Hughes	Simon
Collins, Tex.	Hyde	Snyder
Conable	Ichord	Spellman
Conte	Jacobs	Stanton
Corcoran	Jones, Okla.	Steers
Cornell	Kastenmeier	Stockman
Cornwell	Kelly	Stratton
Coughlin	Kemp	Studds
Crane	Kostmayer	Symms
Cunningham	Lagomarsino	Taylor
D'Amours	Leach	Walker
Derwinski	Lehman	Walsh
Devine	Lent	Whalen
Drinan	Levitas	Wiggins
Duncan, Tenn.	Long, Md.	Winn
Emery	Lujan	Wolf
Erlenborn	McClory	Wylder
Evans, Del.	McDade	Wyllie
Evans, Ind.	McDonald	Yates
Fenwick	Madigan	Young, Fla.
Findley	Maguire	
Fish	Martin	
	Michel	

NOES—272

Abdnor	Annunzio	Badham
Ammerman	Applegate	Bafalis
Andrews, N.C.	Armstrong	Barnard
Andrews, N. Dak.	Ashley	Baucus
	AuCoin	Beard, R.I.

Beard, Tenn.	Hagedorn	Pattison
Bedell	Hall	Pease
Bellenson	Hammer-	Pepper
Bennett	schmidt	Perkins
Blaggi	Hanley	Pettis
Bingham	Hannafoord	Pickle
Blanchard	Hawkins	Pike
Boggs	Hefner	Pressler
Boland	Hefelt	Preyer
Bolling	Hightower	Price
Bonior	Hillis	Pritchard
Bonker	Holtzman	Quile
Bowen	Horton	Quillen
Brademas	Howard	Rahall
Breaux	Hubbard	Rangel
Breckinridge	Huckaby	Reuss
Brinkley	Ireland	Rhodes
Brodhead	Jeffords	Richmond
Brooks	Jenkins	Risenhoover
Brown, Calif.	Jenrette	Roberts
Brown, Mich.	Johnson, Colo.	Robinson
Buchanan	Jones, N.C.	Rogers
Burgener	Jones, Tenn.	Roncalio
Burke, Calif.	Jordan	Rooney
Burleson, Tex.	Kasten	Rose
Burlison, Mo.	Kazen	Rosenthal
Burton, John	Ketchum	Rostenkowski
Burton, Phillip	Keys	Roybal
Butler	Kildee	Rudd
Byron	Kindness	Runnels
Carney	Krebs	Russo
Carr	Krueger	Ryan
Carter	LaFalce	Santini
Cavanaugh	Latta	Satterfield
Cederberg	Le Pante	Scheuer
Chappell	Leggett	Schroeder
Chisholm	Lloyd, Calif.	Sebellus
Clausen,	Lloyd, Tenn.	Seiberling
Don H.	Long, La.	Sikes
Clay	Lott	Sisk
Cochran	Luken	Skelton
Collins, Ill.	Lundine	Skubitz
Conyers	McCormack	Slack
Corman	McEwen	Smith, Iowa
Daniel, Dan	McFall	Smith, Nebr.
Daniel, R. W.	McKay	Solarz
Davis	Mahon	St Germain
de la Garza	Mann	Staggers
Delaney	Markey	Stangeland
Derrick	Marks	Stark
Dickinson	Marlenee	Steed
Dingell	Marr'ott	Steiger
Dodd	Mattox	Stokes
Dorman	Mazzoli	Stump
Downey	Meeds	Thompson
Duncan, Oreg.	Metcalfe	Thone
Early	Meyner	Thornton
Eckhardt	Mikulski	Trader
Edgar	Milford	Trible
Edwards, Ala.	Miller, Ohio	Tsongas
Edwards, Calif.	M. ne.a	Tucker
Edwards, Okla.	Mitchell, Md.	Udall
Ellberg	Mitchell, N.Y.	Ullman
English	Moffett	Van Deerlin
Ertel	Mo.ohan	Vander Jagt
Evans, Ga.	Montgomery	Vanik
Fary	Moore	Vento
Fascell	Moorhead, Pa.	Volkmer
Flood	Murphy, Ill.	Waggonner
Flowers	Murphy, N.Y.	Walgren
Flynt	Murphy, Pa.	Wampler
Foley	Murtha	Wassans
Ford, Tenn.	Myers, Michael	Weaver
Fountain	Myers, Ind.	White
Fowler	Natcher	Whitehurst
Frenzel	Neal	Whitley
Fuqua	Nichols	Whitten
Gammage	Nix	Wilson, Bob
Gaydos	Nolan	Wilson, Tex.
Gephardt	Nowak	Wirth
Gibbons	Oakar	Wright
Ginn	Oberstar	Yatron
Glickman	Obey	Young, Alaska
Gonzalez	Ottinger	Young, Mo.
Gore	Patten	Young, Tex.
Gudger	Patterson	Zablocki
Guyser		

NOT VOTING—42

Addabbo	Flippo	Nedzi
Akaka	Ford, Mich.	Panetta
Alexander	Fraser	Poage
Badillo	Gialmo	Rallsback
Baldus	Harrington	Roe
Broyhill	Holland	Ruppe
Burke, Mass.	Johnson, Calif.	ShIPLEY
Cotter	Koch	Spence
Danielson	Lederer	Teague
Dellums	McCloskey	Trean
Dent	McHugh	Waxman
Dicks	McKinney	Weiss
Diggs	Mathis	Wilson, C. H.
Evans, Colo.	Moss	Zerfetti

The Clerk announced the following pairs:

On this vote:

Mr. Harrington for, with Mr. Akaka against.

Messrs. RISENHOOVER, SKUBITZ, and SCHEUER changed their vote from "aye" to "no."

Messrs. WHALEN, AMBRO, and HANSEN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as far recorded.

The CHAIRMAN. Are there further amendments to the first paragraph on page 18? If not, the Clerk will read.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$39,800,000 shall be available for administrative expenses of the Commodity Credit Corporation: *Provided*, That \$3,474,000 of this authorization shall be available to support the Office of the General Sales Manager which shall work to expand and strengthen sales of U.S. commodities in world markets (including those of the Corporation and those funded by Public Law 480) pursuant to existing authority (including that contained in the Corporation's charter and Public Law 480), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation and Public Law 480, including grade and quality as sold and as delivered and shall submit quarterly reports to the appropriate committees of Congress concerning such developments: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out such program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado: On page 21, at the end of line 23, strike the period and insert: "*Provided further*, That no part of the funds appropriated or otherwise made available in this Act shall be obligated or expended for the salaries or expenses of any officer or employee to formulate, provide assistance in, or carry out any program relating to loans, price support, sales or other disposal function performed with respect to tobacco or any tobacco product."

Mr. JOHNSON of Colorado (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to

the request of the gentleman from Colorado?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk concluded the reading of the amendment.

POINT OF ORDER

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment on the ground that it violates clause 2 of rule XXI. In support of that contention I point out that the amendment says "obligated or expended for the salaries or expenses"—and then it says—"to formulate, provide assistance in, or carry out any program * * *."

The words that I think make this subject to a point of order are the words "relating to loans, price support, sales or other disposal function performed with respect to tobacco or any tobacco product."

The section which I think this violates in that it requires additional duties is section 842 of the Rules of the House which says:

... an amendment or language in an appropriation bill may not impose additional duties, not required by law, or make the appropriation contingent upon the performance of such studies.

I would repeat that the amendment as prepared and as presented prohibits, and I will read it again:

That no part of the funds appropriated or otherwise made available in this act shall be obligated or expended for the salaries or expenses of any officer or employee—

And then I quote:

To formulate, provide assistance in, or carry out any program relating to loans, price support, sales or other disposal function performed with respect to . . .

The "other disposal" might be to throw it in the well. It might be most anything, and it would require someone to make the determination, and in making the determination, it would give additional duties to someone who does not have those duties at the present time.

I respectfully submit that on the face of it the amendment is in violation of that provision of the Rules of the House.

The CHAIRMAN. Does the gentleman from Colorado (Mr. JOHNSON) desire to be heard on the point of order?

Mr. JOHNSON of Colorado. I do briefly, Mr. Chairman.

This amendment simply is a limitation on the funds appropriated or that are made available under this bill. It is a very common type of amendment. It has been held in order many times. The most recent instance that it was held to be in order occurred March 16, 1977, during the debate on the amendment offered by the gentleman from Indiana (Mr. MYERS) and a point of order was raised by the gentleman from Illinois (Mr. YATES). The chairman ruled that the amendment did not impose additional duties and merely restricted executive discretion, and accordingly overruled the point of order. This is in the RECORD at pages 7706 to 7754.

As far as salaries are concerned, Deschler's Procedure 25:12.9 states:

An amendment to an appropriation bill providing that "no part of any appropriation contained in this act shall be available" for the payment of salary of any officer or employee of the U.S. Postal Service who takes certain actions was held in order as a limitation on the use of funds in the bill.

Mr. Chairman, this is a very common amendment.

Mr. DAN DANIEL. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, if I understand this amendment correctly, tobacco currently held by the Government could not be sold.

The CHAIRMAN. The gentleman is commenting on the point of order?

Mr. DAN DANIEL. That is all, just one sentence: The tobacco currently held by the Government could not be sold if this amendment is adopted.

The CHAIRMAN. The Chair has had an opportunity to examine the amendment and has consulted the precedents, the rather extensive precedents, in connection with similar amendments where attempts have been made to limit the expenditure of funds in connection with price support programs. It is clear from an examination of the precedents that chairmen of the Committee of the Whole House on the State of the Union dealing with agricultural appropriation bills have consistently ruled that amendments which do place negative limitations on the expenditure of funds in connection with the administration of price, support programs, which programs are merely described in the amendment are in order.

Accordingly, the Chair overrules the point of order.

The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, this amendment on the face of it is similar to the one that was just defeated with respect to sugar. However, there is a tremendous difference between this amendment and the previous amendment, and it relates to the Government's schizophrenic policy that we have been following of both promoting and condemning tobacco at the same time. I would like to point out to the Members of the House that this is one of the most irrational policies that we have. If this amendment is adopted today, it will necessarily have to be followed up by an amendment of the agricultural authorization bill which is coming up in a couple of months to eliminate the tobacco subsidy program altogether. But this will be the first step in eliminating the expenditures on the administration of the program commencing October 1 of this year. The tobacco industry, Mr. Chairman, is a healthy industry.

It is not dependent upon Federal programs to maintain its health. Last year for example the total farm cash receipts were \$2.267 billion for farmers. Tobacco is grown on about 200,000 farms, according to the Bureau of Census, and those were the 1974 figures. In 1969, 276,000 farms grew tobacco. There has been a steady reduction in the number of farms that are growing tobacco at the same time that the economic trend of the industry is increasing.

The USDA made a situation report in December last year which said that the trends in sales, manufacturing, marketing, and growing indicate that the same or greater production of tobacco products in the future will require fewer farms, fewer manufacturing plants, fewer marketing services, and fewer laborers. The total man-hours devoted to growing tobacco diminished by 30 percent from 1969 to 1974.

We grow tobacco on three-tenths of 1 percent of U.S. farmland we have in production. So if the argument is made that tobacco is an industry dependent upon this particular support program, it is a faulty argument. The tobacco industry is totally healthy.

Let me point out to the Members what Federal assistance for the tobacco industry is, and then I would like to point out what our policy is with respect to condemning tobacco, and the House will have to work its will on whether or not we ought to continue this kind of dichotomy.

We gave nonrecourse loans to growers since 1937 that amounted to \$4.2 billion. There have been only \$57 million worth of losses from 1937 on those nonrecourse loans. There are presently outstanding \$352 million.

We have supported tobacco in the food for peace program to the tune of \$768.4 million since 1964. In the commodity export sales since 1956 we have provided a total of \$430 million in tobacco financing. Every year we expend about \$2.2 million in agricultural research service to do research to increase tobacco production. At the same time we also expend \$3 million on research on the public health aspects of tobacco. That is just in the USDA.

In 1964 the Surgeon General reported that smoking and tobacco consumption was a health hazard especially in relation to cancer. In 1965 and in 1969 the Congress enacted this kind of legislative effort. We had the National Clearinghouse on Smoking and Health to collect, organize, and disseminate information on smoking. We have required health warnings to appear on the cigarette packages and we have prohibited the advertising of cigarettes on TV and radio.

Since 1965 we have appropriated almost \$5 billion for cancer research. We also spend \$7 million a year for biomedical research for lung and heart diseases, and \$9.5 million for research to develop less hazardous cigarettes. At the same time we are spending millions to promote tobacco production and we spend \$51.8 million per year average for tobacco-related biomedical diseases.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent Mr. JOHNSON of Colorado was allowed to proceed for 3 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, I thank my colleagues for their indulgence. I realize how emotional this is for some of the Members. After all, 91 percent of the country's production of tobacco is in Georgia and Kentucky and North Carolina and South Carolina and Tennessee and Virginia, and I realize our colleagues and close friends from those

areas feel very deeply about this particular subject.

The American Cancer Society indicates that cigarette smoking is directly responsible for more deaths from cancer than any other single agent. Seventy thousand Americans will die this year of lung cancer as a result of smoking. There are 250,000 deaths that we estimate which resulted from smoking each year.

The most recent report to Congress in 1975 by the Department of Health, Education, and Welfare said this:

The recent scientific information reviewed in the report reaffirms that cigarette smoking is a public health problem.

The premature deaths from cancer as a result of smoking are preventable.

Mr. Chairman, if this amendment is adopted, it is not going to harm the tobacco industry. It might have some effect on small producers in the South, and I acknowledge that. In the event that is true, the money that is saved could be very easily used to help augment whatever economic dislocation is involved.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I wish to commend the gentleman in the well and associate myself with the gentleman's remarks.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Colorado. It is unconscionable for the Federal Government to spend millions for research into the diseases caused by tobacco and for public information programs to alert citizens to the hazards of smoking while at the same time making tobacco more abundant by subsidizing its production.

The amendment before us does not prohibit the cultivation of tobacco. Nor does it seek to induce people to stop smoking. The amendment simply seeks to get the Federal Government out of the business of improving and increasing the market for tobacco products. There is no justification for the continuation of the Government's subsidization of a product which is responsible for approximately 250,000 deaths annually and costs over \$17 billion per year in expenditures for medical care and job losses.

I have introduced legislation to deal with the terrible costs of cigarette smoking; H.R. 3878 would strengthen the warning label required on cigarette packages and extend that warning to all cigarette advertisements; H.R. 3879 would place tobacco products under the regulatory authority of the Food and Drug Administration; H.R. 3881 would establish a health protection tax on cigarettes and utilize that revenue for research into tobacco-related diseases; and H.R. 3882 would regulate smoking in Federal facilities.

Support for measures to reduce the individual and societal costs of smoking is clearly on the rise. Last month, the House voted for the first time to exclude tobacco from the food for peace program. The amendment offered by the gentleman from Colorado is of a similar nature. The House has already acted to get the U.S. Government out of the busi-

ness of exporting tobacco; today we have the opportunity to get the Federal Government out of the business of encouraging and subsidizing the production of this lethal product. The Federal Government spends huge sums annually for research into tobacco-related diseases. But we have not taken the one step which will do the most to reduce tobacco-related illnesses and their costs while at the same time saving the taxpayers' dollars: halting the tobacco subsidy program. I urge my colleagues to end this anomaly and get the U.S. Government out of the tobacco business once and for all.

Mr. JOHNSON of Colorado. Mr. Chairman, I am a smoker and every time I smoke a cigarette I see the warning:

The Surgeon General has determined that cigarette smoking is dangerous to your health.

I suggest in the event we do not pass this amendment and face up to this ridiculous situation, we should add:

Nevertheless, despite the fact that 250,000 Americans will die this year as the result of using tobacco, your government spends millions of dollars every year in promoting, supporting and subsidizing of tobacco.

Mr. WHITLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from North Carolina.

Mr. WHITLEY. Mr. Chairman, I would like to ask the gentleman what the reduction of smoking in the United States would be if the amendment would pass?

Mr. JOHNSON of Colorado. I do not think it would have any effect.

Mr. WHITLEY. Mr. Chairman, if the gentleman will yield further, neither do I. It is not going to hurt the industry; it is not going to hurt tobacco smokers, it is just going to bankrupt the farmers.

Mr. JOHNSON of Colorado. I do not think the gentleman is correct on that. I have not seen any statistics to indicate that. In fact, I read how healthy the tobacco industry is.

Mr. WHITLEY. Does the gentleman have any figures to indicate what profit the tobacco farmers would make without the program?

Mr. JOHNSON of Colorado. The gentleman knows the tobacco industry is healthy and growing and there is no reason to support it.

Mr. WHITLEY. Mr. Chairman, if the gentleman will yield further, the gentleman keeps talking about the industry. Let us talk about the farmers. Where will the farmers be without the price support program to grow one of the most expensive crops in the world?

Mr. JOHNSON of Colorado. It is an expensive crop.

Mr. WHITLEY. It is an extremely expensive crop.

Mr. JOHNSON of Colorado. It is also the most lucrative in return.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. WHITLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado (Mr. JOHNSON) may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection

to the request of the gentleman from North Carolina?

Mr. WHITTEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to repeat the amendment here. I believe the Chair in its ruling awhile ago referred to the fact the books were filled with decisions on agricultural matters to the effect that this amendment was in order. I notice a distinction that was made, that in agricultural bills, or agricultural matters, I forget which word was used, I raise the question before I finish; this amendment says, let me repeat it:

Provided further, that no part of the funds appropriated or otherwise made available in this Act shall be obligated or expended for the salaries or expenses of any officer or employee to formulate, provide assistance in, or carry out any program relating to loans, price support, sales or other disposal function performed with respect to tobacco or any tobacco product.

PARLIAMENTARY INQUIRY

Mr. WHITTEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTEN. Mr. Chairman, the basic law clearly provides for the sale of tobacco and in this instance not only would this change that law, but it would, as I pointed out earlier. I want to know if at this point it comes too late to ask that I may be allowed to appeal from the ruling of the Chair. This matter, as I said, when it gets to where we refer to decisions made in agricultural matters, indicating there is a distinction, I wish to agree with that, having had some experience on this side of the aisle and being familiar with the agricultural statutes.

I would like to know if my request would be too late to appeal from the ruling of the Chair on this particular amendment.

The CHAIRMAN. The Chair will state that the answer to the gentleman's question is yes, that the suggestion of an appeal from the ruling of the Chair would come too late.

The Chair will again state that the amendment was addressed to a limitation of expenditure of funds for salaries and expenses to administer price supports or sales or disposal of the commodity, tobacco. The funds provided under this particular program on page 21 are available to the CCC for price support sale and disposal functions and, therefore, as the Chair ruled, after citing consistent rulings of the Chair relating to price support limitations on agricultural appropriation bills merely by way of example and not to suggest a separate line of precedents, the amendment of the gentleman from Colorado was a proper limitation on that expenditure of funds.

Mr. WHITTEN. Mr. Chairman, in view of the fact that my request came too late, with the explanation of the Chairman, we are a little late too?

The CHAIRMAN. The Chair has already ruled on the point of order and there is no further action which would be in order on that particular point of order.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, tobacco is produced in 20 States in this country and is the fifth largest money-producing crop that the American farmer receives. Only ahead of tobacco we have corn, soybeans, wheat, and cotton. These four crops produce more money for the American farmer than tobacco. Tobacco is a \$10 billion industry. It pays to the Federal, State, and local taxing communities a little over \$6 billion a year. A little over one-third of the tobacco produced in this country, Mr. Chairman, is exported abroad.

Mr. Chairman, tobacco is produced in this country on about 400,000 farms by some 700,000 people. It is produced by the little farmer, the farmer known as the family farmer. Very few of the tobacco bases in this country are held by large interests. They are all held in the main, Mr. Chairman, by the little farmer, the small farmer.

The distinguished gentleman who offered this amendment, I noticed voted against the Michel amendment. Mr. Chairman, you and I know why he voted no. In the State of Colorado, they produce sugar. They have wheat produced there, and they raise cattle, but they do not produce a single stalk of tobacco.

Mr. Chairman, when that amendment was up, I very carefully noted the board to see if the distinguished gentleman—and he is my friend—from Colorado would vote for the amendment or against the amendment, and certainly he voted against the amendment. He is a member of the Committee on Agriculture. He heard the distinguished chairman of the Committee on Agriculture go to the well today and say:

We have before our committee an agriculture bill. We are in the process of marking it up to bring it to the House, for a vote up or down.

Why do you want to come in here on an appropriation bill and try to cut tobacco or any other commodity? Why not go before the Agriculture Committee, Mr. JOHNSON, the committee you serve on? Why do you not offer your bill; why do you not offer your amendments before that committee instead of coming in here and trying to use the appropriation bill as a vehicle for your amendment?

Now, Mr. Chairman, let me say this further: Tobacco is a controlled program. We have tobacco bases. It is operated under the control of tobacco farmers and the Department of Agriculture. The distinguished gentleman from Colorado might ask me what we are doing about it in Kentucky. Mr. Chairman, Kentucky is the second largest tobacco producing State in the United States. Back in 1958, we said to the people in Kentucky:

If tobacco is harming the health of the people in this country, let us do something about it.

I talked to the Governor of the State of Kentucky. Kentucky built the research facility that cost \$4.5 million. That is the first time that has been done in the 20th century in the United States. The State of Kentucky built the building. We said:

Let us research tobacco and see if it is harming the health of our people.

At that time, Mr. Chairman, in 1958, we put a little money in the agriculture appropriation bill to start a small research program in the Commonwealth of Kentucky. Since that time the legislature of the Commonwealth of Kentucky has passed a bill placing an additional tax on tobacco products, and that brings in about \$4½ billion a year that we are using at the tobacco research facility in Kentucky.

Mr. Chairman, the gentleman from Colorado (Mr. JOHNSON) points his finger at tobacco and says it causes cancer. Let me just read a little statement, Mr. Chairman, and I have it on my desk so that any member of this committee can read it. I also serve on the Subcommittee on Health, Education, and Welfare Appropriations, the committee chaired by my friend, the distinguished gentleman from Pennsylvania (Mr. FLOOD). The ablest man in this country, the ablest research specialist in this country, as far as cancer is concerned, is Dr. Rauscher, who is now with the American Cancer Society. Up until last year he was a Director of the National Cancer Institute of the National Institutes of Health in this country.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. NATCHER) has expired.

(By unanimous consent, Mr. NATCHER was allowed to proceed for 5 additional minutes.)

Mr. NATCHER. Mr. Chairman, up until last year Dr. Rauscher headed the National Cancer Institute. He appeared before the Subcommittee on Labor—Health, Education, and Welfare, and I said to him this, Mr. Chairman:

Mr. NATCHER. Doctor, I remember in 1964, when we had the Surgeon General before one of our committees, and that was at the time of the smoking report, as you recall. The Surgeon General was a right able man, just like you are, Doctor, and he said to us emphatically, "When you burn tobacco and spinach, you get the same result."

That is what Dr. Terry said in 1964:

You agree with that, don't you?

Dr. RAUSCHER. It certainly looks that way.

Mr. NATCHER. Don't you get the same result?

Dr. RAUSCHER. Yes; you do.

Mr. Chairman, the ablest research chemist in the United States, recognized as such, said:

If you burn tobacco and you burn spinach, you get the same result.

Let me say this, Mr. Chairman: All through the tobacco States we have made every effort to find out if tobacco is harmful to the health of our people. And I say to my distinguished friend, the gentleman from Colorado, certainly I voted with him awhile ago. I voted against the Michel amendment. I voted against it for two or three different reasons. One reason was that I did not believe he was right. Another reason was that I do not believe you should come in here and use this bill as the vehicle to destroy sugar that is produced in your State or tobacco that is produced in the Commonwealth of Kentucky and the other States throughout the United States.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I would like to respond to two points. First of all, I did offer a bill in the committee. Due to the scheduling problem, it never had a chance to be heard before the Tobacco Subcommittee. And then I offered an amendment in the full committee to strike all of the tobacco subsidies. That was defeated, and it was defeated by a significant margin, 30-some to 5 or 6—I forget what the exact number was, but it was 7 or 8 to 1. And so I offered it here, as I explained earlier, as a forerunner to the amendment that will be subsequently offered on the floor.

Mr. NATCHER. Mr. Chairman, I will ask the gentleman from Colorado (Mr. JOHNSON) if he knows what has happened to his amendment on the other side. Have they told the gentleman what has happened to it?

Mr. JOHNSON of Colorado. If the gentleman will yield, does the gentleman mean with respect to Public Law 480?

Mr. NATCHER. Yes, with respect to Public Law 480.

Mr. JOHNSON of Colorado. Yes. Mr. HUMPHREY, I believe, offered an amendment, which watered it down.

Mr. NATCHER. Mr. Chairman, it was not only watered down, I will say to the gentleman from Colorado. They said over there the same thing that I am saying to the gentleman. Why does the gentleman not go to the Committee on Agriculture, like we do with all of these other matters, and use that as his vehicle?

Certainly the amendment that was offered by Mr. HUMPHREY and several others over there was adopted. That is what happened on the other side to the gentleman's amendment.

Mr. JOHNSON of Colorado. I understand that, but we have two separate bodies and we can vote on it here.

Mr. Chairman, if the gentleman will yield further, let me say something about the sugar industry.

Mr. NATCHER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I think it is up to this body to make a determination as to whether we want to continue with these two policies. The sugar industry is in danger. The tobacco industry is thriving, but the sugar industry is in the process of going out of existence.

The tobacco industry is making more money than it ever has before. Tobacco is the most lucrative product anybody can grow.

Mr. NATCHER. Mr. Chairman, let me ask the gentleman a few questions, and then we will see if the gentleman can agree with me.

Is sugar produced in the gentleman's district?

Mr. JOHNSON of Colorado. Yes, it is.

Mr. NATCHER. The gentleman voted no on the Michel amendment?

Mr. JOHNSON of Colorado. Yes, I did.

Mr. NATCHER. Then the gentleman cast the right vote. The Michel amendment should be introduced before the Committee on Agriculture.

Mr. JOHNSON of Colorado. Mr. Chairman, let me say that I think the gentleman from Kentucky (Mr. NATCHER) is also right on 50 percent of his votes.

Mr. NATCHER. Mr. Chairman, I respectfully request that this amendment be defeated.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by my friend, the gentleman from Colorado (Mr. JOHNSON).

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, since we are on the subject of health, I wonder if the Members would indulge me a personal reference.

When I was 22 years old, I had tuberculosis. I never smoked a cigarette in my life. Since that time I have suffered from respiratory diseases.

All four of my brothers smoked, and my one sister who lived long enough also smoked. Neither had any lung problems. Still there must be some substance to the charge that tobacco is dangerous, because it killed my grandmother, although she lived 99 years and 11 months. I do not recall ever having seen her when she was not using tobacco in some form.

Mr. Chairman, I thank the gentleman.

Mr. WAMPLER. Mr. Chairman, I think this amendment has been fairly discussed thus far in the debate, and I would simply like to point out that inasmuch as tobacco is heavily taxed by the Federal, State, and local governments, it is a moneymaker for our country.

In fiscal year 1976 almost \$6 billion was collected in taxes on cigarettes, the Federal Government's share being about \$2.5 billion.

Mr. Chairman, the tobacco price support program is basically self-supporting. The costs to the Government are primarily administrative, about \$17 million in fiscal 1976, only a tiny amount compared to what is derived in return.

The gentleman from Colorado (Mr. JOHNSON), in support of his amendment, has offered this argument: That if tobacco is hazardous to health, then why is the Government supporting the production of tobacco? Mr. Chairman, my answer to that argument is that eliminating the support program will not in all probability decrease tobacco consumption one bit.

Perhaps just the opposite would be achieved, because as I view it, the discontinuation of the price support program, which is closely connected to tobacco acreage allotments and marketing quotas, designed to control the amount of tobacco produced, might help to make tobacco temporarily cheaper and perhaps more attractive to those who have not yet started to smoke. In addition, it might also make importation of more tobacco necessary. As has already been pointed out, if the gentleman from Colorado (Mr. JOHNSON) is seeking to abolish

the tobacco price support program, perhaps another committee might be the more appropriate forum.

Mr. Chairman, I submit that there are many of us on both sides of the aisle from tobacco-producing States who realize that this on-the-spot amendment would be disastrous. I only hope that the committee will not act precipitously and turn their backs on our tobacco growers and do serious damage to our economy.

Mr. Chairman, in the interest of equity I think it should be pointed out that many thousands of tobacco growers, relying on existing law, have planted their 1977 crops. They will be harvested later this summer and this fall, and under the amendment offered by the gentleman from Colorado (Mr. JOHNSON), if it were to become law, beginning on the 1st of October of this year there would be no price support program. I say as a matter of equity this is no time to change a program that has been adopted in referendum by an overwhelming number of tobacco growers, well in excess of 90 percent.

The gentleman from Colorado (Mr. JOHNSON), whom I deeply respect and admire, has repeatedly talked about the tobacco industry. Let us understand that this amendment would principally affect the tobacco grower, the person who earns his livelihood from the soil. I can say to my friend, the gentleman from Colorado, that in the district I am privileged to represent some 18,000 farmers derive income from the production of their tobacco crops. It provides money to put shoes on their children's feet, to keep their children in school, and to help them pay their year-end taxes and meet other necessary expenses. For many farmers it is the principal source of cash income.

Mr. Chairman, if the gentleman wants to do irreparable harm to the agricultural economy of Virginia and other tobacco producing States, I can think of no better way to do it than for us to adopt this amendment.

Mr. DAN DANIEL. Mr. Chairman, I rise in opposition to the amendment and respectfully urge that Members of the House objectively consider what is actually at issue here.

I am very much aware of the impact of the tobacco program, because in my district there are more than 15,000 farms which grow tobacco. Last year, more than 117 million pounds were grown in the Fifth Congressional District of Virginia at a value in excess of \$125 million.

In these days when much of our attention is being directed toward improving our economy, the result of that which is now proposed would clearly be destructive of those ends.

Despite the statements made by proponents of this amendment, what would be accomplished by taking the Government out of its role in tobacco would not be a "plus" for our society. It would have the opposite effect.

We need to recognize that the Government's role is somewhat different than some would have us believe. Contrary to the concept that the Government promotes the tobacco industry and encourages wider use of its products, the truth is that growers, in cooperation with Government, regulate and restrict the pro-

duction and sale of tobacco. These restrictions, approved every 3 years in a referendum among growers, determine how much tobacco can be grown, who can grow it, where it is to be marketed and to some degree the price received. When the supply exceeds the demand, the Secretary of Agriculture has the obligation to recommend production cuts, which he has done on many occasions during the life of the program.

It is ironic that this system is referred to as a subsidy because, by any reasonable understanding of the term, the tobacco program is not that at all.

To the contrary—the Government realizes a big return from its handling of the commodity—and I wish to address myself to that aspect today.

It is estimated that in 1976, the total dollar value of the impact of tobacco on our society was over \$30 billion.

This included not only the amount farmers received, but the direct sales in supportive services, such as agriculture suppliers, loans from banks, warehouse operations, manufacturing, advertising, promotion, and a multitude of other operations which are not as obvious.

And, it also includes more than \$6 billion in taxes collected by Federal, State, and local governments.

It included \$1.46 billion in sales overseas which resulted in a \$1 billion net for our hard-pressed balance of payments.

It provided part or all the income for more than 600,000 farmers, many of whom are in the "small" variety.

To remove the Government from its role would cripple, if not destroy, the stability of the program which has worked so well for the past 40 years. It would mean that many of these small farmers, who have invested in equipment and borrowed money for land and supplies, would be in serious financial circumstances.

Many of these are tenant farmers, who grow tobacco for those who have allotments but who are unable or who do not find it economically possible to grow them.

With the Government out of the picture, all allotments would vanish and those who now make a living from the fruit of their labors might no longer be the ones who would grow tobacco.

Of course, tobacco would continue to be grown, but those with the money to buy expensive machinery and who can afford to lease vast acreage would assume this role.

Many who now earn a living would be forced on welfare roles or have to seek other ways of earning their livelihood.

Farmers now make up only 4 percent of our population and this percentage would go further down—because many of these 600,000 farmers would no longer be in the business.

But what of the Government itself? What of the effects of knocking out the underpinnings of a program which has been operating for 40 years?

Would the \$6 billion in taxes still be available?

And what of the billions in taxes that are paid by the farmers, suppliers, warehousemen, exporters, and others who are

directly or indirectly associated with the business?

We are hearing much today about balancing the budget at some time in the future—and I am all for that—but what effect would removing the Government from its supportive role in tobacco production have on the total financial picture?

I do not believe anyone really knows.

What we do know is that many of the 600,000 who now earn a living from growing tobacco would no longer be able to do so.

What we know is that we are now getting more than \$1 billion annually from overseas sales.

What we know is that the people who buy fertilizer, tobacco seed, farm supplies, equipment, and other essentials on the farm often buy this on the basis of credit that is extended, because of the present knowledge which the Government's regulation provides.

What we know is that tobacco retail sales last year amounted to more than \$16 billion, and in addition to the \$6 billion which Federal, State, and local governments received on sales, there was also derived countless billions in taxes paid directly by wage earners who work in some aspect of the tobacco industry.

What we know is that since World War II, farmers have borrowed more than \$4 billion in Commodity Credit Corporation loans and the repayment rate has been approximately 99 percent. The interest collected on these loans far exceeds any loss.

The weakest argument the opponents of the tobacco program have, in my opinion, is on the economic ground. They point to the relatively small costs of administration, but fail to see that, from a financial standpoint, the program has been a fantastic success. What we do not know is what would happen if all this were removed.

Taxes from the tobacco program go into the general fund and benefits derive all over the country. The effects are not just in the 20 or more States which grow tobacco.

They are represented in dams and roads—in paychecks and social security checks—in everything the Government does.

If the direct taxes and the incidental taxes are taken into account, every Member of this House has a stake.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to attack this amendment a little differently from the way in which it has been attacked so far this afternoon.

If this amendment is adopted, as my colleague, the gentleman from North Carolina (Mr. WHITLEY), told our good friend, the gentleman from Colorado (Mr. JOHNSON), it will not affect the smoking habits of the American people one bit.

What we will do is send the tobacco companies of this country laughing all the way to the bank.

Please listen to this point: My district in southeastern North Carolina is literally full of small families which grow be-

tween 1 and 2 and 3 acres of tobacco. They do not work for the companies, and they are not connected with R. J. Reynolds or Leggett & Myers or P. Lorillard or the companies that make the cigarette products. They are the small families which have 1 or 2 acres of allotment.

Mr. Chairman, I came through my district Sunday afternoon. I saw the fields of tobacco with the plants about 3 to 4 feet high, and I saw the small family bungalows over near these small plots of tobacco.

What will happen to those small families is this: If they have 1 acre of tobacco, they can perhaps grow 2,000 pounds on that 1 acre. They will take it this summer and fall to the warehouse, and they will receive in the neighborhood of \$2,000 an acre for that little plot that they and their family cultivated. It will cost them about \$500. They will put \$1,500 in their pocket and go to the department store and buy the clothes for their family to go to school this fall and buy food to put into their mouths.

Mr. Chairman, no one is hearing me make the health argument. I am not making the tax argument to the Members either. I am saying, Do not kill the tobacco price-support program and go home and tell people that you have saved them from the hazards of smoking cigarettes. R. J. Reynolds will laugh all the way to the bank. This price-support program makes them pay.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I concur completely with what the gentleman is stating.

The price-support program for tobacco is a controlled program. If this amendment is adopted, tobacco will be grown; but the small farmer will be out of business—and I have 20,000 of these small growers in my State. Tobacco will be grown by the large growers in this country, and we will have upset the economy of some 350,000 growers in this country and put a terrific number of people on relief. This amendment must be defeated.

Mr. ROSE. Mr. Chairman, I thank the distinguished gentleman from Kentucky (Mr. PERKINS) for that point.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from North Carolina (Mr. ROSE).

I, too, in my district have a lot of small farmers, people for whom tobacco is the only cash income or cash crop that they have. They perhaps have a few cows or hogs, but this is the primary crop that they have.

Mr. Chairman, as the gentleman pointed out, the tobacco companies are going to get the tobacco grown. The small farmer will not be producing it. It will be the large corporate farmer. He will be growing a thousand acres, and they will laugh all the way to the bank.

Mr. Chairman, the gentleman from North Carolina (Mr. Ross) is absolutely correct, and I hope the amendment is voted down.

I appreciate the gentleman's yielding. Mr. ROSE. Mr. Chairman, I would like to make one or two more points and then I will cease.

The price support program that this bill will pay for pays its own way. This price support program keeps the price of tobacco between a dollar and a dollar and a half a pound in my area. If that price support program is killed, the price will drop and tobacco will not be grown in the South.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROSE was allowed to proceed for 2 additional minutes.)

Mr. ROSE. Mr. Chairman, if the price support program is killed many people in the South will be out of business. The gentleman from Colorado (Mr. JOHNSON) said it might have some effect on a few small producers in the South. I love my friend the gentleman from Colorado (Mr. JOHNSON) but the gentleman knows that he is dealing with our livelihood in the South when he presents this amendment. Tobacco will be imported. The tobacco that cannot be grown on these small farms will be imported. We are getting \$1.46 billion a year in exports, which is helping our balance of payments, but if we kill this program the tobacco will come in from overseas because it will not be grown in this country.

If you want to do something then talk to Father DRINAN about this, or talk to Mr. KENNEDY about his bill, if you are upset about tobacco, but leave the price support programs alone.

I thank the Members for listening and I hope they will join me in defeating this amendment.

Mr. NEAL. Mr. Chairman, once again we are being told that the U.S. Government should not expend public funds to assist in the orderly growing and marketing of tobacco, a major commodity included in the provisions of the Agricultural Adjustment Act of 1933. The proponents of this position would have us believe that if the Department of Agriculture washes its hands of the tobacco program, somehow smoking will be reduced and the health benefits, whatever they may be, will accrue to the public.

However well-intentioned the opponents of the tobacco program may be, they are positively dead wrong. The Federal tobacco program has absolutely nothing to do with whether people smoke or do not smoke; or with whether cigarettes are manufactured or not manufactured. It has to do with how tobacco is grown and marketed, who grows it, that is, with the distribution of tobacco quotas, which constitute the main source of income of some 600,000 American farmers.

Without the Federal tobacco program, most of these farmers would be deprived of their livelihood. But it would not mean that no tobacco would be grown. It

would mean only that it would be grown by corporate entities and large farmers, who are today restrained only by the careful control of allotments and lease and transfer of quotas. It is a good bet that even more tobacco would be grown without controls. And even if no tobacco at all were grown in the United States, manufacturers would have no difficulty in getting all the tobacco they want from offshore sources. It is a plant which is adaptable to a great many climates and is grown in abundance—and could be grown in even greater quantity—in a great many other countries, including Canada, Mexico, China, Rhodesia, South Africa, Turkey, Italy, Argentina, Brazil, Venezuela, India, Pakistan, Indonesia, Japan, Korea, Taiwan, the Philippines, Thailand, Malawi, Tanzania, Greece, Australia, and New Zealand.

Mr. Chairman, we also hear from the opponents of the tobacco program that the tobacco program constitutes a huge subsidy to the tobacco growers and the tobacco industry. If there is 1 cent of subsidy, in the accepted definition of that word, in the tobacco program, I am unable to find it. Subsidy, in my mind, is supportive activity from which the tobacco grower, in this instance, would receive direct cash payments. In no instance does the tobacco grower, or the tobacco industry, receive such benefits. The U.S. Government does not buy, and never has bought, tobacco. The tobacco program consists of farmer-owned cooperatives which buy, on the warehouse floor, tobacco which does not at auction bring the support price. To do this, the cooperatives borrow money from the Commodity Credit Corporation, which is repaid, with interest, as the cooperative sells its stocks. In more than 40 years of existence, defaulted loans have totaled only \$52.4 million—which is less than 1 percent of loans made to the cooperatives. During the same period, interest paid by the cooperatives to the CCC has been many times that amount.

We hear a lot of "subsidy" figures being bandied about in reference to the tobacco program. In a letter to HEW Secretary Joseph Califano, Dr. Sidney M. Wolfe, of the Health Research Group, recently said that the "direct" subsidy for 1977 was estimated at \$78.7 million and that more than "a billion dollars of additional money is going for what might be called an 'indirect' subsidy of the industry." Because his estimates varied alarmingly from the information available to me, I had a member of my staff ask Dr. Wolfe for the source of his information. The staff member told me that Dr. Wolfe responded that the \$78.7 figure was from the Office of Management and Budget. He gave no explanation of the billion-dollar "indirect subsidy" estimate.

Subsequently, I wrote to Mr. Bert Lance, Director of OMB, and asked for a copy of the estimates given to Dr. Wolfe. Mr. Ken Glozer of OMB telephoned my office his morning and said OMB could find no record of Dr. Wolfe's ever inquiring about the cost of the tobacco program, or of OMB ever furnishing him information on that subject. Nonetheless, he did furnish me data which indicate the program's cost for fiscal 1977

was \$76.9 million, broken down as follows:

Commodity Credit Corporation, for realized losses, support, and Public Law 480 loans, \$65.2 million. Bearing in mind that Public Law 480 loans are recoverable, with interest, and that cooperatives have paid far more in interest than their nonrecoverable loans, I ask where is the subsidy?

Mr. Glozer also suggested that three other outlays should be considered as part of the cost of the tobacco program. They were:

Research, \$5.2 million;
Cooperative research, \$0.7 million; and
Tobacco grading, \$5.8 million.

Most of the research, I am told, is being done at Beltsville, where one of the world's top tobacco agronomists has succeeded over the years in developing strains of tobacco which are more resilient and of higher quality than their predecessors. Although I can cite no scientific information to support such a statement, I would venture to say that over the years the gradual improvement in the tobacco plant also has resulted in leaves which contain less tar and less nicotine.

Research done under the cooperative program is conducted at institutions such as North Carolina State University. The tobacco grower derives no direct financial payments in any of these programs. The Department of Agriculture maintains research programs for virtually all agricultural commodities. Again, I ask: Where is the subsidy?

Finally, OMB includes \$5.8 million for inspection and grading of tobacco on the warehouse floor. Such inspection, I believe, is done with most, if not all, other major commodities. Again, the tobacco grower gets none of this money, so where is the direct subsidy? Indeed, who is the beneficiary in the research and inspection programs? Is it the tobacco grower and the tobacco industry, or is it the consuming public?

The question of dollars and cents has been injected by the opponents of the tobacco program, who fail to mention that tobacco sustains some 600,000 American farmers and is the mainstay of the economy of several States, including my own State of North Carolina. Nor do they concede that tobacco produces some \$6 billion a year in Federal, State, and local taxes and produces some \$1.6 billion in export trade.

I do not argue that these benefits would be wiped out if we did not have a tobacco program. I do not argue any part of the health-smoking issue, which is entirely separate and apart from the issue we face today.

I argue only that to kill the Federal tobacco program would do great harm to over 10,000 families in my district who depend, almost entirely, on their tobacco allotments as their primary source of income. They are only a handful of the 600,000 such persons whose allotments range as low as a few tenths of an acre.

If we destroy their program, we will still have the smoking and health issue before us. In addition, we will have the problem of how to assist 600,000 people we have put out of the farming business

and probably a great many of whom we have put onto the welfare rolls. I urge my colleagues to vote against this destructive amendment.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let us put in perspective what we are doing here with this amendment. My colleague, the gentleman from North Carolina (Mr. ROSE), has very eloquently explained to us what would happen if we had no control program, that we would have more tobacco. But that we are doing here with the amendment offered by the gentleman from Colorado (Mr. JOHNSON) is writing off the books one of the most successful farm programs that has ever been enacted by this Congress, and that was in 1936. The program has even been to the Supreme Court in 1938 in the case of Milford against Smith. The Supreme Court upheld the act as being valid and legal. It has been on the statute books ever since, yet with this one single amendment offered by the gentleman from Colorado (Mr. JOHNSON) we could wipe it all out, without any hearings or considerations of what might happen.

During the presidential campaign I took it upon myself to try to find out the position of the individual candidates as related to the tobacco program. I want to read a letter to the Members that I received, it was a mail-o-gram, which was dated October 12, 1976, and addressed to me as chairman of the Subcommittee on Tobacco, Box 90, Farmville, N.C. It reads as follows:

DEAR CONGRESSMAN JONES: I am happy to answer your question on the Tobacco Program. I am well aware of the importance of the tobacco program to hundreds and thousands of small farmers. Nearly 600,000 farm families receive a large portion of their income from tobacco sales. Tobacco is one of the few crops that can still utilize family farm labor and provide a reasonable income on a small farm.

If the tobacco program were abolished, tobacco prices and land values would drop sharply. Many growers would be forced off their farms. The entire economy of the tobacco producing areas would be devastated.

I am not sure what the Republican's "free market" policy for Agriculture has in mind for tobacco farmers. As you know, former Secretary of Agriculture, Earl Butts in two (2) consecutive years tried to weaken the tobacco program by trying to drive prices down.

I personally see no need to do away with a program that costs the government next to nothing while enabling so many hard working families to earn a living.

I hope this answers your question and I look forward to working closely next year with you in Washington, D.C.

Sincerely,

JIMMY CARTER.

That was signed Jimmy Carter, now President of the United States. President Carter's statement sums up the situation far better than anything I could add.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to my colleague the gentleman from North Carolina, Mr. HEFNER.

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to associate myself with the statement that the gentleman from North Carolina, Mr. ROSE, has made.

One thing we are overlooking under this amendment is not only will the small farmers in the State of North Carolina and the South not be able to diversify, but there would be foreclosures on many small farms in the State of North Carolina. People would have their tractors and equipment repossessed by banks which made loans. It would be a very devastating thing for the tobacco farmers in the South. I think the gentleman from Colorado certainly would not want to impose these dire circumstances on the folks in the South or on anyone who grows tobacco.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from Minnesota.

Mr. NOLAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment and associate myself with the eloquent remarks here of the previous gentleman who has spoken in support of the program.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Colorado.

It seems to me that we are in all too familiar territory once again today, and the argument again is that there is always another starting point where the Government should look at its policies with respect to tobacco. It was not too many weeks ago when we had the Clean Air Act amendments on the floor of the House, and there was considerable evidence placed before this body that tobacco certainly does have a significant impact and interrelationship with a number of other environmental pollutants. It was argued at that time that this was no time to talk about tobacco and that it should be done in some other bill. I suspect that, by building pressure from the general constituency in their request for nonsmokers' rights in almost every public place, there is growing concern about the attitude of the Federal Government with respect to tobacco.

I point out that many of the people who argued against this amendment today with that strong argument about the small farmer were certainly some of the same Members who argued against the amendment which would have simply asked for more information about tobacco and its interrelationship with environmental pollutants in the Clean Air Act amendments. I do not think they were arguing with respect to the small farmer that day; I think they were arguing on behalf of the industry, the giants of the industry who, as the gentleman from Colorado has pointed out, are reaping great benefits from free enterprise. We are not out to bankrupt America, but I do think we have to look to the fact that just last week we were asked to add millions more to the HEW bill for research of cancer. Somewhere it has all got to come down either to the fact that we believe the Surgeon General and most

researchers that tobacco does in fact cause cancer and does in fact have an interrelationship with a number of other personal health problems in the United States, or we reject it. I think there is a substantial number of Members in this House who simply agree with the medical evidence that there is a relationship that tobacco and smoking cigarettes does have detrimental effects. I do not know if anybody smokes spinach, but I suspect if they smoke spinach as was raised earlier in debate they are going to get a similar effect.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

If the gentleman feels cigarette smoking is harmful to health, how does he imagine the Johnson amendment would reduce cigarette smoking?

Mr. GARY A. MYERS. I suggest to the gentleman that if today I stood up and proposed an amendment that we ought to subsidize those poor Tris manufacturers or those poor PBC manufacturers, or the Kepone manufacturers, the gentleman would probably oppose me. For exactly that same reason I agree with the Johnson amendment that we have got to look at the health effort. I think any stimulation of financial assistance to the tobacco industry encourages new producers to get in and new farmers to get in and new processors to get in.

Mr. FOLEY. If the gentleman will yield further, will the gentleman tell me that if cigarettes were cheaper and cigarette companies made more profits, it would not necessarily discourage the smoking of cigarettes?

Mr. GARY A. MYERS. I agree with the gentleman.

Mr. FOLEY. That is exactly what the Johnson amendment will do. It will make cigarettes cheaper or cigarette profits greater to the cigarette companies, one of the two.

Mr. GARY A. MYERS. Let me get back to the Michel amendment. The gentleman argued that if we do not have the support for sugar at this time, we will lose our market and the price will go up in the future, and it will hurt the market.

I hope that happens to tobacco, not for my good but for the general health and well being of the American public. I accept the gentleman's previous argument that if the Government does not subsidize, the price will go up later on and fewer people will smoke then. I accept the sugar argument in respect to tobacco.

Mr. FOLEY. But the gentleman does not understand. If we take away the price support, the price of tobacco will go down, and the cigarettes will become cheaper to produce and the profits to the cigarette companies will go up. It is usually not assumed that if the price of the product is lower, then somebody who does not want the product to be sold is benefited by the lower prices.

Mr. GARY A. MYERS. I reemphasize the fact that the same argument was made and can be made against sugar. The same argument can be made that if

we do not have the price support, the price will go down.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 1 additional minute.)

Mr. GARY A. MYERS. Mr. Chairman, I would suggest that the argument is made that if we get too many people producing tobacco, then the price goes down and some people will then get out of production and then the price goes back up eventually. The same argument has been made for almost every commodity from the gentleman's committee that comes to the floor. If the price support is out, the price will go down and the people will get out of tobacco production and later the price will go back up. I think that would be of benefit to the people of the United States.

I commend the gentleman from Colorado and I hope the House agrees with his wisdom.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I would like to restate something I have stated earlier. We should not be adding legislation on this appropriation bill. It is very tempting to the 95 or 96 percent of us that do not represent farming communities to think that in some misbegotten way we are casting a vote that will give us political relief at home when in fact we have a national responsibility to cast our vote for the proper position.

Now we do not have very many farm tobacco growing districts in this House. I have consistently supported the warnings the Surgeon General places on cigarettes, but that has nothing to do with the issue before us. The issue before us is: Are we going to legislate on an appropriation bill to deny the economic livelihood to the small—underscore "small"—farmers of this country, farmers that have an unusually high proportion, if I may note, of black and white together.

I come down on the side that we have an authorization bill coming up in a week or two. I do not intend to support this amendment if it is offered on that bill, but this is not the time nor is this the vehicle for those of us from the urban areas to be tinkering with this bill.

The backbone of rural America is or should be in the small farmers and there is no particular crop where small farmers more dominate the economy than in the area of growing tobacco.

We ought to reject the amendment and get on with the business of the passage of this bill and look at the authorization bill when it comes up in a couple of weeks.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I have heard the last argument by the gentleman from California and it goes on this basis: That we should leave this subject up to the Committee on Agriculture.

Now, we know that there will never be any restrictive legislation on tobacco coming out of the Committee on Agriculture. It just cannot do it, because of the nature of the membership. Yet this subject is important to all Americans. We spend \$5 billion on research. We now have the American Cancer Society after all that research saying that 250,000 Americans lose their lives every year because of smoking.

If, we subsidize this product that is putting the Government stamp of approval on tobacco. This is wrong and people all over this country know this is wrong.

Mr. Chairman, I compliment the gentleman from Colorado for bringing this matter before us today.

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

(By unanimous consent, Messrs. NATCHER, ANDREWS of North Carolina, and BRECKINRIDGE yielded their time to Mr. WHITLEY.)

Mr. WHITLEY. Mr. Chairman, I want to make this final appeal to my colleagues. I happen to represent the district that grows more flue-cured tobacco; that grows more tobacco both in terms of pounds sold and dollars received than any other district in the United States.

I would remind this House that whether or not we continue the Federal farm support program as it relates to tobacco is not a smoking and health issue. If we completely eliminate all price supports and tobacco allotments and all that involves, and the Department of Agriculture is prohibited from the granting of loans, it will not stop one single person from smoking; it will not stop one single cigarette from being manufactured or sold and it will not stop one single person from contracting cancer or any other disease. The gentleman from Colorado admitted that fact when the gentleman was in the well.

As the gentleman from North Carolina (Mr. ROSE) pointed out, it will not hurt the tobacco companies one bit. They will get the tobacco they want. It will be grown in this country. It can be imported from other countries that grow tobacco, because tobacco is an international commodity.

Now, what this amendment can do and what this amendment will do in the district that I represent is literally to bankrupt, and it is no exaggeration when I say this, it will literally bankrupt thousands and thousands of farmers, landowners, businessmen, financial institutions and others in the tobacco belt and in the district that I represent.

The point is, Mr. Chairman, that tobacco is such an expensive crop to grow that without price supports, farmers cannot get agricultural credit. There is

no way that a small farmer can produce tobacco without a support program. So, what we will do, if we pass this amendment today, is turn the growing of tobacco over to the large tobacco interests.

Let me make one other point that has not been stressed very strongly. Last year, we exported \$1.46 billion worth of leaf tobacco at a time when we badly needed exports for the purpose of shoring up our balance of trade. The trouble is that the tobacco-producing companies, the cigarette companies, are not going to be growing leaf tobacco for export. They like to sell cigarettes overseas, but that will be the end of that \$1.46 billion in leaf tobacco that we are exporting overseas.

So, in summary, if the Members want to address themselves to the issue of smoking and health, if they want that, there are all sort of other times and other places and other ways and other situations in which that issue can be addressed, but what we are talking about here is whether we are going to continue to let the small, hardworking farmers and businessmen in the tobacco belt make a livelihood by growing tobacco.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, it seems to me that the distinguished gentleman from Washington (Mr. FOLEY) put his finger right on the button. This amendment would be counterproductive. It would say, "Grow as much tobacco as you want; let the price fall wherever it will." The amendment would permit and encourage the growing of more tobacco, and lower the price of tobacco. Certainly that would be just counterproductive to the health issue to which the opponents of this bill address themselves.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I rise in opposition to the amendment.

I ask unanimous consent that my remarks be inserted in the RECORD immediately following those of the gentleman from Virginia (Mr. WAMPLER).

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

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

Mr. NEAL. Mr. Chairman, I ask unanimous consent that my remarks be inserted immediately following those of the gentleman from North Carolina (Mr. ROSE).

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL. Mr. Chairman, in this very brief period I would like to reemphasize one or two things. I think the gentleman from Colorado, the author of the amendment, has the issues confused. This is not a tobacco subsidy program, not a subsidy to the tobacco industry in any sense of the word. No money is paid to the tobacco companies. No Federal money is paid directly to the tobacco farmers. Money is loaned to a cooperative, and that money

is returned to the Federal Government. We are in no way subsidizing tobacco industries or tobacco farmers that I can tell. We are only providing for the orderly growing and marketing of one of the oldest and most productive crops in this country. We are not encouraging people to smoke by this bill. This is not a smoking and health issue. If this amendment passes it will hurt several hundred thousand small farmers and will in no way deal with the issue of smoking and health. I urge its defeat.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I rise in support of this amendment, as I also supported the Michel amendment.

The gentleman from Virginia (Mr. DAN DANIEL) in his earlier remarks was talking about his 99-year-and-11-month-old grandmother. I never was sure whether she died from smoking or whether she was run over by a tobacco truck.

Mr. DAN DANIEL. Oh, the smoking finally caught up with her. I might add one of my grandfathers lived to the age of 84, and my own father to 81, and both of them were lifetime smokers.

Mr. SYMMS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Chairman, I rise in opposition to the amendment, and I urge my colleagues to vote it down.

Mr. Chairman, I grew up on a farm as a tenement farmer. As a small boy I went out in the tobacco crop and wormed it by taking the big tobacco worm off of the tobacco leaf and putting it on the ground and stomping it with my foot. Since that time, my family moved into Kingsport and the industry itself has progressed. Now all of this is done by spraying. What I am saying to my colleagues is this: Without that tobacco crop, the family, as tenement farmers, could not have existed. And that is still true today.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. JENNETTE).

Mr. JENNETTE. Mr. Chairman, I rise in strong opposition to the amendment offered by Mr. JOHNSON of Colorado to terminate the tobacco program.

I speak in behalf of the laborers, producers, landowners, and families of the nearly 20,000 farms in my district which produced almost \$180 million worth of tobacco last year. The reason I mention these individuals is because it is these people—not the taxpayer or the smoker—who will be directly and unfairly affected should this amendment pass today.

The sponsors state in their "Dear Colleague": "We are not trying to get people to quit smoking—that is not the Government's responsibility." And the sponsors could not be more correct. Not one single person will quit smoking as a result of this amendment. But to continue from the "Dear Colleague": the amendment is being offered purely because the sponsors feel tobacco is a "health hazard."

The fact is, the only "health" that will be affected by this amendemnt is the

health of the economy of the farmers in the tobacco belt. For more than 40 years, land in tobacco country has been bought, sold, leased, and used as collateral for loans and otherwise evaluated based on the tobacco allotments assigned to it. Passage of the amendment would literally bankrupt hundreds of thousands of farmers, landowners, businessmen, and workers in my district and others like it which primarily produce tobacco. Many loans to banks would not be paid, it would hurt many others, not just tobacco farmers.

I should also like to emphasize that the persons actually producing this tobacco are not corporate operators or plantation owners—they are black and white families struggling to make a living on 1- and 2-acre plots.

My colleagues from other tobacco-producing States have amply outlined the positive economic effects which the tobacco program has had nationally—that is, the \$6 billion in State and Federal taxes which tobacco earns annually plus the \$1.5 billion in export earnings. If the sponsors of the amendment feel it is inconsistent for the Government to be involved in both cancer research and in the tobacco program, they should consider outlawing tobacco altogether—that way there would be no Government involvement at all, be it the program, taxes, or otherwise.

Frankly, the greatest inconsistency of all would be to pass an amendment which is designed to achieve nothing but economic ruin for small producers. I urge the Members to defeat the Johnson of Colorado amendment.

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

Mr. FOUNTAIN. Mr. Chairman, I rise in strong opposition to this amendment which would curtail the Federal farm tobacco program, and want to associate myself with the remarks of those who spoke in opposition to this amendment.

The amendment is totally ill-advised and would in fact create seriously adverse economic impacts in my district in North Carolina, as well as throughout the entire State. Indeed, the economies of many States and localities which grow tobacco or take part in one way or another in the manufacture, shipment, or sale of tobacco products might well suffer undue harm.

Mr. Chairman, I want to state, as chairman of the Subcommittee on Intergovernmental Relations and Human Resources, that last week we took testimony from a number of scientists concerning the \$800 million that is now being spent in the area of cancer research, as we began an evaluation of the national program against cancer. Not one of those scientists related health to the price support program.

I would like to say that the gentleman from Washington (Mr. FOLEY) put his finger on the pulse of this situation. What you are going to do is bankrupt—literally bankrupt—and transfer to welfare, several hundred thousand farmers and place the production of tobacco in the hands of big corporate farmers. What you are also going to do is encourage the importation of tobacco from some of the

largest tobacco-producing countries in the world, including Communist China, India, Russia, Turkey, Brazil, Japan, Bulgaria, Greece, Italy, the Republic of Korea, and Poland.

A lot of nations produce tobacco. We are only one of the nations competing for the world tobacco market. In 1975 the major tobacco producing nations were—in pounds:

Communist China	2,160,508,000;
United States	2,118,560,000;
India	837,748,000;
Russia	639,334,000;
Turkey	573,636,000;
Brazil	557,816,000;
Japan	364,244,000;
Bulgaria	319,667,000;
Greece	279,168,000;
Italy	239,419,000;
Republic of Korea	238,996,000;
and Poland	220,812,000.

Now, let me put forth some tobacco statistics which vividly point out tobacco's contribution to our own Nation.

Over 600,000 farm families in this country today depend on tobacco as a major source of income. It is the fifth largest cash crop produced in the United States. In 1976, the Nation's crop was worth over \$2.3 billion.

The cash receipts for the tobacco crop in my own State of North Carolina alone are estimated at \$1 billion for 1976.

Twenty-two States and the Commonwealth of Puerto Rico grow tobacco within their borders. The States include North Carolina, Kentucky, Virginia, South Carolina, Tennessee, Georgia, Florida, Connecticut, Maryland, Ohio, Indiana, Wisconsin, Massachusetts, Pennsylvania, Missouri, West Virginia, Alabama, Arkansas, Illinois, Kansas, Louisiana, and Minnesota.

Tobacco and tobacco products provide significant amounts of tax revenues to governments at the Federal, State, and local levels each year. In fiscal year 1976, an estimated \$6,153,983,000 were collected in direct taxes on tobacco products. Since 1863, when tobacco products taxed by Government first included cigarettes, over \$119.1 billion have been collected.

Of this total tax revenue for 1976; the Federal Government collected almost \$2.5 billion. State governments received over \$3.5 billion. Local governments took in almost \$114 million.

Mr. Chairman, these taxation figures include only the direct taxes received from tobacco products. They do not include the billions and billions of dollars in personal and business income taxes which come from people employed in farming or the manufacture, shipment, and sale of tobacco products, from the many corporations and other businesses which are a direct part of the tobacco industry, from the many wholesale and retail businesses supplying these farmers and companies, and the innumerable industries supplying equipment and products of every kind to those directly engaged in the tobacco industry—supplying everything from trucks to twine to tank-cars.

Currently, over 200 factories in this country manufacture cigarettes and cigars, as well as snuff, chewing pipe, and rolling tobacco. The manufacturers of cigarettes and cigars are located primarily in North Carolina, Virginia, Kentucky, Florida, and Pennsylvania. Manufacturers of the other tobacco products are scattered over several other States.

About 76,400 production workers are engaged in the manufacture of tobacco products. Several hundreds of millions of dollars in wages and salaries are paid to these people each year.

Almost 1.5 million retail outlets in this country distribute tobacco products. Needless to say, these outlets employ millions of people to assist in handling these sales transactions.

In 1976, almost 3,000 tobacco product wholesalers in every State in the Nation traded an estimated \$10.7 billion in cigarettes; cigars; chewing, pipe, and rolling tobacco; snuff; and other smoking related articles such as pipes.

Mr. Chairman, tobacco is indispensable to the economy of the country. In industries which are related to tobacco, the manufacturers and suppliers of farm machinery and materials and supplies, as well as the advertising, shipping, and trucking concerns employ millions of additional people and add many millions of dollars to income taxes and other revenues throughout the United States.

In recent years, over one-third of the Nation's tobacco crop has been exported to foreign countries. Exports last year totaled about \$1.46 billion. Our imports were about \$316 million, giving the tobacco industry a net contribution of over \$1.1 billion to our balance of payments in 1976. Cigarettes alone were exported to about 130 countries. Practically all of the exports of leaf tobacco and tobacco products were from eight major ports on the east, gulf, and west coasts—Norfolk, Wilmington, New York, New Orleans, Baltimore, Miami, San Francisco, and Philadelphia.

Mr. Chairman, what we are talking about when we speak of doing away with the tobacco program is doing away with jobs for countless numbers of people on the farm. We are talking about adding hundreds of thousands to the welfare rolls. I do not believe that this House wishes to do that.

Who knows what the effects of doing away with the tobacco program would be in the factory, on the loading dock, and in the wholesale and retail outlet. Who knows what the effects would be on the tobacco tax revenues of governments in every one of the 50 States.

Tobacco is a commodity which is considered by many historians to have insured the survival and vitality of the early American colonies. Controversies over tobacco have raged since the 17th century, when those earliest colonies began to be established. The arguments and sermons we hear from the anti-tobacco forces are indeed not new. The fact remains, Mr. Chairman, that tobacco is a legal commodity. It is sold around the world. The price support program under attack today does not add significant cost to the American taxpayer. Rather, the return on the investment is substantial enough to justify entirely continuation of the program. It is a responsible program, and it is of low cost.

Tobacco farmers are not looking for a handout. They want to work their crop, market their products, and make a decent living. In order to do this, the tobacco program is necessary to stabilize the production of tobacco and insure fair

prices for the crops on a competitive market.

I urge a vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, there have been so many arguments raised that I would like to just address myself and focus in on the one about bankruptcy of the small farmer. I do not think there has been a case made for that. It has been repeated often enough so that a certain number of people will believe it. But the demand for tobacco is not going to go away. The demand for export tobacco is not going to go away. We provide more than 25 percent of the world export tobacco. That is not going to disappear. If the price falls, the gentleman from Washington certainly knows that the taxes will be raised on it. In the event we do have to have help for those small farmers that the gentlemen are crying about, those who live on \$1,500 a year—they ought not to be too proud of that kind of economic situation, it seems to me—but in the event they do need help, we ought to be providing it outside of a tobacco program. There is no reason to continue to provide aid for this type of commodity, and I think we all know it.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) to close debate.

Mr. HUBBARD. Mr. Chairman, the thousands of tobacco farmers in Kentucky can be very proud of the remarks of the gentleman from Kentucky (Mr. NATCHER), the comments made by the gentleman from Kentucky (Mr. PERKINS), and the behind-the-scenes work of the gentleman from Kentucky (Mr. BRECKINRIDGE), a member of the Committee on Agriculture. Indeed, the tobacco farmers of Kentucky are opposed to the Johnson amendment, and as one member of the Kentucky delegation that represents hundreds and perhaps thousands of tobacco farmers, are vigorously opposed to the Johnson amendment.

Mr. WHITTEN. Mr. Chairman, this problem is really a highly emotional one. However, all that I have read indicates that the danger of tobacco comes from excessive use. The thing that escapes attention every year when this comes up is that this is not a price support program. It is a program limiting tobacco acreage.

So before we have any price support, the fellow producing tobacco has to vote to limit his production. If this goes out the window and the farmer does not vote for the program—and he would not—then we turn acreage loose and we increase the total quantity of tobacco.

I grew up on a farm, and I know something about this. The fellow who loses in price will try to make up for the loss in price by increasing the total quantity of his production.

So, Mr. Chairman, the one way, as I see it, to increase tobacco production and the use of tobacco is to adopt this amendment. That is the last thing we should do if we want to limit the use of tobacco.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Colorado (Mr. JOHNSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of Colorado. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused. So the amendment was rejected.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

VERY LOW-INCOME HOUSING REPAIR GRANTS
For grants to the elderly pursuant to section 504 of the Housing Act of 1949, as amended, \$5,000,000.

AMENDMENT OFFERED BY MR. AU COIN
Mr. AU COIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:
Amendment offered by Mr. AU COIN: Following line 23 on page 23, add:

"RURAL HOUSING RESEARCH
"For grants and/or contracts pursuant to section 506(d) of the Housing Act of 1949, as amended [42 USC 1476(d)], \$1,000,000."

Mr. AU COIN. Mr. Chairman, I offer this amendment as a small step to give to rural housing what we now have in the area of urban housing.

In the Department of Housing and Urban Development there is some \$60 million available to that agency to research, to investigate, and to inquire into new ways to deliver housing to the urban areas of this Nation. What we need, as we look at the problems of rural housing, which are just as acute and just as severe and which exact just as much in the way of human suffering as those in urban housing, is the capacity to look for innovations within the Farmers Home Administration. The agency needs to be able to find ways to improve the delivery of housing in small towns across the land and in rural America.

Currently there is authorized but not yet appropriated funds for this purpose within the Farmers Home Administration. This would provide in-house research capacity to better enable that agency to do what we have charged it to do, and that is to deliver housing to the American people in small towns and rural America.

This amendment is only a modest step forward. It calls for only \$1 million. Some who are strong rural housing advocates have urged that this amendment should provide as much as \$10 million.

I think that most of my colleagues would agree that in starting out a program, no matter how laudable it may be, the idea should start out small; and based upon experience, it should grow in measured steps over the course of a number of years.

Mr. Chairman, we are starting out small with this program, only \$1 million, in order to help this agency to deliver better housing to the rural sections of this country.

Mr. Chairman, I hope that the committee and my colleagues will accept the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the gentleman's amendment.

I come from an urban area; but I am very, very familiar with the absolutely deplorable state of rural housing. Promises have been made over the last 20 or 30 years for better housing in rural areas. Those promises have not been lived up to.

Mr. Chairman, I think the gentleman's amendment is a step in the right direction in starting to address this problem.

Mr. Chairman, I urge support of this amendment.

Mr. AuCOIN. Mr. Chairman, I appreciate my colleague's support.

Mr. BRECKINRIDGE. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Chairman, I thank the gentleman for yielding.

I would just like to observe that since 1949 the Congress has had authority on the books for this program.

I would like to say additionally that in the area of metropolitan research programs we have authorized some \$50 million for HUD for comparable work and have found it eminently satisfactory and necessary.

We have recommended in the Congressional Rural Caucus, for the consideration of the House, a figure in the amount of \$10 million, so that really the gentleman is asking for 2 percent of those funds which have been authorized by this body for metropolitan areas. This is 10 percent of the figure recommended by the Congressional Rural Caucus and 2 percent of the funds appropriated for HUD for metropolitan America. Only 2 percent of the funds appropriated by this Congress for metropolitan America.

Consequently, Mr. Chairman, I urge favorable consideration of the gentleman's amendment.

Mr. AuCOIN. Mr. Chairman, I appreciate my friend's support. I have great respect for the work he has done in chairing the Congressional Rural Caucus. He knows the problem we are attacking as well as any Member of the House.

Mr. Chairman, I urge my colleagues to vote for this amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

May I say that this amendment, again, represents what we so frequently see among our friends, and that is a mutual desire for an end result, but which is not necessarily approached in the most effective way.

I do not believe anyone could be more interested in rural housing than I am. I happen to come from a rural area.

May I say that by just looking at this bill, in the parts concerned with loan and grant levels for housing, one can see that this is a rural housing bill. The total amount is well over \$4 billion for rural housing loans and grants.

Research in housing—and this is research we are talking about—is funded in the amount of about \$1,300,000 under the Agricultural Research Service at the present time in the bill.

I agree with my colleague. We certainly

have had too little attention paid to rural housing in the past.

Mr. Chairman, one of the first things I noticed when we passed the original housing bill that has to do with urban centers is that we had \$500 million in there for farm housing. Nobody ever bothered to use a nickel of it. It was put in there earlier in order to get farm votes.

Our committee changed the word "farm" to "rural." That is when we begin to have rural programs on the order that we have them in the cities.

In this area of rural housing, despite the slowness with which the Department moved in some areas, primarily because the people were not interested or did not know the subject or did not have the supervision, we have now, as I say, about \$4,299,000,000 available for rural housing loans.

Mr. Chairman, again, we have provision for research on housing in this bill now under the Agricultural Research Service. There is a total of over \$300 million for research in this bill some of which deals with rural housing. The bill also provides for over \$4 billion in loans and in grants.

Mr. Chairman, when we have in excess of \$1 million already for research in rural housing, I just think that with all of the problems we have, this is a good time to tell our friend, the gentleman from Oregon (Mr. AuCOIN), that we agree with his objective, but with respect to the allocation of additional money to land grant colleges or somebody else, on top of what we have now, is just not the proper thing to do at this time.

Therefore, Mr. Chairman, I hope we may defeat the amendment.

Mr. LUNDINE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment. Adoption of this amendment will provide start-up capability for an already long-overdue research arm within the Farmers Home Administration. Both the House and the Senate have demonstrated their understanding of the critical need for establishment of this research capacity within the FmHA by approving authorizing language in the Housing and Community Development Act of 1977.

The appropriation being requested to enable FmHA to carry out that mandate represents a small fraction of the amount contained in HUD's annual research budget. Information similar to that available for urban areas as a result of HUD's \$60 million-plus research capability is nearly nonexistent for rural areas. FmHA, which is currently the largest direct Federal lender in the country, is forced to assess rural growth patterns, rural community facilities and services, and the housing needs of special groups in a virtual vacuum. HUD simply does not engage in research peculiar to rural areas.

Seasonal and migrant farmworkers, mountain people in the Appalachian area, Indians on reservations, the rural elderly and others rely on FmHA to meet their housing needs. We have assigned enormous responsibilities to the FmHA with the expectation that they will re-

sponsibly address the unique housing problems of rural areas. It simply does not make sense to anticipate adequate solutions to these problems from an agency that has been so severely handicapped by the lack of appropriate research data.

The expenditure of \$1 million for FmHA to initiate critically needed research activities is a small price when one considers that nearly two-thirds of America's substandard housing is located in rural areas which contain only a little more than 30 percent of the Nation's population. We cannot reasonably expect to develop intelligent and workable solutions to the serious housing problems in the rural areas of our country without the benefit of accurate and comprehensive data. I urge the support of my colleagues in adopting this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. AuCOIN).

The question was taken; and on a division (demanded by Mr. AuCOIN) there were—ayes 20, noes 26.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

MUTUAL AND SELF-HELP HOUSING

For grants pursuant to section 523(b)(1) (A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$9,000,000.

AMENDMENT OFFERED BY MR. AuCOIN

Mr. AuCOIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AuCOIN: Following line 8 on page 24, add:

"SUPERVISORY ASSISTANCE FOR LOW-INCOME FAMILIES

"For grants and/or contracts pursuant to section 525(a) of the Housing Act of 1949, as amended (42 U.S.C. 1490(e)), \$5,000,000, to remain available until expended."

Mr. AuCOIN. Mr. Chairman, the Farmers Home Administration is the Federal Government's largest lending agency dealing directly with borrowers. Since its establishment back in the New Deal days it has loaned more than \$35 billion and currently has nearly \$18 billion in outstanding loans in its portfolio. Yet the very success of FmHA programs has created problems. It started as a supervised loan program, and even today the chief official in each country is called the county supervisor. It was and is his responsibility not only to make the initial loan to farmers and homeowners, but to provide counseling, advice, and technical assistance to borrowers, and new farming techniques, budgeting, financial management, and any assistance suitable to the borrower. It was this direct personal assistance that distinguished FmHA programs from all others and which almost guaranteed its early success.

Beginning in the late sixties, however, the number and complexity of FmHA programs increased, but the number of personnel in the agency decreased. There were fewer people to do more work, and because the county supervisor not only originates the loan but also services it, there has been less and less time avail-

able for counseling and supervision that was such an integral part of early FmHA programs.

The Congress recognized this problem, and in 1974 amended the basic rural housing programs to provide the Secretary with authority to make grants or enter into contracts with public or private nonprofit organizations, corporations, agencies, institutions, and other associations approved by him to pay in part or all the cost of developing, conducting, administering, and coordinating effective and comprehensive programs of technical and supervisory assistance which will aid the needy low-income individuals and families and benefit the Federal, State, and local housing programs in rural areas.

Five million dollars was authorized for this program, but no moneys have yet been appropriated. The delinquency rate had been rising among FmHA borrowers. There are many reasons for this. Higher taxes is one of them, increased fuel costs is another and certainly a less than rigorous economy is another part. For whatever the reasons, when a delinquency occurs, the already overburdened FmHA staff must then drop ongoing work and attempt to get families back onto regular repayment schedules. Should the staff fail this, the delinquencies might very well, and frequently do, turn into defaults.

When defaults occur, everyone loses: the borrower loses; the family that was in that home loses; the Government loses; and inevitably the taxpayer loses.

The \$5 million appropriation suggested in this amendment to fund section 525 (a) of the Housing Act of 1949 might fairly be compared with section 106(a) of the Housing and Urban Development Act of 1968 under the Department of Housing and Urban Development. Section 106(a) under the HUD program, with a budget request for fiscal year 1978 of \$7 million, provides authority for HUD to contract with public and private organizations to provide these kinds of services for urban clientele and for urban constituencies. I say that in terms of equity, in terms of meeting that "invisible" housing crisis that exists out in the rural areas, not just in the urban areas, this kind of counseling service, tracking as it does the authority granted by Congress to the Housing and Urban Development Act, is not only just but it is also wise. Moreover, it is fiscally responsible to stop the kind of defaults that can occur if some counseling is not provided to people who are in need of it.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from New York.

Mr. LUNDINE. Mr. Chairman, I am happy to rise in support of this amendment which seeks funds for a counseling program for FmHA borrowers. Historically, the "supervisory" aspect of the Farmers' Home Administration has been one of its greatest strengths and has contributed significantly to its success. The capability of FmHA to sustain and develop this important function, has unfortunately, been diminished in recent years because of the dwindling personnel

resources of this agency. Proper counseling of borrowers at the local level is an effective tool in reducing the delinquency rate and limiting the number of defaults.

For several years now, the Department of Housing and Urban Development has been operating a variety of counseling programs using a variety of methods. Some have been operated directly by HUD, some by contractors, and some by local volunteer agencies. The results of these differing approaches vary, depending in part on the focus and the timeliness of the counseling. But there is no disagreement on the value of the program. It reduces defaults, and does so at a substantial cost-saving to HUD. It simply costs a great deal less to provide counseling on homeownership responsibilities for low-income families, than it does to foreclose, repossess, maintain and ultimately resell defaulted homes.

The need for a similar program in FmHA is manifest. The delinquency rate in FmHA rose alarmingly during 1976, and while it is now on a downward trend, this reduction has been achieved by diverting FmHA county staff from other tasks and turning them into default counselors. But with the enormous staff shortage in virtually every State in the Nation, employees diverted to default counseling create a serious deficiency in the availability of staff to originate new housing loans, farm operating loans, or community facility loans.

In 1974, Congress authorized a counseling program for FmHA. It is very similar to the HUD program, and it can reasonably be expected to realize the same kind of savings as the HUD program. It would be unfortunate for Congress to neglect, once again, to make any appropriation at all for a program that is undeniably cost-effective and beneficial to so many rural homeowners. I urge your support in adopting this amendment.

Mr. BRECKINRIDGE. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to associate myself with the remarks of the gentlemen who preceded me and observe very briefly and simply that we are merely undertaking here again to initiate a counseling service in rural America that by experience has been justified for metropolitan America.

The amount that is requested, the \$5 million, is an insignificant portion of the total bill before the House which comes to some \$7.7 billion.

I would urge my colleagues to support the gentleman's amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the subcommittee here on both sides of the aisle has clearly demonstrated over the years that we have both the interest and desire to be of benefit and help to the people of rural America.

Let me list the programs which are already included in this bill: We have rural housing insurance and low-income housing programs, and guaranteed loans, and rural housing site development loans, and rural housing rental assistance, and mobile home park loans, and domestic

farm loans, farm ownership, and various types of grants in this bill as it now stands.

We have on the subcommittee tried to give additional personnel to the Farmers Home Administration over the years so as to implement these programs.

The item before us is authorized by law. To add \$5 million would be adding it out of the blue, so to speak, in that the Department did not recommend it, the Bureau of the Budget did not recommend it, and it was not requested at any of our hearings.

The title of the section and the language of the section is as broad as you could imagine:

§ 1490e. Programs of technical and supervisory assistance for low-income individuals and families in rural areas.

(a) Grants or contracts with public or private non-profit corporations, etc., for assistance; preferential treatment of applications sponsored by governmental entity or public body.

We have not had a single hearing that would tie this down. Prior to any appropriation, hearings should be held as to who gets grants, what for, what they must do, and who decides. We have not been presented with any idea of just how this would be handled.

If these are to be loans for \$5 million for help to low-income-type people, they would have to hire somebody and they would have to go out and work it out. Just out of the blue to offer this on the floor, when we have all this money in the bill for this purpose as it is, is not wise.

I would think since the gentleman is on the proper legislative committee they could work on this and we in our committee should develop this. We have got a new administration and it may be in the next year's budget, but to add this amount of money here without any guideline whatsoever, I could not accept.

I hope the amendment will be defeated.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate the chairman yielding to me.

I want the Members to know we are talking about \$5 million and not \$50 million.

Mr. WHITTEN. I said \$5 million.

Mr. AuCOIN. Mr. Chairman, I want the members of the committee and the chairman to understand that I in no way think the work they have been doing through the years is in any way inadequate.

Mr. Chairman, I compliment the work they have been doing, but to say in argument against this amendment that we are trying to do something not only new and with which we have no experience in the Federal Government is not quite accurate. The Department of Housing and Urban Development always seems to get the attention of Congress with respect to housing, rather than rural programs as a comparable program. It has been funded, it has been working, it has been manned, the technique is there. This amendment

is designed to keep track on that and to borrow from that and apply to rural America that which has been applied to urban America through the Department of Urban Development.

Mr. WHITTEN. Mr. Chairman, may I say, the gentleman's explanation is the only explanation we have for the section. While the gentleman has made a very good description of what the gentleman has in mind, I do think that procedurally, as a Congress, we need more than a very respected Member of Congress telling us what the gentleman has in mind in spending \$5 million more to start a new program.

I believe the amendment should be defeated. Let us see if we can work out with our friend the objective we all have, that is, rural housing, urban housing, and low-income housing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. AuCoin).

The question was taken; and on a division (demanded by Mr. AuCoin) there were—ayes 26, noes 36.

So the amendment was rejected.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. STRATTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7558) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 5970, DEPARTMENT OF DEFENSE AP- PROPRIATION AUTHORIZATION ACT, 1978

Mr. PRICE submitted the following conference report and statement on the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, 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:

CONFERENCE REPORT (H. REPT. No. 95-446)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, 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, having met, after full and free conference, have agreed to recommend and do

recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

Sec. 101. Funds are hereby authorized to be appropriated during the fiscal year 1978 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, \$682,500,000; for the Navy and the Marine Corps, \$3,499,800,000; for the Air Force, \$7,918,500,000, of which \$3,000,000 may be obligated and expended only for converting an existing A-7D aircraft to a two-seat trainer version of such aircraft.

MISSILES

For missiles: for the Army \$562,700,000; for the Navy, \$1,865,500,000; for the Marine Corps, \$110,800,000; for the Air Force, \$1,826,700,000.

NAVAL VESSELS

For naval vessels: for the Navy, \$6,191,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$1,441,300,000; for the Marine Corps, \$74,800,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, \$326,700,000.

OTHER WEAPONS

For other purposes: for the Army, \$96,000,000; for the Navy, \$114,800,000; for the Marine Corps, \$2,400,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Funds are hereby authorized to be appropriated during the fiscal year 1978 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, \$2,441,762,000;

For the Navy (including the Marine Corps), \$3,844,518,000; of which \$20,141,000 shall be available only for research and development of an extremely low frequency (ELF) system, and none of which shall be available for full-scale development or construction of a new test bed for such system; and of which no more than \$40,000,000 shall be used for research and development relating to the CVV, VSS, and DD-963(H) ship development programs; but none of the funds authorized by this title may be obligated or expended for the CVV, VSS or DD-963(H) program except for the purpose of conducting comprehensive evaluation studies of the costs and combat effectiveness of sea based aircraft platforms for both the short and long term needs of the Navy. Such studies shall include, but not be limited to, nuclear aircraft carriers, new design medium aircraft carriers (CVV), the refitting of existing aircraft carriers (Midway and other classes), and various types of VSTOL aviation ships (including VSS). The Secretary of the Navy shall take such actions as are required to insure that such studies are sufficiently advanced with respect to a Nimitz class aircraft carrier, a CVV, a VSTOL aviation ship, and a DD-963(H) so that any of such ships may be authorized in fiscal year 1979. This section shall not be construed as constituting an authorization for a CVN, a CVV, or a VSS ship.

For the Air Force, \$3,824,170,000, of which \$15,700,000 may be obligated and expended

only for the North Atlantic Treaty Organization Airborne Warning and Control System (AWACS) program, but such \$15,700,000 may not be obligated or expended until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft.

For the defense agencies, \$777,210,000, of which \$25,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense;

For the Director of Defense Research and Engineering, \$401,051,000.

Sec. 202. (a) The funds authorized to be appropriated under section 201 for the Director of Defense Research and Engineering during fiscal year 1978 shall be obligated only for the following purposes:

(1) An amount not to exceed \$349,000,000 for the development of a cruise missile capable of being launched from a ship or from a submarine, with emphasis to be placed on early deployment of an antiship cruise missile, for the continued development of the Air Force AGM-86 air-launched cruise missile, and for the development of a ground-launched cruise missile.

(2) An amount not to exceed \$52,051,000 for 6-inch and 155-millimeter guided projectiles, but no funds for such purpose shall be obligated until the Secretary of Defense submits a plan to the Committees on Armed Services of the Senate and House of Representatives providing (A) for the immediate conduct of engineering development of the 155-millimeter guided projectile and of the current Navy 6-inch guided projectile which shall provide for maximum implementation of common components for such projectiles and an initial operational capability for both such projectiles before January 1, 1980, and (B) for the immediate conduct of an effort by the Army and the Navy, to be performed by personnel of the Department of Defense, to validate the technical data packages for such projectiles to insure that such packages are adequate for manufacture of such projectiles by a source other than the developer.

(b) Competitive cruise missile development programs shall continue until the Secretary of Defense certifies to the Committees on Armed Services of the Senate and House of Representatives that (1) a single airframe for the cruise missile can be selected which meets all operational requirements, and (2) cost data clearly establish that termination of the competitive cruise missile development programs will result in lower development and procurement costs for the cruise missile.

Sec. 203. Of the funds authorized to be appropriated under section 201 for the Navy (including the Marine Corps) for research, development, test, and evaluation, an amount not to exceed \$3,894,000 shall be available only for (1) defining a set of design specifications for the Shipboard Intermediate Range Combat System (SIRCS) program, and (2) conducting an open competition, to be conducted after such design specifications have been defined and to be based on such specifications, to select a contractor or contractors for the advanced development phase of such program. In developing such design specifications, the Secretary of the Navy shall include the best features of the designs developed by the three contractors which have been selected for the program before the date of enactment of this Act and such other features as the Secretary considers appropriate. A contract entered into under the competition required by this section may be for development of the entire system or for development of any independent subsection of the system.

Sec. 204. No funds authorized to be appropriated under section 201 shall be obligated for the fabrication of hardware required to accommodate a specific 120-millimeter gun in the XM-1 tank turret or for

the installation of a 120-millimeter gun in an XM-1 tank full-scale engineering-development vehicle unless and until—

(1) comparative testing of the 105-millimeter gun system with the candidate 120-millimeter gun systems of the United Kingdom and the Federal Republic of Germany is completed, if the gun systems of such countries are available for testing as currently scheduled;

(2) the test results of such comparative testing are evaluated by the Secretary of the Army;

(3) the Secretary of the Army makes a recommendation to the Congress, which shall be submitted no later than February 1, 1978, consistent with such test results and evaluations for development and procurement of a specific 120-millimeter XM-1 tank main gun; and

(4) thirty days, excluding periods of recess of more than three days by either House of Congress, elapse from the date on which the Secretary of the Army submits a recommendation under paragraph (3).

Sec. 205. The Secretary of the Army shall submit to the Committees on Armed Services of the Senate and House of Representatives, no later than February 1, 1978, a plan for the funding and scheduling necessary to incorporate by October 1, 1980, collective system protection against chemical and radiological agents for all main battle tanks, mechanized infantry combat vehicles, armored personnel carriers, armored self-propelled artillery vehicles, armored self-propelled air defense artillery vehicles, and other such types of equipment associated with the above in combat operations which will be in development or procurement in fiscal year 1981.

Sec. 206. (a) The Secretary of the Army shall not obligate any funds authorized to be appropriated under this or any other Act for the improvement of the M-139 gun as an interim weapon system for use on the Mechanized Infantry Combat Vehicle (MICV).

(b) The Secretary of the Army shall structure the development program for the Mechanized Infantry Combat Vehicle (MICV) to provide for initiation of production of such vehicle not later than May 31, 1981.

TITLE III—ACTIVE FORCES

Sec. 301. For the fiscal year beginning October 1, 1977, and ending September 30, 1978, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

- (1) The Army, 787,000;
- (2) The Navy, 535,800;
- (3) The Marine Corps, 191,500;
- (4) The Air Force, 570,800.

Sec. 302. (a) (1) Section 201 of title 37, United States Code, relating to general rules for assignment to pay grades, is amended—

(A) by striking out subsection (c); and
(B) by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

(2) Section 203 of such title, relating to rates of basic pay for members of the uniformed services, is amended by adding at the end thereof the following new subsection:

“(c) (1) A cadet at the United States Military Academy, the United States Air Force Academy, or the Coast Guard Academy, or a midshipman at the United States Naval Academy, is entitled to monthly cadet pay, or midshipman pay, at the rate of \$313.20.

“(2) The rate of monthly cadet pay, or midshipman pay, under this subsection shall be adjusted in the manner and at the time the monthly basic pay of members of the uniformed services is adjusted under section 1009 of this title.”

(3) (A) Section 209(c) of such title is amended to read as follows:

“(c) Each cadet or midshipman in the Senior Reserve Officers' Training Corps, while he is attending field training or practice cruises under section 2109 of title 10, and each applicant for membership in the Sen-

ior Reserve Officers' Training Corps, while he is attending field training or practice cruises to satisfy the requirements of section 2104

(b) (6) (B) of title 10 for admission to advanced training, is entitled, while so attending, to pay at the rate prescribed for cadets and midshipmen at the United States Military, Naval, and Air Force Academies under section 203(c) of this title.”

(B) The heading of such section 209 is amended to read as follows:

“§ 209. Members of precommissioning programs.”

(C) The item relating to section 209 in the analysis of chapter 3 of such title is amended to read as follows:

“209. Members of precommissioning programs.”

(4) Section 555 of title 10, United States Code, is amended by striking out “section 201(d)” and inserting in lieu thereof “section 201(c)”.

(b) Any cadet or midshipman who, on the date of enactment of this Act, or on any date thereafter, is—

(1) admitted to the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the Coast Guard Academy, as the case may be, or

(2) enrolled in the Senior Reserve Officers' Training Corps program and attending a field training encampment or practice cruise for which he is entitled to pay under section 209(c) of title 37, United States Code,

shall, if otherwise entitled, receive the rate of pay prescribed by section 201(c) of title 37, United States Code, as in effect on the day before the date of enactment of this Act, until the rate of pay authorized by section 203(c) of such title, as added by the amendments made by subsection (a) of this section, is equal to or greater than the rate prescribed by section 201(c) of such title, as in effect on the day before the date of enactment of this Act. Thereafter, the rate of pay of such person shall be as prescribed by section 203(c) of such title, as added by the amendments made by subsection (a) of this section, or section 209(c) of such title, as amended by subsection (a) of this section, as appropriate.

(c) A person who, on the date of enactment of this Act, is an applicant for membership in the Senior Reserve Officers' Training Corps and who, in order to satisfy the requirement of section 2104(b) (6) (B) of title 10, United States Code, is attending or will attend one of the field training encampments or practice cruises in a field training or practice cruise period which is in progress on the date of enactment of this Act, is entitled to continue to receive pay at the rate prescribed by such section as in effect on the day before the date of enactment of this Act while such person is attending such field training or practice cruise period in progress on the date of enactment of this Act. Thereafter, the entitlement of such person shall be as prescribed in subsection (b) of this section.

Sec. 303. For the purpose of promoting equality and expanding job opportunities for the female members of the Armed Forces, the Secretary of Defense shall within six months from the enactment of this section, submit to the Congress a definition of the term “combat”, together with recommendations on expanding job classifications to which female members of the armed services may be assigned, and recommendations on any changes in law necessary to implement these recommendations.

TITLE IV—RESERVE FORCES

Sec. 401. (a) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, the Selected Reserve of each Reserve component of the Armed Forces shall be programmed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 382,000;

(2) The Army Reserve, 211,300;

(3) The Naval Reserve, 87,000;

(4) The Marine Corps Reserve, 32,400;

(5) The Air National Guard of the United States, 92,500;

(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) Part III of subtitle A of title 10, United States Code, relating to training, is amended by adding after chapter 105 the following new chapter:

“Chapter 106.—EDUCATIONAL ASSISTANCE FOR ENLISTED MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE

“Sec.

“2131. Educational assistance program: establishment; amount.

“2132. Eligibility for educational assistance.

“2133. Termination of assistance; refund by member.

“2134. Reports to Congress.

“2135. Termination of program.

“§ 2131. Educational assistance program: establishment; amount

“(a) To encourage enlistments in units of the Selected Reserve of the Ready Reserve, the Secretary of each military department, under regulations prescribed by the Secretary of Defense, and the Secretary of Transportation, under regulations prescribed by him with respect to the Coast Guard when it is not operating as a service in the Navy, may establish and maintain a program to provide educational assistance to enlisted members of the Selected Reserve of the Ready Reserve of the armed force under his jurisdiction.

“(b) (1) An educational assistance program established under subsection (a) shall provide for payment by the Secretary concerned of 50 percent of the educational expenses incurred by a member for instruction at an accredited institution. Expenses for which payment may be made under this section include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or shop instruction. Payments under this section shall be limited to those educational expenses normally incurred by students at the institution involved.

“(2) To receive assistance under this section, a member must be eligible for such assistance under section 2132 and must submit an application for such assistance in such form and manner as the Secretary concerned shall prescribe and be approved for such assistance by the Secretary concerned.

“(c) Educational assistance may be provided to a member under this section until the member completes a course of instruction required for the award of a baccalaureate degree, or the equivalent evidence of completion of study, by an accredited insti-

tution, but the amount of educational assistance provided a member under this section may not exceed \$500 in any twelve-month period, nor a total of \$2,000.

"(d) For purposes of this section, the term 'accredited institution' means a civilian college, university, or trade, technical, or vocational school in the United States (including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) that provides education at the postsecondary level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Commissioner of Education, Department of Health, Education, and Welfare.

"§ 2132. Eligibility for educational assistance

"(a) To be eligible for educational assistance under section 2131, a member must not be serving on active duty for more than thirty days and must—

"(1) be an enlisted member of the Selected Reserve of the Ready Reserve of an armed force;

"(2) have initially enlisted as a Reserve for service in a unit of the Selected Reserve of a reserve component after September 30, 1977;

"(3) never have served in an armed force before such enlistment;

"(4) at the time of such enlistment have executed an agreement as prescribed by subsection (b);

"(5) be a graduate from secondary school;

"(6) have completed the initial period of active duty for training required of such member;

"(7) if the member is assigned to a unit, be participating satisfactorily in training with such unit; and

"(8) have served less than eight years as a Reserve.

"(b) (1) An agreement referred to in subsection (a) (4) shall be in writing and shall provide that if the member accepts educational assistance under section 2131, the period of enlistment of such member shall be automatically extended by two years and if the member is discharged for the purpose of accepting an appointment as an officer, the member shall remain a member of the Ready Reserve until the eighth anniversary of such enlistment.

"(2) A member who enlists after September 30, 1977, but before regulations to carry out this chapter are promulgated shall be eligible for educational assistance under section 2131 if he is otherwise eligible for such assistance under subsection (a) and if he executes an agreement as described in paragraph (1) not later than one year after the date on which regulations to carry out this chapter are first promulgated.

"(c) Educational assistance being provided a member under section 2131 may be continued to a member who otherwise continues to qualify for such assistance if such member—

"(1) is discharged in order to accept an immediate appointment as an officer in the Ready Reserve; or

"(2) is no longer a member of the Selected Reserve, if such member is a member of the Ready Reserve and has served at least six years in the Selected Reserve of the Ready Reserve.

"§ 2133. Termination of assistance; refund by member

"(a) Educational assistance being provided a member under section 2131 shall be terminated if—

"(1) the member fails to participate satisfactorily in training with his unit, if he is a member of a unit;

"(2) the member is separated from his armed force, unless he is separated in order to accept an immediate appointment as an officer in the Ready Reserve;

"(3) the member completes eight years of service; or

"(4) the member receives financial assist-

ance under section 2107 as a member of the Senior Reserve Officers' Training Corps.

"(b) A member who fails to participate satisfactorily in training with his unit, if he is a member of a unit, shall refund the amount of all educational assistance received by such member under section 2131 unless the failure to participate in training was due to reasons beyond the control of the member. Any refund made by a member under this subsection shall not affect the period of obligation of such member to serve as a Reserve.

"§ 2134. Reports to Congress

"The Secretary of Defense shall submit a report to the Congress every three months stating the number of members of the Selected Reserve of the Ready Reserve receiving educational assistance under this chapter at the time of such report and listing each unit of the Selected Reserve of the Ready Reserve to which any such member is assigned at the time of such report. The first such report shall be submitted not later than December 31, 1977.

"§ 2135. Termination of program

"No educational assistance may be provided under this chapter to any person enlisting as a Reserve after September 30, 1978."

(b) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 105 the following new item:

"106. Educational Assistance for Enlisted Members of the Selected Ready Reserve..... 2131".

SEC. 403. (a) (1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308a of such chapter the following new section:

"§ 308b. Special pay: reenlistment bonus for members of the Selected Reserve

"(a) An enlisted member of a reserve component who—

"(1) initially enlisted in a reserve component (other than an enlistment in a reserve component under the delayed enlistment program for the active forces);

"(2) has completed less than ten years of service as a member of a reserve component; and

"(3) reenlists or voluntarily extends his enlistment for a period of three years or for a period of six years in a designated military skill, or in a designated unit, in the Selected Reserve of the Ready Reserve of an armed force;

may be paid a bonus as provided in subsection (b).

"(b) The bonus to be paid under subsection (a) shall be—

"(1) an initial payment of—

"(A) \$450, in the case of a member who reenlists or voluntarily extends his enlistment for a period of three years; or

"(B) \$900, in the case of a member who reenlists or voluntarily extends his enlistment for a period of six years; and

"(2) a subsequent payment of \$150 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in training with his unit.

"(c) No member shall be paid more than one bonus under this section.

"(d) A member who fails to participate satisfactorily in training with his unit during a term of enlistment for which a bonus is being paid to him under this section shall refund an amount equal to the amount by which the amount of such bonus exceeds the product of—

"(1) the number of months during that term of enlistment during which such mem-

ber participated satisfactorily in training with his unit; and

"(2) \$25.

"(e) The Secretary of Defense shall submit a report to the Congress every three months listing the units of the Selected Reserve of the Ready Reserve which have been designated by him for purposes of subsection (a) (3) and stating the number of members of the Selected Reserve of the Ready Reserve who at the time of such report are serving a term of enlistment for which a bonus is being paid under this section. The first such report shall be submitted not later than December 31, 1977.

"(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy.

"(g) No bonus may be paid under this section to any enlisted member who, after September 30, 1978, reenlists or voluntarily extends his enlistment in a reserve component."

(2) The analysis of chapter 5 of title 37, United States Code, is amended by inserting after the item relating to section 308a the following new item:

"308b. Special pay: reenlistment bonus for members of the Selected Reserve."

(b) The amendments made by subsection (a) shall apply with respect to any reenlistment, or voluntary extension of an enlistment, in the Selected Reserve of any reserve component of the Armed Forces after September 30, 1977.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, the Department of Defense is authorized an end strength for civilian personnel of 1,018,600.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale of each allocation.

(c) 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 the worker-trainee opportunity program. Whenever a function, power, 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 another 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.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the em-

ployment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed 1 1/4 percent 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 an authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Sec. 801. (a) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, each component of the Armed Forces is authorized an average military training student load as follows:

- (1) The Army, 77,711;
- (2) The Navy, 60,767;
- (3) The Marine Corps, 24,020;
- (4) The Air Force, 50,356;
- (5) The Army National Guard of the United States, 16,606;
- (6) The Army Reserve, 11,136;
- (7) The Naval Reserve, 1,065;
- (8) The Marine Corps Reserve, 3,449;
- (9) The Air National Guard of the United States, 2,598;
- (10) The Air Force Reserve, 1,186.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) of this section for the fiscal year ending September 30, 1978, shall be adjusted consistent with the manpower strengths authorized 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. 802. Section 2102 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) The President shall cause to be established and maintained in each State at least one unit of the program if—

"(1) a unit is requested by an educational institution in the State;

"(2) such request is approved by the Governor of the State in which the institution requesting the unit is located; and

"(3) the Secretary of the military department concerned determines that there will be not less than 40 students enrolled in such unit and that the provisions of this section are otherwise satisfied."

TITLE VII—CIVIL DEFENSE

Sec. 701. Funds are hereby authorized to be appropriated during fiscal year 1978 to carry out the provisions of the Federal Civil Defense Act of 1950, for programs of the Defense Civil Preparedness Agency, in the amount of \$95,250,000.

TITLE VIII—GENERAL PROVISIONS

Sec. 801. The President shall include in the budget for fiscal year 1979 a request for funds sufficient to meet the total operation and maintenance costs of the Department of Defense for such year, including reasonably foreseeable increases in both the private and public sectors in the cost of labor, material, and other goods and services.

Sec. 802. None of the funds authorized to be appropriated by this Act may be used to pay any claim over \$5,000,000 against the United States, unless such claim has been thoroughly examined and evaluated by officials of the Department of Defense responsible for determining such claims and a report is made to the Congress as to the validity of these claims.

Sec. 803. (a) Section 651(a) of title 10, United States Code, is amended by striking out "male" and "after August 9, 1955," in the first sentence thereof.

(b) The amendments made by subsection (a) shall take effect on the first day of the

seventh calendar month beginning after the month in which this Act is enacted and shall apply to any female person who becomes a member of an Armed Force on or after such day.

Sec. 804. (a) Section 105(a) of title 32, United States Code, is amended—

(1) by striking out "The Secretary of the Army shall have an inspection made at least once a year" and inserting in lieu thereof "Under regulations prescribed by him, the Secretary of the Army may have an inspection made"; and

(2) by striking out "and" at the end of clause (4), striking out the period at the end of clause (5) and inserting in lieu thereof "; and", and inserting after clause (5) the following new clause:

"(6) the accounts and records of each property and fiscal officer are properly maintained."

(b) Section 708 of title 32, United States Code, is amended—

(1) by striking out subsection (d);

(2) by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively; and

(3) by striking out "(e)" in subsection (e) (as so redesignated) and inserting in lieu thereof "(d)".

Sec. 805. Section 6485(b) of title 10, United States Code, is amended by striking out "and shall be physically examined" and all that follows in such section and inserting in lieu thereof a period.

Sec. 806. The Act entitled "An Act to provide subsistence allowances for members of the Marine Corps officer candidate programs", approved November 24, 1971 (85 Stat. 491; 37 U.S.C. 209 note), is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1978".

Sec. 807. (a) Notwithstanding any other provision of law, the authority provided in section 501 of Public Law 91-441 (84 Stat. 909) is hereby extended until October 1, 1979; but no transfer of aircraft or other equipment may be made under the authority of such section 501 unless funds have been previously appropriated for such transfer.

(b) Section 501 of Public Law 91-441 (84 Stat. 909) is amended by adding at the end thereof a new sentence as follows: "In any case in which aircraft or other equipment is transferred under authority of this section and such aircraft or equipment is taken from the inventory of the Armed Forces of the United States or is scheduled to be included in such inventory, the Secretary of Defense shall, as soon as practicable and as authorized by law, restock the inventory of the Armed Forces of the United States with equivalent quantities of aircraft and other equipment so transferred."

Sec. 808. (a) (1) The Secretary of Defense shall supply the Committees on Armed Services of the Senate and House of Representatives, not later than October 1 of each year, a full accounting of all experiments and studies conducted by the Department of Defense in the preceding twelve-month period, whether directly or under contract, which involve the use of human subjects for the testing of chemical or biological agents.

(2) Not later than thirty days after final approval within the Department of Defense of plans for any experiment or study to be conducted by the Department of Defense, whether directly or under contract, involving the use of human subjects for the testing of chemical or biological agents, the Secretary of Defense shall supply the Committees on Armed Services of the Senate and House of Representatives with a full accounting of such plans for such experiment or study, and such experiment or study may then be conducted only after the expiration of the thirty-day period beginning on the date such accounting is received by such committees.

(b) (1) The Secretary of Defense may not

conduct any test or experiment involving the use of any chemical or biological agent on civilian populations unless local civilian officials in the area in which the test or experiment is to be conducted are notified in advance of such test or experiment, and such test or experiment may then be conducted only after the expiration of the thirty-day period beginning on the date of such notification.

(2) Paragraph (1) shall apply to tests and experiments conducted by Department of Defense personnel and tests and experiments conducted on behalf of the Department of Defense by contractors.

Sec. 809. (a) The Secretary of Defense and the Director of the Office of Management and Budget shall jointly conduct a complete and comprehensive review of the criteria used in determining whether commercial or industrial type functions at Department of Defense installations located in any State, the District of Columbia, the Commonwealth of Puerto Rico, and Guam should be performed by Department of Defense personnel or by private contractors. The review shall include—

(1) an evaluation of the basis for, and assumptions underlying, Department of Defense methods for conducting cost analyses with respect to decisions to contract for performance of commercial or industrial type functions;

(2) an evaluation of the differences between private contractors and the Department of Defense in their procedures and policies relating to personnel compensation and other differences affecting their analysis of the cost of personnel;

(3) identification of the defense mission essential functions identified by the Secretary of Defense as not suitable for performance by private contractors; and

(4) an evaluation, to be made by the Director of the Office of Management and Budget, of all aspects of OMB Circular A-76 and of the implementation of such circular.

(b) A detailed report describing the results of the review required by subsection (a) shall be submitted to the Committees on Armed Services of the Senate and House of Representatives before January 1, 1978. No commercial or industrial type function of the Department of Defense which on the date of enactment of this Act is being performed by Department of Defense personnel shall be converted to performance by private contractors before the earlier of March 15, 1978, or the end of the 90-day period beginning on the date the report required by this section is received by such committees. The prohibition in the preceding sentence shall not apply to the conversion to performance by private contractors of any commercial or industrial type function at any Department of Defense installation referred to in subsection (a) if such conversion would have been made under policies and regulations in effect before June 30, 1976.

(c) (1) The Secretary of Defense shall, before January 1, 1978, submit a report to the Committees on Armed Services of the Senate and House of Representatives (A) detailing the rationale of the Department of Defense for the establishment of goals for the percentage of work at defense research installations to be performed by private contractors, and (B) detailing the rationale for any direction in effect on the date of enactment of this Act (1) establishing a minimum or maximum percentage for the allocation of work at any defense research installation to be performed by private contractors, or (ii) directing a change in any such allocation in effect on the date of enactment of this Act.

(2) Until March 15, 1978, or the end of the 90-day period beginning on the date the report required by this subsection is received by such committees, whichever is earlier, the percentage of all research and exploratory development work to be performed at or by

any Department of Defense research installation which is to be performed by private contractors may not exceed the percentage of such work that was performed by private contractors during the period beginning on July 1, 1975, and ending on September 30, 1976.

Sec. 810. No funds authorized or appropriated under this or any other Act shall be expended to purchase advertising of any sort for the purpose of advertising the existence of the special discharge review program for certain individuals who served in the Armed Forces of the United States between August 4, 1964, and March 28, 1973, which was established by order of the Secretary of Defense on April 5, 1977.

Sec. 811. (a) (1) The total number of commissioned officers on active duty in the Army, Marine Corps, and Air Force above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073 after October 1, 1980, and the total number of civilian employees of the Department of Defense in grades GS-13 through GS-18, including positions authorized under section 1581 of title 10, United States Code, shall be reduced during the fiscal year beginning October 1, 1977, by the same percentage as the number of officers on active duty in the Army, Marine Corps, and Air Force above the grade of colonel and on active duty in the Navy above the grade of captain is reduced below 1,141 during such fiscal year, and during the fiscal years beginning October 1, 1978, and October 1, 1979, by a percentage equal to the percentage by which the number of commissioned officers on active duty in the Army, Marine Corps, and Air Force above the grade of colonel and on active duty in the Navy above the grade of captain is reduced during such fiscal year below the total number of such officers on active duty on October 1, 1978, and October 1, 1979, respectively.

(2) On and after October 1, 1980, the total number of civilian employees of the Department of Defense in the grades and positions described in paragraph (1) may not exceed the number employed in such grades and positions on the date of enactment of this subsection reduced as provided in paragraph (1).

(3) In time of war, or of national emergency declared by Congress, the President may suspend the operation of paragraphs (1) and (2).

(b) (1) Subsection (b) of section 5231 of title 10, United States Code, is amended to read as follows:

"(b) The number of officers serving in the grades of admiral and vice admiral under subsection (a) of this section and section 5081 of this title may not be more than 15 percent of the number of officers on the active list of the Navy above the grade of captain. Of the number of officers that may serve in the grades of admiral and vice admiral, as determined under this subsection, not more than 25 percent may serve in the grade of admiral."

(2) Such section 5231 is further amended—

(A) by striking out subsection (c);
(B) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(C) by striking out "numbers authorized under subsections (b) and (c)" in subsections (c) and (d) (as redesignated by subparagraph (B)) and inserting in lieu thereof "number authorized for that grade under subsection (b)".

(3) Subsection (b) of section 5232 of title 10, United States Code, is amended to read as follows:

"(b) The number of officers serving in the grades of general and lieutenant general may not be more than 15 percent of the number of officers on the active list of the Marine Corps above the grade of colonel."

(4) The second sentence of subsection (c)

of such section is amended by striking out the period and inserting in lieu thereof a comma and the following: "and while in that grade he is in addition to the number authorized for that grade under subsection (b) of this section."

Sec. 812. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than February 15, 1978, a report setting forth quantifiable and measurable materiel readiness requirements for the Armed Forces, including the Reserve components thereof, the monthly readiness status of the Armed Forces, including the Reserve components thereof, during fiscal year 1977, and any changes in such requirements and status projected for fiscal years 1978 and 1979 and in the five-year defense program. The Secretary of Defense shall also inform such committees of any subsequent changes in the aforementioned materiel readiness requirements and the reasons for such changes. The budget for the Department of Defense submitted to the Congress for fiscal year 1979 and subsequent fiscal years shall include data projecting the effect of the appropriations requested for materiel readiness requirements.

Sec. 813. In authorizing procurement under section 101 of this Act and research and development under section 201 of this Act, Congress asserts its readiness to consider, in accordance with the processes set forth in the Congressional Budget and Impoundment Control Act of 1974 and the Budget and Accounting Act, 1921, such modification in United States strategic arms programs as the President may recommend to facilitate either negotiation or agreement in the Strategic Arms Limitation Talks.

Sec. 814. Section 813 of the Department of Defense Appropriation Authorization Act, 1976, is amended to read as follows:

"Sec. 813. In the case of any letter of offer to sell or any proposal to transfer defense articles which are valued at \$25,000,000 or more from the United States active forces' inventories or from current production, the Secretary of Defense shall submit a report to the Congress setting forth—

"(1) the impact of such sales or transfers on the current readiness of United States forces;

"(2) the adequacy of reimbursements to cover, at the time of replenishment of United States inventories, the full replacement costs of those items sold or transferred; and

"(3) for each article to be sold (A) the initial issue quantity requirement for United States forces for that article, (B) the percentage of such requirement already delivered to such forces or contracted for at the time of the report, (C) the timetable for meeting such requirement absent the proposed sale, and (D) the timetable for meeting such requirement if the sale is approved."

Sec. 815. (a) Chapter 141 of title 10, United States Code, relating to miscellaneous procurement provisions, is amended by adding after section 2389 the following new section: "§ 2390. Suggestions for improving procurement policies

"(a) The Secretary of Defense shall request each commissioned officer, and each civilian employee above grade GS-12, who is scheduled for retirement and who is, or was at any time within one year prior to such scheduled for retirement and who is, or was employed in, military procurement to submit suggestions for methods to improve procurement policies, including suggestions for improving competitive bidding procedures and for reducing or eliminating any inequities that may exist. Such request shall be made of each such commissioned officer or employee not less than 30 days preceding his release from active duty or his separation. Submission of suggestions shall be at the option of each such commissioned officer or employee, and each such officer or employee

shall be allowed reasonable time during working hours to prepare such suggestions, if such officer or employee chooses to make suggestions under this section.

"(b) The Secretary of Defense shall submit a semiannual report to the Committees on Armed Services of the Senate and House of Representatives containing a copy of each suggestion submitted under subsection (a) during the preceding six-month period and the response of the Department of Defense to each such suggestion."

(b) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by adding after the item relating to section 2389 the following new item:

"2390. Suggestions for improving procurement policies."

Sec. 816 This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1978".

And the Senate agree to the same.
That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: "An Act to authorize appropriations during the fiscal year 1978, 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 to authorize appropriations for civil defense, and for other purposes."

And the Senate agree to the same.

MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
CHAS. H. WILSON,
R. LEGGETT,
RICHARD C. WHITE,
BILL NICHOLS,
BOB WILSON,
WM. L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,

Managers on the Part of the House.

JOHN C. STENNIS,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS MCINTYRE,
HARRY F. BYRD, JR.,
SAM NUNN,
JOHN CULVER,
GARY HART,
JOHN TOWER,
STROM THURMOND,
BARRY GOLDWATER,
WILLIAM L. SCOTT,
DEWEY F. BARTLETT,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, 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, submit the following joint state-

ment 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 Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate 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.

TITLE I—PROCUREMENT

Aircraft Army

C-12 Aircraft—

The House bill provided \$17.2 million for the procurement of 20 C-12 aircraft for the Army. The Senate amendment omitted these aircraft because the Administration's budget did not contain a request for this procurement.

House conferees argued failure to exercise the fourth increment option would result in breaking a fixed price contract and the necessity of renegotiation for the purchase of the remaining 40 aircraft required by the Army.

The Senate recedes.

UTTAS (Utility Tactical Transport Aircraft System)—

The House bill authorized \$236 million for the procurement of 58 UTTAS helicopters. The Senate amendment reduced the procurement from 58 to 24 aircraft and \$114.8 million. The Senate stated that the reduction would allow additional testing to assure that certain deficiencies were eliminated and that claimed cost savings of the UTTAS program were demonstrated before expanding the production rate.

House conferees argued that reduction of the procurement quantity would increase the unit cost by \$.840 million in fiscal year 1978. The Army holds firm contract options under the current production contract and changing the procurement plan would negate the present fixed-price options negotiated during the competition and would require renegotiation in a non-competitive environment that would erode the achieved program cost savings.

The Senate recedes.

A-7E Light Attack Aircraft (Corsair II)—

The January budget submission contained a request for 6 A-7E aircraft for the Navy in the amount of \$58.0 million. This included \$45.4 million for procurement, and \$12.6 million for initial spares. The budget amendment reduced the request by \$24.4 million and 6 aircraft. The House bill provided 6 A-7Es at a procurement cost of \$45.4 million.

The Senate amendment recommended authorization of 12 A-7Es for a procurement cost of \$107.8 million plus advance procurement funds of \$5 million toward a FY 1979 buy of 12 A-7Es.

Navy testimony indicated a need for procurement of 36 additional A-7Es to maintain their light attack inventory.

The House recedes.

F-14 Fighter—

The request was for \$907.3 million to buy 44 F-14s in fiscal year 1978 and to provide advance procurement funds for a fiscal year 1979 buy of 60 F-14s. The House approved the full request. The Senate approved \$708.9 million for procurement of 36 F-14s in fiscal year 1978 with advance procurement funding for 36 F-14s in fiscal year 1979.

The Senate conferees pointed out that this year's F-14 procurement plan proposed to accelerate F-14 annual production from the current rate of 36 a year up to 60 a year in

fiscal years 1979 and 1980, with a buy-out of the program in 1981. The accelerated annual procurement of 60 F-14s could create a financial problem in the Naval Aviation budget which would impact on the Navy's ability to fund the F-18 program as planned.

The conferees agreed that the F-18 program is essential to Naval aviation and should not be slowed or stretched out. The conferees authorized \$755.7 million for procurement of 40 F-14s in fiscal year 1978 with advance procurement funds for 36 F-14s in fiscal year 1979.

The House recedes with an amendment. S-3A Antisubmarine Warfare Aircraft— The Senate added \$10 million to the S-3A aircraft account for immediate funding to improve the operational readiness rate of the S-3A.

The House conferees agreed that \$5 million would help alleviate existing problems until an investigation could be conducted into the S-3A readiness problem.

The House recedes with an amendment. CTX Light Utility Transport Aircraft—

The Navy requested \$28.2 million for the procurement of 22 CTX utility aircraft. The House deleted this request because testimony indicated that the Navy had not even begun source selection and had not completed detailed specifications of the aircraft it intends to purchase.

The Senate recommended an authorization of \$21.6 million.

This program was discussed at length among the conferees and agreement finally was reached to provide funds for an off-the-shelf, turboprop, light utility transport aircraft.

The House recedes.

T-34C Trainer Aircraft—

The House bill authorized \$28.7 million for the T-34C pilot trainer aircraft. The Senate amendment deferred procurement of this aircraft until existing alleon flutter problems are resolved.

The House conferees pointed out their committee report had made clear that they recognized the flutter (uncontrollable vibration) problem that occurred in early tests and that the funds authorized would not be obligated until a solution has been validated for the flutter problem.

House and Senate conferees agree to authorize \$28.7 million for the T-34C trainer aircraft; but also agree that the money authorized should not be obligated until the flutter problem has been corrected and the Committees on Armed Services of the Senate and House of Representatives have been notified.

The Senate recedes.

P-3/Harpoon Modification and Spares—

The Senate deleted \$12.5 million in authorization for P-3/Harpoon modifications and \$1.3 million in P-3/Harpoon modification spares. The House approved the budget request of \$13.8 million for these items.

The House recedes.

CH-53 Spares—

Since CH-53 aircraft are deleted in the Administration's revised budget request, the initial spares request for the CH-53 helicopter in the amount of \$6.5 million was deleted by the Senate. The House funded the requested amount for spares.

The House recedes.

Aircraft Industrial Facilities—Waste Treatment Facility—

The Senate deleted \$6.5 million for a proposed industrial waste treatment facility at the Naval Weapons Industrial Reserve Plant, Bethpage, New York, authorizing \$400 thousand only for design funds. The House included the \$6.9 million requested in the President's budget.

The Senate recedes.

Other Financing—

The Senate deleted \$17.8 million as a financing adjustment to the fiscal year 1978 requirement, pointing out that receipts of a

planned sale of the P-3B Navy aircraft would offset this amount. House conferees were concerned that the planned sale was contingent and the finance adjustment might be premature and potentially invalid.

Senate conferees were adamant in their position stating that if the sale eventually involved aircraft from another service the funds received should be applied to the Navy's account.

The House recedes.

Air Force

F-15 Fighter Aircraft—

The House approved the original budget request for 108 F-15s for \$1,697.1 million. The Senate authorized the 78 F-15 aircraft in the amended budget for \$1,363.1 million. The House conferees pointed out that reducing the buy of the F-15 would increase the F-15 program cost by some \$387 million.

The Senate recedes.

F-16 Fighter Aircraft—

The House recommended reduction of \$62.2 million in authorized funding due to excessive and unsupported cost growth in the F-16 program. This amount of money was for procurement for the Avionics Intermediate Shop (AIS).

The Senate maintained that deletion of authorization for the AIS would delay by one year the full deployment capability of the first 8 F-16 squadrons.

The House recedes.

Advanced Tanker Cargo Aircraft (ATCA)—

The original January budget request was for 6 ATCA aircraft at a procurement cost of \$276.6 million. The amended budget dropped the ATCA program.

The House provided 6 ATC's and \$276.6 million. The Senate did not authorize the ATCA.

In conference, Senate conferees pointed out that the Department of Defense requested that the program not commence until fiscal year 1979 consistent with its plan to defer ATCA production pending a further assessment of the tanker and airlift needs and a determination of the optimum combination of aircraft and modifications for these missions.

The House recedes.

C-130H Transport Aircraft—

Testimony before the House Armed Services Committee identified a seriously deteriorating tactical airlift capability as older C-130 aircraft are being grounded for various support problems. Therefore, the House added \$124 million for 16 C-130H's for the Air National Guard. The Senate amendment did not contain any authorization for this unbudgeted item. In conference, the necessity for these aircraft was argued vigorously by the House conferees.

The Senate recedes with an amendment authorizing 8 C-130H aircraft and \$62 million.

Two-place A-74 Modification—

The Senate recommended \$6 million for an aircraft feasibility study to convert approximately 20 older A-7Ds, that are in a non-standard configuration and are not deployable, to a two-seat trainer configuration. The House bill contained no such authorization.

House conferees pointed out that the Navy presently has 65 two-seat A-7s on order and that it was unnecessary to "study the feasibility" of converting A-7s to the two-seat trainer configuration. After a thorough discussion, the House agreed to recede to the Senate in the amount of \$3 million with the understanding that the \$3 million may be used only to convert an early non-combat capable model A-7D aircraft to a two-seat proficiency trainer for the Air National Guard. The Air Force is to also evaluate the feasibility of converting other early A-7Ds for training support of the Air National Guard with the view of funding these conversions beginning with the fiscal year 1979 budget.

The House recedes with an amendment.
Civil Reserve Air Fleet (CRAF) Modification—

The Senate deleted \$30 million requested for the modification of commercial wide-bodied 747 and DC-10 type aircraft for carrying oversized military cargo, stating that a satisfactory plan for executing the program had not been presented. The House bill contained the requested authorization.

House conferees stated that studies done by the Joint Chiefs of Staff and the Air Force have shown that this is the most cost-effective program yet devised to enhance our military airlift capability. After a thorough discussion, conferees agreed to recommend \$15 million to proceed with a full modification and a mini-mod during fiscal year 1978 to serve as a pilot model for the cost and contracting procedures for the CRAF program.

The Senate recedes with an amendment.
Industrial Facilities — Manufacturing Methods—

The Senate deleted \$15.9 million from the request for the industrial facilities manufacturing methods program. The House had approved the Air Force request in full.

The Senate argued that they allowed the Department to have the same amount of funds as authorized last year with a slight increase for escalation. House conferees pointed out that the Air Force has historically averaged a 15 to 1 return on its manufacturing methods investment. Therefore, the Senate agreed to restore \$8 million of the \$15.9 million reduction.

The Senate recedes with an amendment.

Missiles Army

Stinger—

The original January budget request had proposed 890 Stinger air defense missiles at a cost of \$84.0 million. The Administration budget amendment reduced the request to 258 missiles for \$34.0 million.

The House approved the amended request. The Senate added \$8.3 million to provide additional ground support equipment and additional Stinger missiles.

The House recedes.

TOW—

The Administration request was for \$58.0 million for TOW missiles and support equipment. The House approved the full request. The Senate reduced the request by \$10.2 million.

The Senate conferees pointed out that their reduction still would allow the Army to procure TOW missiles at the same production rate as the year before and that the Army had newly identified requirements for continued TOW production in subsequent years. Since the fiscal year 1978 procurement is for reserves for future year training missiles and not war reserve stocks, the House recedes.

Navy

Harpoon—

The House bill authorized \$152.8 million for 315 Harpoon missiles.

The Senate approved the same number of missiles but authorized \$129.9 million, identifying \$22.9 million in prior year funds that can be used to finance the balance required for the procurement.

The House recedes.

Air Force

Maverick (Laser)—

The House bill authorized \$37.6 million for procurement of 100 missiles. The Senate amendment authorized \$18.4 million for procurement of 100 missiles.

The Senate conferees maintained that \$19.2 million of the fiscal year 1977 appropriation was excess to the FY 1977 Laser Maverick program and was, thus, available to finance the FY 1978 procurement.

The House recedes.

Tactical Drones—

The House bill authorized \$38.1 million for procurement of tactical drones. The Senate

amendment authorized \$27.1 million because a delay in initiating fiscal year 1977 production has reduced the actual fiscal year 1978 funding requirements by \$11 million.

The House recedes.

Global Positioning System (GPS)—

The request was \$43.4 million for procurement of launch vehicles for the Global Positioning System navigational satellite program.

The Senate reduced the authorization by \$17.8 million because technical difficulties in the development of the GPS had caused a slip in the procurement program.

The House recedes.

Naval Vessels

SSN-688 Nuclear Attack Submarine—

The House authorized \$700.8 million for two nuclear attack submarines (SSN-688) plus advanced procurement.

The Senate amendment contained \$278.5 million for one submarine, the amount requested in the President's budget.

The House recedes.

CVN Nuclear Carrier, Advanced Procurement—

The Senate authorized \$81.6 million for CVN advanced procurement.

The House included no funds for this purpose.

The House recedes.

Aegis-Equipped Nuclear Cruiser—

The House authorized \$187 million for advanced procurement for a CSGN nuclear strike cruiser. The House bill included language permitting these funds to be used for a new Virginia class (CGN-42) if the President determined this to be in the national interest.

The Senate amendment contained \$663 million to construct CGN-41, now under construction, as a nuclear powered Aegis ship.

Subsequent to completion of action in both Houses, the President requested \$180 million for advanced procurement of a new Virginia-class Aegis ship.

The conferees agree to \$180 million for advance procurement for the construction of a new Virginia-class ship with Aegis. The House, therefore, agreed to deletion of language relating to a Strike Cruiser.

The Senate recedes with an amendment reducing the authorization to \$180 million.

DD-963—

The Senate authorized \$614 million for construction of two DD-963 (air capable) destroyers.

The House authorized no funds for this purpose.

The conferees agreed to authorize the program with the understanding that the DD-963's will be planned primarily for helicopter capability, to enhance the DD-963's ASW capability.

FFG Guided Missile Frigate—

The House authorized \$1,319.0 million for nine ships.

The Senate authorized \$1,205.3 million for eight ships.

The House recedes.

Cost Growth—

The House authorized \$233.1 million for cost growth.

The Senate authorized a total of \$566.1 million.

The difference between the two amounts represents an additional \$333 million requested as a reserve for the payment of claims.

The House recedes.

Method of Authorizing Naval Vessels—

The House bill had provided for the Navy Shipbuilding program through line items for each class of ships. The Senate amendment had included a lump sum amount for naval vessels as with other authorization categories.

Consistent with the conference agreement on the make up of the shipbuilding program for fiscal year 1978, the House conferees agreed to recede from the line-item approach.

DDG-47 Information—

Section 101 of the House bill required that

work begin on the construction of the DDG-47 Aegis destroyer and that the President provide the Congress with full justification for making the DDG-47 nonnuclear.

The Senate had no similar provision.

Conferees agreed that the Secretary of Defense shall fully advise the Congress by written report to be submitted no later than sixty days after the enactment of this act, as to the impact of his decision not to provide nuclear propulsion for the DDG-47 destroyer, a major combatant vessel as defined in title VIII of Public Law 93-365, on the ability of the Navy to take advantage of nuclear propulsion in aircraft carriers, the long-term effects such decision will have on the ability of the Navy to counter the projected threat in the 1980's and 1990's, and the effect of such decision on the industrial base for nuclear warships. The Secretary of Defense shall fully advise the Congress how, in reaching such decision, he evaluated: the military advantages of the reduced logistic requirements of nuclear-powered strike forces in a time of continuing reduction of overseas bases and secure sources of propulsion fuel; the differences in effectiveness and lifetime costs of nuclear and nonnuclear Aegis-equipped ships, including differences in their military characteristics; the cost and difficulty of providing propulsion fuel to nonnuclear Aegis-equipped ships in high-threat areas in wartime; and the military priority of providing Aegis-equipped ships to accompany nuclear-powered aircraft carriers and for independent missions relative to the other military needs for Aegis-equipped ships.

Consistent with this agreement, the House agreed to deletion of language from the bill.

Shipbuilding Commission—

Section 102 of the Senate amendment would have established a five-man Presidential Commission on Navy shipbuilding.

House bill had no similar provision.

The Secretary of Defense and the Secretary of the Navy were persuasive in their reclamation against establishment of a Presidential Commission on naval shipbuilding this year. Both Secretaries asked that the new administration be given a chance to resolve the problems of shipbuilding and ship procurement for the Navy. There is considerable information presently available concerning these problems. The Department of Defense and the Navy have already initiated steps to strengthen the competence of their management and consultant activities. The Congress expects to see considerable and very visible progress toward resolving shipbuilding and ship procurement problems during fiscal year 1978. Accordingly, the conferees agreed to hold in abeyance, without prejudice, establishment of a shipbuilding commission for a year.

If no other remedies become evident, the conferees recommend that establishment of a Naval Shipbuilding Commission be considered by the Congress in the fiscal year 1979 Department of Defense authorization process.

The Senate recedes.

Nuclear Powered Navy—

Section 103 of the Senate amendment would have repealed title VIII of the Defense Authorization Act, 1975, dealing with nuclear power for naval combatant ships.

The House bill had no similar provision.

The Senate recedes.

Tracked combat vehicles

Army

MICV Advance Procurement—

The House bill authorized \$25.6 million in advance procurement for the MICV. The Senate amendment contained no authorization.

The House recedes. The basis of this action is discussed under Title II, RDT&E, of the Joint Statement of Managers.

M88A1—

The House bill provided \$34.2 million for the procurement of 58 M88A1 tank retriever vehicles for the Army. The Senate amendment authorized \$17.2 million for the procurement of 29 vehicles.

The House recedes.

M60 Tank Production—

The House bill authorized 859 M60A3 model tanks. The Senate amendment authorized 649 M60A1 tanks.

The conferees agreed to authorize 800 M60 A3 model tanks at \$504.9 million. The conferees further agreed that the improved M60A3 fire control system in its present configuration represents a significant increase in capability which should not be delayed at this time.

The Senate recedes with an amendment.

M60 Modifications—

The House bill authorized \$57.4 million for the modification of M60 series tanks. The Senate amendment authorized \$37.9 million. The conferees agreed to a figure of \$47.5 million.

The House agreed to delete \$9.9 million of its proposed authorization that would have been available for procurement of RISE engine kits. The Senate agreed to add \$9.6 million to its proposed authorization to be available for procurement of tank thermal sights.

M48 Modifications—The House bill authorized \$26.1 million for conversion of M48A1 and M48A3 tanks to the M48A5 configuration. The Senate amendment deleted all the authorization.

The conferees agreed to an authorization of \$13.0 million.

Navy Torpedoes—The House authorized \$332.4 million for the Navy Torpedo.

The Senate amendment authorized \$326.7 million, identifying \$5.7 million in prior year funds available to finance the balance.

The House recedes.

Other weapons

Army

Lightweight Company Mortar—The House bill authorized \$3.3 million for the procurement of 300 lightweight company mortars. The Senate amendment authorized \$2.7 million for the procurement of 190 mortars.

The House recedes.

50 Caliber Machine Guns and Mounts—The conferees agree with the Senate position that the Army should have sufficient funds available from foreign sales of this machine gun to use for procurement of the fiscal year 1978 budget request and that additional fiscal year 1978 authorization is not required.

The House recedes.

M8 Chemical Alarm—

The Senate amendment added \$16.0 million for procurement of 5500 M8 chemical alarms.

The House conferees pointed out that the M8 chemical alarm is an item currently not subject to requirement for authorization

prior to appropriation. Thus, funds could be made available for this procurement in the appropriation process.

The Senate recedes.

Navy

Major Caliber Light Weight Gun—

The House authorized \$32.8 million for the Major Caliber Light Weight Gun.

The Senate amendment contained no authorization for this gun.

The Senate recedes with an amendment authorizing \$16.0 million for the MCLWG system.

Close In Weapons System—

The House authorized \$67.2 for the Close In Weapons System and \$7.7 million for spares.

The Senate authorized \$50.0 million for the CIWS and \$5.1 million for spares.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

General

The Department of Defense requested authorization of \$11,719,480,000 for the fiscal year 1978 Research, Development, Test and Evaluations appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

	Request	House	Senate	Conference amount
Army.....	2,522,100	2,375,232	2,541,992	2,441,782
Navy.....	4,201,580	3,753,913	4,074,665	3,844,518
Air Force.....	4,198,800	3,687,270	4,061,900	3,824,170
Defense agencies.....	772,000	734,310	771,900	752,210
Test and evaluation.....	25,000	25,000	25,000	25,000
Director, defense, research, and engineering.....		377,051		401,051
Total budget authority.....	11,719,480	10,952,776	11,475,457	11,288,731

As shown, the conferees agreed on a total of \$11,288,731,000 which is \$430,749,000 less than the amount requested for fiscal year 1978. The details of the differences between the House bill and the Senate amendment and the changes adopted by the conferees are reflected in the following tables:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—FISCAL YEAR 1978

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
101	Advance concepts laboratory (Tacom).....	1,500		1,500	+1,500	1,500	101
102	Chemical munitions: Chemical combat support.....	3,832	3,832	2,532	-1,300	3,832	102
103	Electrical and electronic devices.....	15,022	10,500	15,022	+4,522	12,700	103
104	Human factors in military systems.....	5,505	4,000	5,505	+1,505	4,500	104
105	Army personnel manpower technology.....	4,077	2,500	4,077	+1,577	4,077	105
106	Military construction and engineering technology.....	4,855	3,855	4,855	+1,000	3,855	106
107	Environmental quality technology.....	10,360	8,000	10,360	+2,360	8,000	107
108	Army training technology.....	4,967	4,000	4,967	+967	4,300	108
109	Food technology.....	8,062	8,062	11,062	+3,000	11,062	109
110	Design construction for military facilities.....	6,254		6,254	+6,254	2,000	110
111	Terminal homing systems.....	4,841		4,841	+4,841		111
112	Advanced land mobilization systems concepts.....	4,841	4,841	2,000	-2,841	2,000	112
113	Lethal chemical munitions concepts.....	618	618		-618	268	113
114	Countermine and barriers.....	6,243	2,848	6,243	+3,395	2,848	114
115	ADPE developments.....	4,631	2,000	2,431	+431	2,000	115
116	IFF developments.....	581		581	+581	581	116
117	Special purpose detectors.....	1,355		1,355	+1,355		117
118	Training: Utilization in military systems.....	8,420	6,000	8,420	+2,420	6,000	118
119	Advanced technology for automatic test equipment.....	2,734	1,200	2,734	+1,534	1,200	119
120	Deep basing technology.....	3,389	3,389		-3,389		120
121	BMD advanced technology.....	107,297	107,297	108,797	+1,500	108,797	121
122	Ballistic missile defense system technology.....	107,688	107,688	106,188	-1,500	106,188	122
123	Advanced forward area air defense system.....	24,206	10,000	24,206	+14,206	24,206	123
124	Surface-to-surface missile rocket system.....	30,113	15,000	30,113	+15,113	30,113	124
125	Heliborne missile guidance technology.....	2,094		2,094	+2,094		125
126	Conventional airfield attack missile.....	2,968	2,968	1,000	-1,968	2,968	126
127	Communications development.....	5,236	5,236	3,396	-1,840	5,236	127
128	Tactical surveillance system.....	11,274	8,500	11,274	+2,774	11,274	128
129	Divisional air defense—Command control.....	485		485	+485		129
130	Aircraft avionics.....	4,878	3,651	4,878	+1,227	3,651	130
131	Advanced attack helicopter.....	100,000	155,000	175,000	+20,000	165,000	131
132	Advanced scout helicopter.....	18,300		18,300	+18,300	7,500	132
133	Stinger.....	17,509	7,000	17,509	+10,509	12,000	133
134	Precision laser designator.....	5,326	4,091	5,326	+1,235	4,091	134
135	Heliborne missile—Hellfire.....	50,482	25,000	50,482	+25,482	50,482	135
136	Infantry support weapons.....	629	3,629	629	-3,000	3,629	136
137	Lethal chemical munitions.....	2,771	2,771		-2,771	2,771	137
138	Mechanized infantry combat vehicle XM723.....	31,651	36,151	31,651	-4,500	31,651	138
139	Vehicle rapid fire weapon system—Bushmaster.....	12,237	15,737	12,237	-3,500	12,237	139
140	XM-1 tank back-up engine.....		10,000		-10,000		140
141	Copperhead.....	36,028		36,028	+36,028		141
142	Joint advanced tactical command/control/communications program.....	2,362	1,300	2,362	+1,062	1,300	142

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued
 ARMY—FISCAL YEAR 1978—Continued
 [In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
143	Tactical electrical power sources	1,150	150	1,150	+1,000	150	143
144	Command and control	8,608	6,569	8,608	+2,039	8,608	144
145	Counter mortar radar	4,270	2,000	4,270	+2,270	4,270	145
146	Counter battery radar	11,354	2,000	11,354	+9,354	11,354	146
147	Tactical surveillance system	13,920		13,920	+13,920		147
148	Automatic test support systems	13,052	13,052	978	-12,074	3,000	148
149	SAM Hawk/Hawk IMP program	12,538	17,538	12,538	-5,000	17,538	149
150	Vulcan	193		193	+193		150
151	M60A1 tank product IMP program	4,556	4,556	10,856	+6,300	10,856	151
152	Satcom ground environment	13,280	13,280	8,680	-4,600	8,680	152
153	Advanced MICV			5,000	+5,000	5,000	153
154	Classified projects	88,678	86,326	88,678	+2,352	86,326	154
155	NAVSTAR global positioning system	8,535	8,535	5,513	-3,022	5,513	155
156	Target missiles	2,905		2,905	+2,905		156
157	Tradoc studies and analyses	3,389	2,500	3,389	+889	2,500	157
158	Kwajalein Missile Range	87,239	85,000	82,239	-2,761	82,239	158
159	Support user test—Tradoc	18,107	13,000	16,107	+3,107	14,000	159
160	Evaluation of foreign components	3,389		3,389	+3,389	3,000	160
161	Battlefield systems integration	4,551	3,951	4,551	+600	3,951	161
162	Programwide activities	70,131	70,131	61,000	-9,131	61,000	162
	Programs not in dispute	1,476,634	1,459,980	1,459,980		1,459,980	
	Total, research, development, test, and evaluation, Army	2,522,100	2,375,232	2,541,992		2,441,782	

¹ Without prejudice.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION
 NAVY—FISCAL YEAR 1978
 [In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
201	Strike warfare weaponry technology	36,783	30,195	36,783	+6,588	33,726	201
202	Nuclear propulsion technology	35,500	35,500	32,500	-3,000	32,500	202
203	Ships, submarines, and boats technology	29,106	26,630	29,106	+2,476	26,630	203
204	Undersea warfare weaponry technology	27,401	19,246	27,401	+8,155	19,246	204
205	Training human engineering technology	9,032	2,000	9,032	+7,032	8,000	205
206	Ocean/atmospheric support technology	25,861	25,861	22,861	-3,000	22,861	206
207	Materials technology	18,635	15,000	18,635	+3,635	17,000	207
208	Electronic device technology	23,136	18,000	18,136	+136	18,136	208
209	Remote piloted vehicles	4,758	4,758		-4,758	2,000	209
210	Advanced software/computing technology	5,454		5,454	+5,454		210
211	Human factors engineering development	3,478		3,478	+3,478	1,800	211
212	Manpower effectiveness	4,872	2,000	4,872	+2,872	4,872	212
213	Advanced electronic components	2,045		2,045	+2,045	389	213
214	Ocean engineering technology developments	15,187	15,187	12,187	-3,000	12,187	214
215	Strategic cruise missile (engineering)	210,272		210,272	+210,272		215
216	Classified projects	1,057	491	1,057	+566	491	216
217	Tacair infrared	1,057		1,057	+1,057		217
218	Helicopter infrared	1,858		858	-1,000		218
219	Land-based support A/C (advanced)	5,738		5,738	+5,738		219
220	V/STOL support	8,258		8,258	+8,258	4,129	220
221	V/STOL/SCS (PROTO)	32,494	4,308	32,494	+28,186	18,401	221
222	All-weather attack	1,021		1,021	+1,021		222
223	Advanced surface-to-air weapons system	4,655		4,655	+4,655	2,330	223
224	Shipboard interrange combat system (SIRCS)	3,894		16,804	+16,894	3,894	224
225	Integral rocket ramjet advanced	10,468		10,468	+10,468		225
226	Air-to-ground weapons	2,630		1,000	-1,630		226
227	Army/Navy SAM technology	4,069	1,000	4,069	+3,069	2,000	227
228	A/G standoff weapons	1,052		1,052	+1,052		228
229	New ship design	4,557	2,695	4,557	+1,862	2,695	229
230	Air control	434		434	+434		230
231	Surface effect ships	43,949	43,949	33,949	-10,000	43,949	231
232	Submarine tactical warfare system (advanced)	21,146	9,959	21,146	+11,187	11,959	232
233	Ship development (advanced)	24,822	24,822	20,422	-4,400	53,922	233
234	Hydrofoil craft	2,132		2,132	+2,132	1,500	234
235	Combat system integration	6,903	3,903	6,903	+3,000	5,900	235
236	Tactical nuclear weapon development	1,414	1,414	1,264	-150	1,264	236
237	Tactical ABN signal exploit system	15,795		15,795	+15,795	15,795	237
238	Airborne ASW development	16,050	12,618	16,050	+3,432	12,618	238
239	Aircraft infrared signature suppression	800		800	+800		239
240	Advanced self-protective system	5,175		5,175	+5,175	5,175	240
241	VGX carrier on-board delivery	9,810	1,000	9,810	+8,810	1,000	241
242	Acoustic search sensors (engineering)	25,103	25,103	19,103	-6,000	22,103	242
243	Air/air missile system engineering	10,416	8,086	10,416	+2,330	10,416	243
244	Hi-speed armament (Harm)	29,738		29,738	+29,738	29,738	244
245	NATO Sea Sparrow	6,373	6,373	4,373	-2,000	4,373	245
246	Surface missile guidance (engineering)	38,097	13,579	13,597	-24,497	13,579	246
247	Submarine sonar development (engineering)	37,017	37,017	15,925	-21,092	15,925	247
248	Radar surveillance equipment (engineering)	11,012	3,000	11,012	+8,012	8,000	248
249	Joint advanced tactical command/control/communications program	4,645		1,000	-3,645	1,000	249
250	NATO PHM (Patrol hydrofoil missile)	1,154	1,154		+1,154		250
251	Ship development (engineering)	38,089	38,089	67,889	+29,800	34,389	251
252	CSGN development	16,144	16,144		-16,144	29,944	252
253	5-in. guided projectile	16,023		16,023	+16,023		253
254	CW weapons	2,187	2,187		-2,187	2,187	254
255	A-6 squadrons	4,062	3,000	4,062	+1,062	3,000	255
256	Aviation support—Attack air wings	2,110	2,110		-2,110	2,110	256
257	Submarine ASW improvement	9,000	9,000		-9,000		257
258	F-14 engine development		26,000		-26,000	26,000	258
259	Shipboard vulnerability/survivability		10,000		-10,000	10,000	259
260	Outlaw Shark		7,500		-7,500	7,500	260
261	Marine Corps research and development		5,000		-5,000	5,000	261
262	Classified projects	41,236	41,236	27,750	-13,486	27,750	262
263	Elf communications	23,741		20,141	-3,600	20,141	263
264	Satellite communications	11,467	11,467	5,812	-5,655	5,812	264
265	Special activities	33,600	33,600	29,500	-4,100	32,500	265
266	NAVSTAR global positioning system	9,418	9,418	1,924	-7,494	1,924	266
267	Clam Lake improvement		2,000		-2,000		267

¹ Without prejudice.

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
268	Blue Green laser communications		5,000		-5,000	5,000	268
269	Aerial target fund	4,465		4,465	+4,465	4,465	269
270	Foreign weapons evaluation	3,419		3,419	+3,419	3,000	270
271	R.D.T. & E. laboratory and facilities management support	45,957	45,957	43,957	-2,000	43,957	271
272	R.D.T. & E. instruments and material support	30,144	30,144	27,144	-3,000	27,144	272
273	R.D.T. & E. ship and aircraft support	56,462	56,462	52,462	-4,000	52,462	273
274	Aircraft propulsion evaluation, general	1,979		1,979	+1,979	1,979	274
275	Joint Air Force/Navy sea control concepts				-3,000	3,000	275
	Programs not in dispute	3,006,361	3,003,751	3,003,751		3,003,751	
	Total, research, development, test, and evaluation, Navy	4,201,580	3,753,913	4,074,665		3,844,518	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—FISCAL YEAR 1978

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
301	Aerospace flight dynamics	46,960	46,960	43,960	-3,000	68,060	301
302	Aerospace biotechnology	26,270		26,270	+1,000	25,270	302
303	Aerospace avionics	63,190	50,000	60,190	+10,190	50,000	303
304	Training and simulation technology	8,600	6,930	8,600	+1,670	6,930	304
305	Conventional munitions	24,200	19,700	24,200	+4,500	19,700	305
306	Preliminary design and development	5,500		1,200	+1,200	1,000	306
307	Aircraft propulsion subsystem integration	14,000	14,000	10,000	-4,000	10,000	307
308	Advanced simulator development	4,900		4,900	+4,900	4,000	308
309	Digital avionics information systems (DAIS)	7,600		7,600	+7,600	7,600	309
310	Advanced fighter technology integration	11,000	8,000	11,000	+3,000	8,000	310
311	Advanced computer technology	5,400	1,000	5,400	+4,400	4,500	311
312	Flight simulator development	21,700	8,500	21,700	+13,200	21,700	312
313	Application for information processing technology	2,900		2,900	+2,900		313
314	Electronically agile radar	17,700	17,700	12,700	-5,000	14,100	314
315	Advanced interceptor technology	600		600	+600		315
316	Strategic bomber penetration	26,500	26,500	39,600	+13,100	39,600	316
317	Missile surveillance technology	11,600	9,130	11,600	+2,470	9,130	317
318	Air-launched Cruise missile	123,900		123,900	+123,900		318
319	Protective systems	33,400	21,000	33,400	+12,400	28,400	319
320	B-52 squadrons	10,800	10,800	2,600	-8,200	8,800	320
321	KC-135 squadrons	9,800	9,800	3,800	-6,000	3,800	321
322	Combat aircraft technology	2,500	2,500	1,000	-1,500	1,000	322
323	Within visual range air-to-air missile	5,900	500		-500		323
324	Air-to-air arm (BRAZO)	4,000			-4,000		324
325	Advance attack weapons	10,000	10,000	8,800	-1,700	8,800	325
326	Advance medium STOL transport (AMST)	25,000	5,000	10,000	+5,000	10,000	326
327	F-16 development	192,800	89,800	192,800	+103,000	192,800	327
328	Ground-launched Cruise missile (GLCM)	27,900		27,900	+27,900		328
329	Close air support weapons system	57,900	19,900	57,900	+38,000	19,900	329
330	Improved tactical bombing	18,600	9,400	17,600	+8,200	13,400	330
331	Compass COPE	9,800		9,800	+9,800		331
332	Hi-accuracy targeting system	9,300		9,300	+9,300	4,300	332
333	Air warning and control system (AWACS)	117,600	73,600	117,600	+44,000	100,000	333
334	NATO AEW aircraft	15,700		15,700	+15,700	15,700	334
335	Tactical AGM missiles	2,300		2,300	+2,300	2,300	335
336	Joint tactical communications program (TRI-TAC)	40,200	40,200	37,700	-2,500	37,700	336
337	Classified program		24,100		-24,100		337
338	Space Shuttle	129,700	127,700	124,300	-5,400	124,300	338
339	NAVSTAR global positioning system	36,300	36,300	63,750	+27,450	68,750	339
340	Space communications	14,200	23,200	14,200	-9,000	23,200	340
341	Satellite system survivability	10,800	10,800	8,800	-2,000	8,800	341
342	Satellite control stations survivability	3,100		3,100	+3,100		342
343	Aircom	500		500	+500		343
344	Special activities	135,600	135,600	115,600	-20,000	115,600	344
345	Traffic control approach/landing system	8,000	2,900	8,000	+5,100	4,400	345
346	NAVSTAR global positioning system—user equipment	15,300	15,300	3,000	-12,300	3,000	346
347	NAVSTAR global positioning system—space and continental segment	17,400	17,400	2,250	-15,150	2,250	347
348	Air Force project RAND	9,800	8,000	9,800	+1,800	9,500	348
349	Test and evaluation support	315,557	340,357	315,557	+11,200	304,357	349
350	Advance systems engineering/plan	15,400	15,400	5,300	-10,100	5,300	350
351	Reimbursement for foreign sales	-24,100	-24,100	-34,900	-10,800	-34,900	351
	Programs not in dispute	2,495,223	2,458,123	2,458,123		2,458,123	
	Total, research, development, test, and evaluation, Air Force	4,198,080	3,687,270	4,061,900		3,824,170	

1 Without prejudice.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—FISCAL YEAR 1978

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1978	House authorization	Senate authorization	Change from House	Conference	Item No.
401	Tactical technology	69,600	69,600	80,600	+11,000	80,600	401
402	Systems cybernetics technology	7,400		7,400	+7,400		402
403	General reduction		-998		+998	-998	403
404	Worldwide military command and control system architecture	1,000	2,000	1,000	-1,000	1,000	404
405	Worldwide military command and control system engineers	7,900		7,900	+7,900	7,900	405
406	Long-haul communications (DCS)	13,350	13,350	11,350	-2,000	11,350	406
407	Classified projects	239,541	239,541	232,541	-7,000	232,541	407
408	Defense documentation center	13,235	13,235	12,735	-500	12,735	408
409	Technical support OSD/JCS	26,292	3,000	23,792	+20,792		409
	Programs not in dispute	393,632	394,582	394,582		394,582	
	Total, research, development, test, and evaluation, defense agencies	772,000	734,310	771,900		752,210	
410	Director, defense research and engineering		377,051		-377,051	401,051	410

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Advanced Forward Area Air Defense System—

The House bill reduced the Army's request of \$24.26 million by \$10 million. The Senate amendment provided the full amount requested.

The House action was based on the fact that the Army's plan for an advanced gun system was too costly and not responsive to the near and immediate term requirements of the operational forces. The House conferees indicated that on the basis of Army testimony the technology, and indeed the hardware, exists that could be combined to provide an advanced gun system in far less than seven years and at a cost substantially lower than the \$250,000,000 estimated by the original Army plan.

Subsequent to the date of the House bill, the Army restructured their program plan to provide hardware for test and evaluation within a two-year period at a savings of over \$60 million.

Consequently, the House recedes to the Senate authorization level provided the new Army restructured plan is implemented.

CBR Protective Systems for Tracked Combat Vehicles—

Both the House and the Senate are concerned over the preparedness of U.S. ground forces for combat in an environment characterized by the use of chemical and radiological agents. This concern has grown in the face of intensive Soviet preparation for the offensive employment of such agents.

The House bill directed the Department of Defense to submit to the Congress a study on the desirability and feasibility of providing U.S. ground forces enhanced defense against the Soviet chemical and radiological threat in the form of collective protective system for armored fighting vehicles. The Senate amendment mandated the installation of such systems in all such vehicles in development or procurement in fiscal year 1981.

The conferees agreed to require the Secretary of the Army to submit a plan to the Committees on Armed Services of the House and Senate by February 1, 1978, for the funding and scheduling necessary to incorporate collective protection systems in certain types of tracked combat vehicles by October 1, 1980.

Binary Weapons—

The House bill provided authorization for full funding of the research and development of binary chemical weapons. The Senate amendment deleted \$6.8 million requested for this effort. The conferees agreed to authorize funding for binary chemical weapons research with the exception of research on an Army ground-to-ground rocket system for which \$350,000 has been deleted from the Army request.

The conferees are quite concerned about the defensive and deterrent capabilities of U.S. forces against chemical attacks and believe that the highest priority should be to improve those capabilities, including improvements in training and doctrine as well as defensive systems.

The conferees direct the Secretary of Defense to develop plans and submit to the Congress a report on measures necessary for the protection, decontamination, and utilization of aircraft, ground forces equipment, ships and personnel in Europe in the event of chemical attacks. Such plans and report shall accompany the fiscal year 1979 budget presentations.

Advanced Attack Helicopter (AAH)—

The original January budget request was for \$200 million. The Administration budget amendment reduced it to \$100 million and expressed concern over the issue of attack helicopter survivability on the battlefield.

The House authorized \$155 million for the AAH and specified that only one subcontractor should proceed with development of the laser designator and night vision subsystem (called TADS/PNVs). The Senate authorized

\$175 million, including authorization for competitive development of the TADS/PNVs.

The conferees agreed that the AAH program is one of the highest priorities to the Army and development should proceed as expeditiously as possible. The conferees provided \$165 million with the proviso that the Army select a single subcontractor for the TADS/PNV system by the end of fiscal year 1978.

Hellfire—

The House bill reduced the Army's request of \$50.482 million to \$25.0 million. The Senate amendment authorized the full amount requested.

The House action was based on the belief that the Army was stretching out the Hellfire program in accordance with the schedule of the Advanced Attack Helicopter. The House conferees indicated that on the basis of forty-six successful firings in the advanced development phase, the Hellfire missile could be developed and deployed by 1980. During the meetings of the Committee of Conference, the House and Senate conferees were advised that the Army has restructured the Hellfire program to accelerate the Initial Operational Capability date for Hellfire by a minimum of one year.

The House, consequently, recedes to the Senate authorization level on the basis of the restructured Hellfire program.

Advanced Scout Helicopter—

The budget request was for \$18.3 million to start R&D on an Interim Scout Helicopter, adding a laser designator system on the existing UH-1H "Huey" airframe. The House deleted the entire request as premature, stating support for an Advanced Scout Helicopter (ASH). The Senate denied the request to start an Interim Scout on the basis of high cost to obtain inferior performance and provided \$18.3 million to begin an Advanced Scout Helicopter program.

The Army has advised that only \$3.0 million could practically be used to start an ASH program in Fiscal Year 1978, allowing establishment of a program office and issuance of a Request for Proposals.

The conferees agreed that an interim Scout helicopter program is not desirable and funds planned for that purpose will be better utilized if applied to the Advanced Scout Helicopter program in order to assure as early an initial operational capability as possible. The conferees provided \$3.0 million to be used only for the ASH program.

The conferees also expressed concern over the lack of night and target designation capability in the COBRA AH-1 fleet, especially in Europe. The conferees provided \$4.5 million for the Army to evaluate and install a Target Acquisition Designation System and a Pilot Night Vision System on a COBRA AH-1 helicopter in order to determine the feasibility and desirability of putting these systems on a part or all of the COBRA AH-1 fleet.

Ballistic Missile Defense (BMD)—

The House bill authorized the Army's full request of \$107.7 million for the BMD Systems Technology effort and \$107.3 million for the BMD Advanced Technology program.

The Senate amendment transferred \$1.5 million from the Systems Technology program to the Advanced Technology program.

The House report recommended that a minimum of \$4.0 million of the Advanced Technology program be used for hardened BMD materials. The Senate concurs in this recommendation. The House recedes to the Senate authorization level.

Counter Mortar and Counter Battery Radars—

The House bill reduced the Army's request from \$4.27 million to \$2.0 million for the counter-mortar radar. The Senate amendment authorized the full amount. The House bill also reduced the Army's request from \$11.354 million to \$2.0 million for the counter-battery radar. The Senate amendment authorized the full amount.

Since both radars are being produced in

fiscal year 1978, the House conferees expressed concern over the amount of funds being requested by the Army for research and development in fiscal years 1978, 1979 and 1980. The conferees agreed to authorize the funds requested by the Army for fiscal year 1978 with the stipulation that these funds are to be used to complete all research and development tasks required by the Department of Defense for both radar systems.

Army-Navy Guided Projectile Programs—

Section 202 of the House bill provided legislative language to enhance the prospects for commonality of components for Army and Navy guided projectiles. The Senate amendment contained no such provision. The House Committee on Armed Services has, for several years, requested the Department of Defense to strive for full-round commonality of the Army 155mm and Navy 5-inch guided projectiles in the interest of cost savings. Contrary to this request, the Services continue to structure separate programs.

Both Army and Navy projectiles reflect sound design engineering and are capable of fulfilling either Service mission requirements. Both projectiles are capable of defeating any tank in the current inventory of our potential adversaries. Full-round commonality at this point in time, while feasible, would only defer the Initial Operational Capability date for both projectiles. Consequently, the conferees agreed to relax this requirement but insist that component commonality be achieved to the maximum practical extent in the interest of cost savings. Section 202 further requires the Services to acquire a complete Technical Data Package for potential second source procurement of guided projectiles. The validation of the Data Package by the Government at this time requires the development and testing by the Government of components from the engineering drawings. The provision also requires that the Services achieve an Initial Operational Capability date prior to calendar year 1980.

The legislative language does not apply to the Navy's 5-inch infrared or 8-inch semi-active laser guided projectiles. Since the Army does not have a requirement for either of these projectiles, the conferees intend that the Navy continue the development of these projectiles while at the same time continuing to maximize component commonality where practical and possible.

Joint Ground and Amphibious Military Operations (GAMO) Programs—

The GAMO is a tri-service joint command, control and communications program.

Both the House and Senate endorsed the goals of the GAMO program, but expressed serious reservations about the lack of a sound management structure and firm system architecture.

The conferees agreed that all work on the GAMO be terminated until sound management structure and system architecture is established. Accordingly, the conferees agreed to provide \$1 million for the Army, the Joint Chiefs of Staff GAMO Executive Agent, for this purpose. Upon completion of this requirement, the Department of Defense can submit a request for reprogramming during fiscal year 1978 in accordance with established reprogramming guidelines.

National Microwave Landing System (NMLS)—

The House bill deleted all authorization for the tri-service participation in the development of the NMLS. The Senate amendment authorized the full funding request of \$1.227 million for the Army; \$0.434 million for the Navy; and \$5.1 million for the Air Force.

The conferees endorse the objective of a standardized landing system as proposed by the Federal Aviation Administration. However, there is concern that the standardized landing system will not be available for deployment for several years. The conferees are concerned that important military systems,

such as the Utility Tactical Transport Aircraft System (UTTAS), might be deployed without an acceptable landing system. At the present time the Army's tactical landing system and the Marine Corps' landing system have completed their development and can be integrated into UTTAS and other aircraft within the planned schedules. These systems can also be made compatible with NMLS at a later date.

The conferees would interpose no objection to the military use of the NMLS provided that the development is funded by the FAA and meets military requirements, that the procurement costs would be less than or equal to the cost of existing landing systems, and the completion date for the military version of the NMLS is in consonance with the schedule of UTTAS and other forthcoming systems.

The conferees agreed to provide \$1.5 million for the Air Force to be used only for the modification of test bed aircraft to accommodate the selected landing system.

Roland Missile System—

The House bill contained seven separate provisions regarding the Roland missile system. The Senate version did not contain similar provisions.

The conferees are concerned with two aspects of the Roland missile system. First, the research and development costs have increased by over 100 percent since the start of the program and the procurement cost estimates for 17 batteries have increased by nearly 70 percent in one year. The second major concern is the international aspect of the Roland program. The Roland system is a French and German development and is being procured for the U.S. Army in an earnest effort to enhance standardization of NATO arms. The conferees support increased standardization but in the long run a program with excessive cost overruns and questionable performance would do more to delay standardization than to aid it. Therefore, it is crucial that the Roland system meet cost and performance goals.

The conferees support the continued development of the Roland system within the following guidelines:

(1) Development, test and evaluation can be completed for a total cost of \$265,000,000.

(2) System performance specifications for the Roland missile system will not be degraded from any Department of Defense contract in effect on March 31, 1977, with respect to the Roland missile system.

(3) All Roland missile system engineering development models and equipment ordered in any Department of Defense contract in effect on March 31, 1977, for contractor use of delivery to the Department of Defense, shall continue to be ordered in the number of units specified in such contracts.

(4) There shall be test, evaluation, data reduction and analysis of the Roland missile system to determine the capability to meet contract specifications.

(5) The U.S. version of the Roland missile system shall contain not less than 350 field replaceable unit subsystems which shall be interchangeable with comparable subsystems of the European Roland II missile system.

The Secretary of the Army shall inform the Committees on Armed Services of the House and Senate within 60 days of the date of this report whether these conditions can be satisfied. When informing the committees, he shall also indicate the degree of variation from the contract specifications with recommendations on how to adjust the program accordingly.

The significant increase in procurement costs are also of concern and the Secretary of the Army should take appropriate steps to reduce procurement costs including:

(1) obtaining a complete technical data package, not later than October 1, 1979, for the missile, in sufficient detail to enable second source procurement;

(2) consideration of mounting of some of

the fire units on towed or wheeled vehicles, particularly those units that would be assigned to rear area units;

(3) other steps as the Secretary of the Army considers appropriate.

Consistent with the action taken by the conferees, the House recedes on the bill language.

XM-1 Tank Gun—

The House bill contained language that precluded the use of research and development funds for any effort to put a 120 millimeter gun on any XM-1 tank until and until and unless: (1) the comparative tests of the 105 millimeter and competing 120 millimeter guns have been completed; (2) the comparative test results have been evaluated; (3) the Secretary of the Army has made a recommendation to the Congress consistent with the test results; and (4) 60 days of continuous session have elapsed from the date of that recommendation. The House intent was to insure that the Congress had an opportunity to review any decision to abandon the proven 105 millimeter gun and to insure that such a decision was made for military reasons. The House intended that any effort to install a 120 millimeter gun on any XM-1 tank would be initiated only after approval of a reprogramming request or of a request for new legislative authority.

The Senate was concerned with any undue interference or delay in the efficient and effective management of an important weapons system and argued against any restrictive language. The Senate was also concerned with any reprogramming requirements that could delay this program.

The Senate reluctantly receded with an amendment and with the understanding of all conferees that: (1) the comparative testing will be conducted as already scheduled and that the comparative testing will not be held up by any delay in the availability of any of the gun competitors. The conferees agreed that the absence of any competing gun(s) from the comparative tests would not invalidate the results of such tests; (2) the Army's decision on gun selection will be made by December 31, 1977, on the basis of test data available to that date; and (3) the Secretary of the Army must make a recommendation on the gun selection for the XM-1 tank to the Congress no later than February 1, 1978.

It is the intention of the conferees that there be no further delays in this gun selection process for the XM-1 tank program.

XM-1 Back Up Engine—The House bill added \$10 million to continue development of the AVCR 1360 diesel engine as an in-house project in the Tank Research and Development Command (TARADCOM). This reflected House concern that the Army might be taking an unnecessary risk in the XM-1 program by terminating development of diesel technology before the turbine has fully proven itself. The Senate amendment contained no such provision.

The Senate conferees stated that, in their view, authorizing funds in this bill for continued diesel development would set an unfortunate precedent of funding the losing contractor in a prototype development effort and would require unknown additional development costs for engine maturity. Senate conferees have confidence in the turbine engine and wish to support fully efforts aimed at achieving interoperability of tanks within NATO.

The Senate conferees were adamant in their opposition to the diesel engine. The House, therefore, reluctantly recedes, but urges the Army to find the necessary funds within the budget to continue development of the AVCR 1360 diesel engine until such time as the turbine has fully proven itself in development.

M60 Tank Improvement Program—The House recedes to the Senate position to initiate effort to adapt the improved technology of the XM-1 fire control system to the

M60 series tanks as a cost effective improvement program. It is the view of the conferees, however, that this improved system would not be required for all M60 series tanks as would be necessary to supplement the new XM-1 tank and support the NATO requirement.

The conferees further agree that the improved technology fire control system components should not be considered as an alternative to existing M60 fire control system components for new production tanks if it will result in significant delay in fielding M60 tanks in Europe with improved fire control capability.

Mechanized Infantry Combat Vehicle (MICV)—The House bill prohibited expenditure of further funds for improvement of the M139 gun as an interim weapons system on the MICV, directed acceleration of the program to provide for the initiation of production of MICV by December 31, 1980, and prohibited the expenditure of funds for integration of the tube launched, optical tracked, wire guided missile (TOW) system on the MICV until after the basic vehicle was in production. The Senate amendment deleted this restrictive language.

The House bill reflected concern with the series of delays associated with the fielding of this important weapons system and reservations about the inclusion of the TOW missile.

The first of these reservations was partially satisfied when the Army accelerated its production schedule to provide for initial production of the MICV in May 1981 rather than May 1982.

The second House reservation about the MICV program—whether or not it should be equipped with the TOW missile—proved more difficult to reconcile since the Senate conferees' basic position is that, given the preponderance of Soviet armor and the shortage of U.S. anti-tank guided missile platforms, no major combat vehicle should be fielded without an integral anti-tank capability regardless of its primary mission.

The House conferees reluctantly agreed to a Senate amendment deleting the prohibition on the expenditure of funds to integrate TOW on the MICV prior to initial production.

However, the conferees agreed that there should be no slip in the Army's amended production schedule related to TOW integration.

The Senate recedes with an amendment to prohibit obligation of funds for the M-139 gun and to require structuring of the MICV program so production can begin not later than May 31, 1981.

Advanced Mechanized Infantry Combat Vehicle (MICV)—The Senate amendment included \$5 million to explore designs for a follow-on to the MICV because of its concern about the silhouette, anti-tank capability, armor design and compatibility with airlift of that vehicle, hence its survivability in the face of the rapidly improving armor and anti-armor capability of the Soviet Union. The House bill contained no similar provision.

The Senate stated that it had no intention of delaying deployment of the MICV, but advised the Army that it should look toward limiting procurement of the MICV to less than the planned program in view of the possibility of fielding an improved vehicle.

The House conferees are disturbed about the implications of initiating research on a follow-on vehicle while the current MICV is still in development and three years away from initial production. In the view of the House conferees, the history of Army research and development is replete with examples of programs which have been aborted or constrained because more promising systems were just over the horizon. This pattern of perpetual R & D is one of the major reasons why the U.S. Army now faces a

quality gap in fielded equipment, vis-a-vis the Soviet Union.

After considerable discussion, the conferees agreed to authorize \$5 million for a study to re-evaluate the specific requirement for and design of the MICV and to assess the need for a more survivable follow-on vehicle.

However, the conferees note that neither the House nor the Senate have called for limiting MICV production at this time, and that no such decision by the House or the Senate should be anticipated before a study of alternatives is made. The conferees recognize that the MICV will provide substantially improved capability over the M-113 armored personnel carrier, and the conferees have no intention to delay deployment of the MICV to the field.

Surface-to-Surface Missile Rocket System—

The House bill reduced the Army's request \$30.113 million by \$15 million. The Senate amendment provided the full amount.

The House action was based on the excessive funding and schedule requirements in the Army's plan to develop a general support rocket system.

Within the past two months the Army has restructured this program and in accordance with a new program will have hardware available for test and evaluation within a two-year period.

On the basis of this restructured program, the House recedes to the Senate funding level.

Navy Research and Development Shipbuilding—

The Senate authorized \$40 million for research and development of a smaller sized carrier (CVV), a V/STOL aviation ship and the DD-963 (air capable).

The House had no such provision.

In agreeing to authorize funds to be available for studies, the House and the Senate conferees added language in the bill that the studies should be sufficient to allow a well-founded decision next year as to which platforms the Congress should authorize. These studies can proceed as necessary to provide the basis for a decision. The conferees want the Congress to be presented with full specifics on the basis of costs and combat effectiveness next year.

The House recedes with an amendment.

Ship Development (Engineering)—

The House authorized \$38.089 million for this program element.

The Senate authorized \$67.889 million.

The conferees agreed on \$34.389 million.

CSGN Development—

The House authorized \$16.144 million for CSGN development.

The Senate denied this request.

The conferees agreed to substitute the CGN-42 Virginia-class ship for the CSGN strike cruiser as requested by the President, and added an additional \$13.800 million in order to meet the total CGN-42 design effort of \$29.944 million.

The Senate recedes with an amendment.

Ship Development (Advanced)—

The House authorized \$24.822 million for this program element.

The Senate authorized \$20.422 million. The Senate made reductions of \$4.4 million related to AO, AR, FPGX and SSN programs.

This program element contains numerous ship development items, including \$6.5 million for CVV studies. The conferees agreed to transfer an additional \$15 million to this account from the ship development engineering account for a total of \$21.5 million for CVV development studies.

In addition, \$13.5 million for V/STOL aviation support ship (VSS) studies, and \$5.0 million for studies to increase the helicopter carrying capacity for two DD-963 ships, designated DD-963(H), were transferred to this program element.

The House recedes with an amendment, authorizing a total of \$53.9 million for the program.

Advanced Surface-to-Air Weapons System—

The House bill eliminated the Navy's entire request of \$4.655 million for this program. The Senate amendment authorized the full request.

The House action was based on the failure of the Navy to carry out the guidance of the conferees as delineated in House Report No. 94-1305. This report stated: "The conferees agreed to provide \$3.0 million with the understanding that the Navy will carry the infrared seeker already developed for the 5-inch guided projectile into hardware evaluation during fiscal year 1977 on the ASMD missile."

Contrary to this guidance, the Navy continued this program in accordance with the original plan and undertook the study of integrating the Stinger infrared seeker—an Army seeker that the Army plans to replace within the next few years—into the ASMD missile.

The House conferees reiterated the guidance of House Report No. 94-1305 and agreed to an authorization of \$2.3 million but insisted that none of the funds may be used for any Stinger seeker studies or integration.

High-speed Anti-Radiation (HARM)—

The House bill denied the Navy's request of \$29.738 million for the HARM because of the cost growth of the program relative to the proposed expanded capability for the HARM. The Senate amendment provided full funding.

The conferees agree to provide \$29.7 million only for continued research and development of the so-called baseline HARM program. The conferees do not support a proposal to interrupt this baseline program for the purpose of developing a missile with expanded capabilities. Should the Navy and the Air Force have a requirement for HARM with expanded or additional capabilities, the conferees agree that an open and unrestricted competition should be conducted in a manner that will not restrict the expeditious testing and deployment of the baseline HARM missile system.

The House recedes.

Extremely Low Frequency (ELF) Communications—

Both the House and Senate deleted funds which would have allowed the extremely low frequency (ELF) system to proceed into full scale development and further agreed that continued vigorous research and development of the ELF system is necessary in order to ensure that operational requirements are met.

The House bill language provided \$2 million for improvement only of the existing ELF test bed system near Clam Lake, Wisconsin.

The Senate report suggested a compromise which would use less land yet retain the essential requirements for ELF transmission and provided \$20.141 million for advanced development.

The Conference Committee agrees that a system is required to ensure that our submarine force can receive communications while submerged and therefore have enhanced survivability for the foreseeable future.

The Conference recommends \$20.141 million for research and development of an ELF system.

The Conference Committee further agrees that none of these funds shall be used for full scale development or any construction of a new test bed.

The House recedes.

The House bill authorized \$5 million for the continued investigation of laser commu-

nications technology. The Senate did not provide such funds.

The conferees agreed to the addition of \$5 million but emphasized that this is a high technology effort that probably will not yield a near term solution to the submarine communication problem and will be complementary to an ELF system.

The Senate recedes.

The House authorized an additional \$9 million to accelerate development of a host satellite for space-based lasers for communications by the Air Force Advanced Space Communications program.

The Senate report expressed doubts that such a system offers promise as a practical alternative to an ELF submarine communications system and contained no similar provision. The Senate conferees agree that space based lasers in a variety of applications offer enough other potential benefits that the addition of \$9 million for the host satellite is warranted.

The Senate recedes.

Stinger—

The request was for \$17.5 million for the Stinger missile, with \$1.0 million to complete development of the basic Stinger and \$16.5 million for the improved POST seeker for the Stinger missile.

The House approved \$7.0 million. The Senate approved the full request.

The conferees agreed to provide \$12.0 million for Fiscal Year 1978 and also will consider additional reprogramming if proposed by the Army. The Army is directed to make all practical efforts to restructure the development program to minimize the cost and shorten the schedule.

Land Based Support Aircraft—

The Senate authorized \$5.7 million for the land based supported aircraft and the P-3X antisubmarine warfare aircraft. The House denied the full request.

The conferees agreed to delete the full \$5.7 million requested for the land based support aircraft but to add \$3 million in a new program element called Joint Air Force/Navy Sea Control concepts. The conferees are concerned with the slowness of the Air Force and the Navy to exploit the sea control potential of land based aircraft and urge both services to join in serious efforts to use land based aircraft more fully against all threats to sea control. The authorization for the land based support aircraft was deleted because it is premature to work toward a specific aircraft. More conceptual work is needed to find ways to exploit existing aircraft, both military and civilian.

Shipboard Intermediate Range Combat System (SIRCS)—

The Navy requested \$3.9 million to continue development of the Shipboard Intermediate Range Combat System (SIRCS), an advanced shipboard close-in air defense and fire control system for the early 1990's. The House deleted all of the authorization, expressing concern over the high development cost for SIRCS which apparently would be funded at the expense of near and intermediate term improvements to Navy fire control systems. The Senate added \$13.0 million to the budget request in a floor amendment, providing \$3.0 million for the Advanced Medium Range Air-to-Air Missile (AMRAAM) commonality studies and \$13.9 million for the SIRCS program contract efforts.

The SIRCS program has followed the acquisition strategy of the Office of Management and Budget Circular A-109 and intends that two contractors be funded to build competitive prototypes of a new radar and new missile integrated with a fire-control computer system for shipboard use. The Navy presently is evaluating proposals submitted by three separate contractors for these components. Under the program as presently structured the Navy could not select the most desirable components from individual contractors but would have to fund con-

tinued development of the complete systems of two of the three contractors. This acquisition approach could cause continued development of less than optimum subsystems, a factor which exposes a potential shortcoming of the development procedures of OMB Circular A-109. Consequently the House conferees emphasize that the language specified in Sec. 203 is a clear intent to exclude SIRCS from the A-109 process and made the funding authorized contingent upon this condition.

The conferees agreed that the next step in the SIRCS program is for the Navy to define a "baseline" design containing the best features contained in, but not limited to, three funded contractors, and that this baseline SIRCS is to be submitted for open competition for the advanced development phase. Under this procedure the Navy has the flexibility to select or develop independent subsystems such as the radar or missile for independent contracts if such action is determined to be desirable and will provide the best possible weapons system.

The conferees agreed to provide \$3.9 million for the SIRCS program, with the understanding that the Navy uses the baseline approach to continue the program.

FX14B Engine—

The House added \$26.0 million for the F-14B engine although the Navy did not request funds for this program. The Senate did not add authorization.

Last year the Congress added \$15.0 million to start the F-14B engine development and directed that a competitive hardware demonstration be used as a basis for source selection of the new engine. To date the program has not been started and these funds have not been expended. The House conferees insisted that the F-14 needs a more powerful engine, although the Senate conferees pointed out that Navy testimony indicated the new engine was not planned at this point in time.

The conferees agreed to provide the \$26.0 million to continue the research and development program, and reiterate the requirement for a competitive hardware demonstration.

The Senate recedes.

Trident I Missile—

The Senate Armed Services Committee recommended in its report on the bill that Navy be allowed to reduce to a minimum its work on a backup propellant, which Congress directed in fiscal year 1977. The House had no similar recommendation.

The House concurs with the Senate and the conferees agree that such a minimal effort would include completion of Phase I of the backup propellant program.

Advanced Medium STOL Transport (AMST)—The House bill authorizes \$5 million for selection of a prototype to develop for production. The Senate authorized \$10 million, but felt that the Army study of tactical airlift needs and the Air Force review of alternative C-130 aircraft should be completed and reviewed before approving the start of full scale development.

The conferees agreed to authorize \$10 million.

Compass Cope—The request was for \$9.8 million for the Compass Cope high altitude remotely piloted vehicle drone airplane.

The House deleted the authorization. The Senate provided the full request.

The House conferees pointed out that the Defense Department has not yet decided whether to proceed with engineering development of the Compass Cope, and no specific mission has been identified for the aircraft. The Senate conferees argued that the Compass Cope is indicated as being the most cost-effective vehicle to carry the PELS weapon guidance system, the UPD-X SLAR, and also high altitude electronic intelligence systems.

The conferees agreed to delete the author-

ization without prejudice to the program. If the Department of Defense decides to proceed with the Compass Cope, a reprogramming request should be forwarded to the Congress.

Classified Program—The House added \$24.1 million for a classified program.

The Senate bill contained no such funds.

The conferees agreed to authorize the \$24.1 million to support this effort as a new task in the Aerospace Flight Dynamics program of the Air Force. These funds should be used to investigate basic technology that will result in the feasibility test and evaluation demonstration of hardware and not in a development for any particular military application. The conferees also agreed that a reprogramming request to move funds out of this program would not be considered and the funds provided are entirely adequate to complete this task.

The Senate recedes.

Air-to-Air Missiles—

The request included \$5.9 million for the Air Force to start a new Within Visual Range (WVR) missile to replace the Sidewinder dogfight missile; \$42.5 million for the Air Force to fund Advanced Medium Range Air-to-Air Missiles (AMRAAM), and \$10.4 million for the Navy for product improvements of the existing Sidewinder and Phoenix missiles.

The House reduced the new WVR missile program \$5.4 million, leaving \$0.5 million, while the Senate deleted all of the authorization. The conferees agreed that the currently on-going AIMVAL-ACEVAL flight tests to define dogfight missile requirements should be completed and the results carefully analyzed before a request for a new missile program is forwarded to the Congress. Any new WVR missile to replace the present AIM-9L Sidewinder should be commonly used and jointly funded by the Navy and Air Force. The House recedes.

The AMRAAM program request included two elements: \$23.6 million for a new AMRAAM missile to replace the Sparrow AIM-7F and \$18.9 million to continue engineering development of the "monopulse" product improvement for the AIM-7F. Authorization for AMRAAM was not at issue in the conference.

The monopulse Sparrow program was the subject of joint conference direction in fiscal year 1977, when \$2.0 million was provided to complete the advanced development prototype phase, to be followed by a report on those prototype test results by June 30, 1977, and \$15.0 million was provided for the engineering development phase of the monopulse seeker. This Congressional guidance has been subjected to varying interpretations within the Defense Department, and the conferees offer the following clarification on the intent of the fiscal year 1977 bill and report: The conferees are aware that the monopulse test program was completed and the test data was forwarded to the Defense Director of Test and Evaluation in April 1977, and they insist that the DDT&E report on the tests be forwarded to the Congress by June 30, 1977, in compliance with the law. The conferees also expect to receive a recommendation from the Department of Defense on whether or not to proceed into engineering development on the monopulse Sparrow.

The conferees are concerned about any further delay in deciding on this program.

The House reduced the Navy product improvement request for Sidewinder and Phoenix by \$2.33 million, and the Senate authorized the full request. The conferees agreed to provide full authorization.

Electronically Agile Radar (EAR)—

The House authorized the full \$17.7 million requested by the Department of Defense.

The Senate reduced the request by \$5 million on the grounds that detailed engineering studies of using this radar on a particular bomber are premature.

The conferees agreed with the Senate reasoning and on a reduction of \$3.6 million.

The House recedes with an amendment.

Test and Evaluation Support—

The House bill reduced the amount requested by the Air Force for test and evaluation support by \$11.2 million, from \$315.5 million to \$304.3 million. The House directed that the reduction be made in the civilian contractor support at the Air Force Flight Test Center. The Senate recedes to the House with the understanding that the \$11.2 million reduction can be taken from any part of the test and evaluation support program.

Defense Advanced Research Projects Agency (DARPA)—

The House bill reduced the DARPA systems cybernetics technology program by \$7.4 million. In addition, the House bill made a general reduction of \$1 million. The Senate amendment authorized the full request. The Senate recedes to the House with the understanding that DARPA may take the \$8.4 million reduction from any part of the total DARPA program.

Strategic Bomber Penetration—

The Department of Defense requested \$26.5 million for this program, one element of which is the development of the Advanced Strategic Air Launched Missile (ASALM). The Senate added \$13.1 million to protect the option of an accelerated ASALM. The House authorized the amount requested.

The House recedes to the Senate authorization level.

Cruise Missiles—

The Department of Defense requested \$362.072 million for three cruise missile programs as follows:

Navy-Sea Launched Cruise Missile (Tomahawk)-----	\$210,272,000
Air Force-Air Launched Cruise Missile (ALCM)-----	123,900,000
Air Force-Ground Launched Cruise Missile (GLCM)-----	27,900,000
Total-----	\$362,072,000

The Senate authorized the full amounts as requested.

The House bill deleted the requested amounts as separate programs and authorized instead \$325,000,000 as part of a new account for the Director of Defense Research and Engineering (DDR&E). This effectively reduced the Department of Defense total request for cruise missile research and development by \$37,072,000, of which \$24 million came from the Ground Launched Cruise Missile program.

The Senate reluctantly agreed to the establishment of a new DDR&E account. The conferees agreed to a total figure of \$349,000,000 for the development of cruise missiles, a general reduction of \$13,072,000.

The conferees further agreed with the high priority placed on the antiship Tomahawk (SLCM) and with the House direction that these funds should be allocated so that there would be no delay in the IOC of the antiship Tomahawk (SLCM) or ALCM.

The conferees agreed that the Department of Defense must meet the ALCM IOC with this ALCM-A and that the development of the ALCM-B should be subordinated accordingly. Investigations of non-nuclear arming of theater land attack cruise missiles should be intensified.

The Senate recedes with an amendment.

Technical and General Support for the Office of the Secretary of Defense—

The Department of Defense requested \$26.3 million for technical and general support for the Office of the Secretary of Defense. The House bill authorized \$3 million and the Senate amendment authorized \$23.5 million. The conferees agreed on a total authorization of \$12.5 million to be used by the Secretary of Defense as he determines.

The conferees expressed concern over the amount of money being devoted to studies

not only in the Office of the Secretary of Defense but throughout the Department of Defense. The conferees also expressed frustration over their inability to determine the total amount of money and manpower devoted to studies as well as the utility of them.

The conferees request the Secretary of Defense to provide a separate submission with the fiscal year 1979 budget that describes the total Department of Defense study effort. The submission should include studies performed under broad general contracts such as with federal contract research centers and studies performed by private companies on contract to the Department of Defense. In addition, Department of Defense organizations, whose major function

is to do studies and analysis, should be identified including their manpower and funding levels.

The submission also is to include generalized and specific analytical contractual support efforts funded in research and development appropriation for all programs except weapon system program offices.

The submission should identify the appropriation category for the funds used for each of the above functions.

TITLE III—ACTIVE FORCES

Active-duty military strengths in the House and Senate bills differed by a total of 18,525. The conferees agreed to a compromise on strengths for each military service as follows:

	House bill	Senate bill	Conference level
Army	790,425	777,100	787,000
Navy	536,000	535,100	535,800
Marine Corps	192,000	190,100	191,500
Air Force	572,000	569,600	570,800
Total	2,090,425	2,071,900	2,085,100

The conferees suggest that the reductions should be made in the general areas recommended in the Senate report except as noted below. In addition, the conferees are concerned that actual utilization of manpower may differ significantly from the functions justified in the budget request, especially as allocated between combat and support elements. Manpower strengths should be requested for the functions for which needed and used in the functions for which approved.

The authorized strength for the Army reflects the conferees' consideration of a revised Army manpower program, submitted by the Army after the Senate and House completed action on the bill.

The Senate reduced the Army strength because the Army manpower program for fiscal year 1978 represented an expansion of Army training related to changes in personnel policies. The Army planned to increase attrition for adverse reasons by 9 percent, decrease prior service accessions by 62 percent, decrease reenlistments by 7 percent and increase support for specialized training from fiscal 1977 requested levels. Similarly, manpower for combat units was decreased from previous estimates.

Under the revised program the Army planned reversals in these adverse personnel trends, decreases in manpower for training and increases in general purpose forces manpower by 4,200. The conference agreement on an Army end strength of 787,000 requires that this improvement in general purpose forces manpower be made. The conferees expect the Army to emphasize the quality of new accessions in meeting this program. Further, the conferees expect future strength requests to be based on firm estimates of manpower requirements adequately reviewed by Army and Defense authorities.

The House bill would add some 904 active Navy personnel related to the House bill increase over the President's request for the Naval Reserve. The Senate bill contained no such increase. The Senate conferees agreed to add 700 active Navy personnel to administer the reserves.

The conferees agreed that an end strength of 191,500 was appropriate for the Marine Corps in fiscal year 1978. However, this end strength is supportable only as long as the Marine Corps maintains the quality standards established by the Commandant. Of the services, the Marine Corps in particular is not capable of withstanding an infusion of low quality accessions into its program. The consequences of such a situation have been graphically demonstrated in the past

several years. The conferees want to emphasize their support for this strength level only so long as the Marines are able to maintain the Commandant's current quality standards.

The conferees were also in agreement that the primary role of the Marine Corps is its ground combat mission. Marine aviation exist to support this mission. Because of this, the Marine Corps must place priority in its recruiting on its ground forces.

In this regard, the conferees question the use of limited Marine personnel resources for various guard functions in the Navy and associated with U.S. embassies abroad at a time when the requisite quality has been lower than is desirable in operational units, and ground combat forces in particular. For fiscal year 1978, the Marine Corps will have almost 9,000 personnel involved in these functions.

The conferees agree that the Commandant should provide a report to the Senate and House Committees on Armed Services by October 31, 1977 explaining the necessity for using Marine personnel in this manner. The report should also address the increases in Marine Corps ground combat or support forces that would be possible were such security function performed by Navy personnel or civilians.

The Senate amendment would reduce the Air Force request by 2,400 personnel in the training establishment—students and support. This was primarily a denial of planned increases in training support personnel not commensurate with the changes in training loads. The conferees agreed to a reduction of 1,200 personnel.

Modification of cadet-midshipmen pay—The Senate amendment to the House bill (Sec. 303) contains a provision that establishes a uniform pay for cadets and midshipmen at the military service academies and in both the two- and four-year ROTC programs when the ROTC officer candidates are attending summer field training and practice cruises.

The House bill contains no such provision. The Senate provision is similar to an Administration proposal which the House had already indicated it would consider this year.

Although certain technical changes were made, the conferees intend no substantive changes to the Senate-passed provision.

The House recedes.
Military job classifications open to women—

Section 304 of the Senate amendment would require the Secretary of Defense to

submit to Congress a definition of the term "combat" and recommendations on expanding job classifications in the military services to which women may be assigned. The House bill contained no such provision. The House conferees agreed that a definition of combat for the purposes of the assignment of women to military jobs would be useful. The House recedes.

TITLE IV—RESERVE FORCES

Title IV, Section 411, of the bill contains the annual authorization for the strength of the Selected Reserve of each reserve component of the Armed Forces for fiscal year 1978.

The House and Senate positions differed on the strengths for the Naval Reserve and the Air Force Reserve. There were no differences in the authorization for any of the other Selected Reserve components.

For the Naval Reserve, the Senate had authorized an average strength of 76,400 for the fiscal year 1978, while the House authorized 93,600. The budget request was 52,000.

The conferees agreed to an authorized average strength of 87,000 for the selected Naval Reserve.

The conferees recognized that the Naval Reserve exists to augment first the operational ships, aircraft squadrons, and direct support units of the fleet and secondly, activities of the shore establishment.

The conferees agreed that the reduction required from the existing strength of the selected Naval Reserve should be absorbed, where feasible, by attrition and by allocations of the reductions to shore-based positions and units affiliated with headquarters staffs, personnel support activities and management, administrative, and support functions.

The conferees recognize the unique problems facing the Naval Reserve, due primarily to the limited number of ships and modern aircraft available for assignment to the Naval Reserve force. To the extent that scheduled ship transfers from the active fleet to the Naval Reserve force have been repeatedly deferred due to the requirements levied on the active fleet, this problem has become more severe.

The conferees understand that while the requirements of the active fleets must be met, it is incumbent on the Navy and the Department of Defense to develop a broad-based integration of Naval Reserve units and personnel with the operational components of the fleet. This should include an expanded use of Naval Reserve members and units in training with deployed forces.

It is, therefore, the view of the conferees that the Secretary of the Navy and the Secretary of Defense must pursue vigorous efforts 1) to achieve this integration in a manner that will maximize the number of members and units in the Naval Reserve which are effectively trained for early mobilization positions aboard operational units and 2) to stabilize the Naval Reserve strength at this authorized level.

The Committees on Armed Services of the House and Senate expect to be advised of procedures whereby the Naval Reserve can be more closely affiliated with the operational tasks and responsibilities borne by the line units of the active fleet.

For the Air Force Reserve, the Senate authorized an average strength of 51,100 for fiscal year 1978, while the House authorized 52,000.

The conferees agreed on 52,000.

The conferees agreed that it is doubtful that the 900 Mobilization Augmentee positions which had been eliminated in the budget process could be filled from the Individual Ready Reserve because they are designated wartime positions requiring skilled and trained professionals not so readily available in the Individual Ready Reserve.

The Senate recedes in the case of the Air Force Reserve.

Reserve recruiting incentives—

Sections 402 and 403 of the House bill contained an educational assistance program for enlistment in the Selected Reserve, and a re-enlistment bonus to assist retention in the Selected Reserve, respectively.

The Senate amendment had no similar provisions.

The conferees agreed to support authority for a test educational assistance and re-enlistment bonus program in the Selected Reserve. At the present time and until sufficient evidence is available to determine the effectiveness of these programs in assisting recruiting and retention in the Selected Reserve, the authority provided shall be used for a test program to assemble the necessary data. This program shall be limited to an expenditure of \$5 million. The results of the test shall be reported to the Congress on a quarterly basis with the first report due December 31, 1977.

If reserve recruiting continues to decline, authority contained in this legislation could be used in a broader program only after advising the Committees on Armed Services and through existing reprogramming procedures.

The conferees agreed that the authority to offer further incentives contained in sections 402 and 403 of the House bill shall expire for personnel enlisting or re-enlisting after September 30, 1978. This expiration date is included to insure that the Department of Defense develops and submits a complete program to address the problems in maintaining reserve strengths in its fiscal year 1979 budget submission. The Department of Defense will have had ample time to address this problem by then, and the conferees expect to see a comprehensive program in the fiscal year 1979 budget submission.

The Senate recedes with an amendment.

Reservists on active duty for training—

Section 402 of the Senate amendment defines the term "active duty for training." The conferees are concerned that reservists called to active duty for activities such as recruiting and administration of the reserves are being considered as reservists on active duty for training when their service is not actually training. Consequently, these individuals are not counted toward the active duty strengths authorized by Congress.

To provide greater visibility in the congressional authorization of reservists on active duty, the conferees expect that the Military Manpower Requirements Report for fiscal year 1979 submitted to the Congress by the Department of Defense list the following:

(1) the number of reservists on active duty for training identified by type of training (initial, annual, schools, or post-initial field training),

(2) the number of reservists on active duty for the administration of reserve programs to include activities in connection with organizing, administering, recruiting, instructing, or training of reserves, and

(3) the number of reservists on temporary active duty in support of active force missions by type of mission.

Each category should be identified for each reserve component by man-years and end strength for each year included in the fiscal year 1979 Military Manpower Requirements Report.

Part of the necessity for this increased visibility for reservists on active duty is an existing lack of clarity in the statutes governing the use of reservists in an active duty status. The conferees request the Secretary of Defense to report to the Committees on Armed Services by October 31, 1977 on recommendations for statutory change necessary to achieve greater clarity in this area.

The conferees are aware also that in some cases full-time personnel serving on active duty are being exempted from the active duty end strength authorized by Congress.

The report mentioned above should provide the statutory and administrative authority for each category of personnel excluded or included and for situations other than those for which clear statutory direction exists, the report should provide a rationale for each category of personnel excluded or included.

Subject to the understanding of the conferees on reporting requirements, the Senate recedes on the language of its amendment.

TITLE V—CIVILIAN PERSONNEL

For fiscal year 1978, the Department of Defense requested an end strength of 1,030,730.

The House authorized a Department-wide end strength of 1,034,328 or 3,598 above the Administration request.

The Senate authorized a civilian end strength for each of the services totaling 1,010,900, or 19,830 below the Administration request.

The conferees agreed to provide for an overall Department of Defense-wide authorization for civilian personnel of 1,018,600—a reduction of 12,100 from the Administration request.

The conferees suggest that the reduction should be made in the general areas recommended in the Senate report except to the extent required by changes in the active forces strengths from the Senate amendment and changes in plans in contracting out activities. The conferees strongly believe that the reductions should generally be applied to white collar civilians and implemented through attrition and not be applied to industrially funded activities. The conferees agreed that particularly in activities engaged in maintenance, construction, or repair, including Naval Air Rework Facilities (NARF) the Department of Defense must manage manpower resources in a manner that will insure these activities are provided sufficient civilian manpower to fulfill work requirements for which funds have been appropriated. The recommended reductions are not directed at these activities, many of which are industrially funded.

The conferees request the Secretary of Defense to report to the Committee on Armed Services of each house within 60 days on an initial allocation of the reduction, and with a subsequent report by January 31, 1977, on a final allocation of this reduction for fiscal year 1978. The report should address the allocation of the reduction among the military departments and Defense Agencies, as well as the Defense planning and programming categories therein.

Authority for Secretary of Defense to exceed the ceiling—

The House bill provided authority for the Secretary of Defense to exceed the authorized level—when he determines it is in the national interest to do so—by 3 percent.

The Senate amendment maintained this authority at $\frac{1}{2}$ of 1 percent—the level in the law for the past three years.

The conferees compromised at $1\frac{1}{4}$ percent. Authority of $1\frac{1}{4}$ percent—roughly 12,700 spaces—should allow ample flexibility to prevent inefficient management actions.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Both the Senate and House authorized the Military Training Student Loads as requested by the Department of Defense and the numbers, therefore, were not subject to conference.

The Senate amendment to the bill, however, incorporated a provision which would require the Secretary of Defense to adjust the Military Training Student Loads consistent with the manpower strengths in Titles III, IV, and V.

The House recedes.

Senior ROTC units in each State—

Section 602 of the Senate amendment would require the Secretary of Defense to keep one Senior ROTC unit in each State if

(1) an approved educational institution requests a unit; (2) the Governor approves the school; and (3) the Secretary of Defense determines there will be 40 students enrolled in the program. The House bill contained no such provision.

The House recedes.

TITLE VII—CIVIL DEFENSE

The Administration budget request for programs of the Civil Defense Preparedness Agency was \$90 million. The House bill provided \$134.8 million for civil defense and the Senate bill authorized \$95.25 million for the program. The conferees agreed to the Senate level of \$95.25 million.

The House recedes.

TITLE VIII—GENERAL PROVISIONS

Operation and Maintenance Funds—

Section 801 of the House bill proposed to make permanent a provision in the fiscal year 1977 military authorization bill which required, for one year, adequate allowance for inflation in the operation and maintenance budget request of the Department of Defense.

The Senate amendment had no such provision.

The Senate recedes with an amendment, limiting the provision to one additional year.

Authorization of Appropriations for Claims—

Section 802 of the House bill provided an authorization of appropriations for claims in no specific amount for fiscal year 1978. The section also required that where claim payments are in excess of \$5 million, the Secretary of Defense must certify to the Congress that the claim has been examined and evaluated and found to be valid and meritorious.

The Senate amendment contained no similar provision.

The conferees agreed to amend the language of Section 802 to conform with similar language contained in the fiscal year 1977 Appropriation Act.

The Senate recedes with an amendment.

Six-year Obligation for Women—

Section 803 of the House bill contained a provision which amends section 651 of title 10, United States Code, to provide that females who become members of the Armed Forces will incur a six-year statutory obligation in the same manner as is now the case for males.

The Senate amendment had no similar provision.

The Senate recedes.

National Guard Inspections—

Section 804 of the House bill contained a provision which eliminates the requirement for annual inspections of National Guard units to permit the Secretary of the department concerned, flexibility to prescribe when and how often inspections of National Guard units are to be made, as is now the case in the other reserve components.

The Senate amendment had no similar provision.

The Senate recedes.

Eliminating the Requirement for Quadrennial Physical Examinations—

Section 805 of the House bill contained a provision which eliminates the present legal requirement for quadrennial physical examinations for members of the Fleet Reserve and the Fleet Marine Corps Reserve. The Senate had no similar provision.

The Senate recedes.

Extension of Platoon Leaders Class Sub-sistence Payment—Section 806 of the House bill contained a provision that extends the authority to provide financial assistance of \$100 per month to officer candidates under the Marine Corps Platoon Leaders Class program (P.L. 92-172 as amended). The present authority expires on June 30, 1977.

The Senate amendment contains no such provision.

The Senate recedes.

Extension of Authority to Transfer Equipment to Israel—Section 807 of the bill as passed by the House included a provision extending to October 1, 1979 the authority for the President to transfer to Israel by sale, credit sale, or guaranty, such aircraft, and equipment appropriate to use, maintain, and protect such aircraft, as may be necessary to counteract any past, present, or future increased military assistance provided to other countries of the Middle East. The original transfer authority was contained in the military authorization bill for fiscal year 1971 and was renewed by Congressional action in 1972, 1973, and again in 1975. Unless again renewed, the authority would lapse on June 30, 1977.

When the law was extended in the fiscal year 1976 military authorization bill, language was added which would require that no transfer of aircraft or other equipment could be made unless funds were previously appropriated for such transfer. That provision remains in section 807.

The Senate amendment had no similar provision.

Language was added in conference which would provide for the Secretary of Defense to restock the inventories of the armed forces with equivalent quantities of aircraft and other equipment transferred under the provisions of this section.

The Senate recedes with an amendment.

Human Subjects for Testing Chemical and Biological Agents—

Section 808 of the House bill contained a provision for the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House by October 1 of each year a full accounting of experiments and studies conducted in the preceding 12-month period which involve the use of humans for the testing of chemical or biological agents. Also, there was an additional reporting requirement on plans for any experiment or study involving the use of humans for testing of chemical or biological agents. Title II of the Senate amendment contained similar provisions in section 202. By House floor amendment, an additional provision mandated that the Secretary of Defense may not conduct such experiments involving civilian populations unless local officials in the area are notified in advance and a period of 30 days has expired following such notification.

The Senate recedes.

Contracting Out—

The Senate conferees were concerned with the impact of the statutory limitations on contracting out contained in the House bill. Inasmuch as Committee hearings on overall DoD contracting out policies had not yet been held in the Senate, the Senate conferees did not feel that adequate information existed to justify the provision supported by the House.

The House conferees, however, argued strongly in support of this measure on the basis that such action was both timely and necessary to insure against inadvisable denigration of DoD's internal research and development capabilities and because of conflicting policies and directions related to contracting for commercial and industrial functions at Defense installations. The House conferees were particularly adamant in their view that DoD be prohibited from increasing the percentage of funds allocated to private research and development contracts by DoD research installations for Technology Base work i.e., Basic Research and Exploratory Development, pending the submission of the required study to the Congress, or until March 15, 1978.

In view of the intense support evidenced by the House conferees for this provision, the Senate reluctantly recedes with an amendment.

Base Closures—Section 810 of the House bill contained a provision which would es-

tablish permanent procedures for Congressional oversight of military base realignments and closures. The amendment would apply to military installations with 500 or more civilian employees and to reductions-in-force where the authorized level of civilian personnel is to be reduced by more than 1,000 people or 50 percent, whichever is the smaller.

The Department of Defense would be required to notify the Congress of the proposed action, provide a detailed justification, comply with the National Environmental Policy Act, and not take any implementing actions until 60 days following notification to the Armed Services Committees of the final decision to act.

The conferees agreed that the base closure language is more appropriate to the fiscal year 1978 Military Construction bill, the Senate version of which contains a similar provision.

The House recedes.

Advertising Upgrade of Discharges—Section 811 of the House bill contained a provision, added by floor amendment, which prohibits the expenditure of appropriated funds for advertising the Special Discharge Review Program for certain individuals who served during the Vietnam era.

The Senate amendment had no similar provision.

The Senate recedes.

Conflict of Interest—The House bill (Sec. 812) contained a provision added by floor amendment, that would bar a retired or former DoD officer or employee in the grade of colonel/captain or GS-16 or above from being employed within three years after separation by a person who was a party to a contract to provide goods or services to the United States, if during a three-year period before separation such officer or employee participated personally and substantially in the award of that contract. The bar would be effective with regard to persons separated six months or more after enactment. A civil penalty for violating the bar would be forfeiture of compensation received for such employment.

The Senate amendment had no such provision.

The conferees are in complete agreement that the purpose of the provision—the elimination of the actual, or apparent, conflict of interest in such employment—is a desirable goal. However, the Senate conferees are opposed to including this particular provision in the Defense Authorization bill. It was pointed out that this proposal should more appropriately be addressed in a broader context, such as the President's proposed "Ethics in Government Act" (S. 1446 and H.R. 6952) directed to all government personnel. A number of provisions addressing conflict of interest, including language similar to section 812, are contained in those ethics bills.

The House recedes.

Reductions in Certain Military and Civilian Positions in the Department of Defense—

The Senate amendment to the House bill (Sec. 302) provided for a reduction in the number of general officers and admirals by 23 below planned levels in fiscal year 1978 and an additional reduction of 47 in fiscal year 1979 to an authorized level of 1,071 and also provided for an alteration of the statutory provisions governing admirals in the Navy and generals in the Marine Corps to place them in a similar position to the Army and the Air Force when the national emergency provisions lapse. The Senate amendment (Sec. 502) also provided for a reduction in the number of civilians in General Schedule grades GS-12 through 18, or equivalent, by 2 percent in fiscal year 1978 and by the same proportionate reduction as applied to generals and admirals for fiscal year 1979.

The House bill contained no such provisions.

The conferees agreed to reduce the authorized levels of generals and admirals to 1,073

over a three-year period beginning with fiscal year 1978 and to apply a reduction to Defense civilian employees in General Schedule grades GS-13 through 18, or equivalent, by the same proportionate amount over the same period. The conferees feel strongly that the reductions in the numbers of top-ranking military personnel should be coupled with a concurrent reduction in the numbers in the top six Defense civilian grade levels. For this reason, sections 302 and 502 of the Senate amendment have been combined and set out as a separate provision (Sec. 811) in the general provisions of the conference report. The conferees also agree that all civilian reductions shall be accomplished through attrition. The conferees concluded that a technical correction of the Senate provision was required to achieve consistency between statutory provisions affecting admirals and Marine Corps generals and the general officers of the other services.

The conferees agree on the need for a process to enable Congress and the Department of Defense to develop criteria for an ongoing review of the number of general officers and directs the Secretary of Defense to submit a report with the fiscal year 1979 military authorization request on the required numbers of general officers as well as any justification for deferring the proposed military and civilian reductions in whole or part.

The House recedes with an amendment.

Readiness Report—The Senate amendment contained a one-time reporting requirement growing out of Congressional concern over the current state of combat readiness in the armed forces. The section requires the Secretary of Defense to submit a report on the quantifiable and measurable material readiness requirements for the armed forces and any changes projected in future years. Subsequent budget submissions must include data relating the proposed appropriations to these established requirements.

The House recedes.

Strategic Programs and SALT—The Senate amendment contained a provision which asserts Congressional readiness to consider, in accordance with the process contained in the Congressional Budget and Impoundment Control Act of 1974 and the Budget and Accounting Act, 1921, such modifications in United States strategic arms programs as the President may recommend to facilitate either negotiation or agreement in the strategic arms limitations talks. That provision was a floor amendment to the Senate passed bill to indicate cooperation and coordination between the Congress and the President in the negotiation and agreement processes of the strategic arms limitation talks.

The House bill contained no such provision.

The House recedes.

Report on Impact of Foreign Military Sales on U.S. Forces—Section 802 of the Senate bill contained a provision to amend section 813 of the Department of Defense Appropriation Authorization Act of 1976 which required the Secretary of Defense to report to the Congress on the impact on United States forces readiness of any foreign sale or transfer valued at \$25 million or more. This section requires additional information including the initial issue quantity requirement for United States forces for such articles, the percentage of such requirements already delivered, or contracted for, at the time of the report and time tables for meeting United States forces requirements with and without the proposed sale.

The House recedes.

Retirees' Suggestions—

Section 803 of the Senate bill directs the Secretary of Defense to request from retiring military and civil service personnel of the Department of Defense (GS-13 or above), who are employed in military procurement

suggestions for improving procurement policies of the Defense Department.

The conferees believe that military and civilian personnel who have served a full career in the procurement field may have many substantive suggestions for improvement of the effectiveness and efficiency of procurement regulations and procedures. The House conferees expressed concern over the amount of time that could be involved and the reporting burden placed on the Department.

The conferees agreed to statutory language which changed the frequency of the reports and emphasized the purely voluntary nature of the program on the part of the retiree. Rather than specify a period of time in law, the conferees agreed that a reasonable time should be allowed for work directly on the individual's report and that the time involved should not exceed 8 hours.

The House recedes with an amendment.

MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
CHAS. H. WILSON,
R. LEGGETT,
RICHARD C. WHITE,
BILL NICHOLS,
BOB WILSON,
WM. L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE.

Managers on the Part of the House.

JOHN C. STENNIS,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, JR.,
SAM NUNN,
JOHN CULVER,
GARY HART,
JOHN TOWER,
STROM THURMOND,
BARRY GOLDWATER,
WILLIAM L. SCOTT,
DEWEY F. BARTLETT.

Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON S. 1474, MILITARY CONSTRUCTION AUTHORIZATION, 1978

Mr. PRICE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1474) to authorize certain construction at military installations, and for other purposes, with a House amendment thereto, to authorize the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferees: Messrs. NEDZI, PRICE, CHARLES H. WILSON of California, BRINKLEY, DAVIS, KAZEN, WON PAT, WHITEHURST, BOB WILSON, and BEARD of Tennessee.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that Mr. HART be a full conferee, on the part of the Senate, on the bill (H.R. 5970) entitled "An Act to authorize appropriations during the fiscal year 1978, 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."

GOOD MONEY AFTER BAD?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 15 minutes.

Mr. GRASSLEY. Mr. Speaker, notwithstanding the objections of many of my colleagues on the Banking, Finance, and Urban Affairs Committee, as well as reservations on the part of the administration, it appears that the bill H.R. 2777 will be brought onto the floor of the House in the near future. This legislation would create a consumer cooperative bank which would make or guarantee loans to consumer cooperative groups.

Those of us opposed to the passage of this measure are concerned for a number of reasons. At the top of the list is the fact that H.R. 2777 would establish two new Federal agencies at a time when the Administration has pledged to cut the number of such agencies from 1,900 to 200. Second, this bill would authorize the expenditure of approximately \$750 million. This clearly is not desirable at a time when the American people want to see the Federal budget balanced and expenditures curtailed.

There are a number of other reasons why the full House of Representatives should vote down H.R. 2777 if and when it is considered. An excellent discussion of this entire matter appeared in the May 23, 1977, issue of Barron's. The article follows and I would commend it to my colleagues as well as other devoted readers of the CONGRESSIONAL RECORD:

GOOD MONEY AFTER BAD? CONGRESS IS GETTING READY TO SUBSIDIZE CONSUMER CO-OPS

(By Shirley Scheibla)

WASHINGTON—Should the federal government organize and underwrite a new bank to the tune of half a billion dollars to finance furniture and gift stores in affluent neighborhoods that sell such items as \$1,850 desks? Or food markets, which, even with tax advantages, have failed to make it? Or Cable TV? Or housing cooperatives, which already command assistance from more than a dozen programs administered by the Department of Housing & Urban Development?

Earlier this month, the House Banking, Currency & Housing Committee answered these questions in the affirmative by voting 26-11 for HR 2777, the National Consumer Cooperative Bank Bill. The Committee majority gave no outward sign of recognizing the likelihood of such untoward results. Instead, it argued that the bill will mean sorely needed stores, especially food markets, and low prices for the poor sections of inner cities. But it offered no convincing evidence that prices are low at co-ops, or that the Bank will mean more of them for the inner city.

On the other hand, Roger C. Altman, Assistant Secretary of the Treasury, warned that the measure will duplicate existing federal programs, and displace resources of the private sector. Indeed, Rep. Henry B. Gonzalez (D., Texas) worries that it will fi-

nance competition with small businesses and, despite other federal programs which exist to help them, lead to the demise of many.

NEW ECONOMICS

The bill itself does not limit its financing to projects for the inner cities or the poor. Any consumer co-op unable to get a loan from private or other federal sources would qualify. As George H. Dixon pointed out about a similar bill when he was deputy Secretary of the Treasury under President Ford, "It ties federal subsidies and assistance not to the attainment of specific objectives . . . but rather to the form of organization involved." The Committee itself made no bones about stating that the bill aims to foster a new form of economic organization.

For the poor, the bill would put an additional \$250 million in a separate Self-Help Development Fund for technical assistance, grants and loans at subsidized interest rates for co-ops composed "substantially" of low income persons or serving them. It would be administered by the federal agency known as Action.

Last year, a study by the staff of the House Select Committee on Aging found that in its five years of operation, Action has failed to meet the requirements of the Budget and Accounting Procedures Act to provide control over and accountability for all funds, property and other assets for which it is responsible. For instance, "The auditors noted that checks were being signed without examination of supporting documentation and without the amounts entered thereon." Now, Action has a new director: Sam Brown, former head of the Vietnam Moratorium Committee.

CHANCES ARE GOOD

Chances for passage of the proposed legislation are deemed reasonably good. An earlier, more lavish version, which called for an appropriation of \$1 billion for the Bank, attracted 100 sponsors in the House and 35 in the Senate. It was scaled down after the Carter Administration advocated, instead, \$20 million for a two-year study and pilot lending project. While the House Committee voted against the Carter bill, 23-17, it probably will be offered on the House floor as an amendment to H.R. 2777 when the latter reaches there, perhaps in a few weeks. The Senate plans to wait and act after the House on the controversial issue.

None of industry's big guns is aimed at H.R. 2777. Vocal proponents include such political heavyweights as the Consumer Federation of America, Cooperative League, the National Association of Housing Cooperatives, the AFL-CIO and Ralph Nader.

Among the advocates and likely beneficiaries of the Bank is Greenbelt Consumer Services Inc., the second largest consumer co-op in the country, with headquarters in Silver Spring, Md. Of its 22 food stores, Greenbelt has closed all but seven; they are all in the suburbs. (According to Congressional testimony, most successful co-op food stores are located near colleges and universities, not in poor city neighborhoods. Obviously, this is true of the nation's largest consumer co-op, Berkeley, near the University of California.)

We recently visited a Greenbelt-owned Scan Contemporary Furnishings Store in Falls Church, Va., a Washington suburb. That's where we found the \$1,850 desk, a beautiful rosewood import from Denmark. We also saw a Swedish pine cabinet at \$746, a Norwegian arm chair a \$459, sculpture at \$105 and water goblets at \$7.75 each. Greenbelt owns 10 Scan stores, which specialize in Scandinavian imports. Ironically, the AFL-CIO says it supports HR 2777 because it is concerned about multi-national corporations exporting U.S. jobs.

To grasp the full significance of the proposed legislation, one must realize what consumer co-ops are. As the name implies,

they are owned by the ultimate consumers of their goods and services. Each member usually has one vote at co-op meetings, no matter how many shares he owns. For the other shares he may get rebates.

While co-ops are not taxed on the rebates, members are. Since 1962, however, co-ops have been required to pay 20% of their rebates in cash to qualify for tax exemption.

NO ESTABLISHED MARKET

Co-ops pay federal taxes only on their retained earnings, which are never called profits. Before figuring these, they sometimes pay their top executives salaries running to six figures. (This is true of Greenbelt, which is in the red.)

There is no established market for trading in co-op shares; they can be bought only from a co-op itself or from its members, in which case the co-op's permission often is required. But co-ops do get some financing through loans from banks and insurance companies and the sale of debentures.

Farm producer co-ops are big business, enjoying estimated revenues of one-third of the \$165 billion agribusiness market. Now some of the biggies are gobbling up independent businesses. Those included in the Fortune 500 include Agway, Associated Milk Producers, Dairyland, Farmer's Union Central Exchange, Farmland Industries, Gold Kist and Land O'Lakes.

The federal government gave such co-ops their start during the Depression. Desperate to keep farm production flowing, Uncle Sam established the 12 Federal Cooperative Banks and gave them their seed money, now repaid. Last month Ralph Nader testified: "When the Bank for Cooperatives of the Farm Credit System first started, few would have predicted that 40 years later it would have loans outstanding of nearly \$30 billion." But now there's a new problem. Some of the cooperatives no longer are in rural areas and thus don't qualify for Farm Credit Bank loans. Accordingly, the National Consumer Bank would allow 10% of the loans under it to be made to producer co-ops.

Consumers co-ops are in a more embryonic stage. Back in 1968, the government's first major push for consumer cooperatives came when 20,000 employees of federally supported consumer action agencies "educated" consumers to believe that merchants were cheating them and that food supermarkets were earning excessive profits. Grants to establish co-ops followed. The aim was to have them take over businesses in poor neighborhoods. But riots and rampant crime there (triggered, in part, by the poverty barriers), drove business out.

Meantime, the consumer movement was born. In a series of articles analyzing it in 1970, we noted that it was dominated by co-operatives and suggested that so-called consumer advocates really were interested in promoting a new form of economic organization—consumer cooperatives. In last month's testimony, Ralph Nader made that clear. He indicated that he would like to see the U.S. emulate Sweden, where co-ops are central to the economy and control about 18% of retail trade.

Berkeley, as noted, is the nation's largest consumer co-op. Located near the University of California at Berkeley, it has been in operation for 36 years and has an equity of \$3.6 million. In a single block near the University, it has a supermarket, auto service station, hardware store, pharmacy, book store, tax service and natural foods emporium. According to the Food Co-op Handbook, "It sells at market prices and in good years returns sizable rebates to its members who must invest \$100 of accumulated rebates in co-op stock before they are eligible to vote."

Last year, despite the opposition of the Ford Administration, the House Banking, Currency & Housing Committee voted 20-10

for a bill with \$1 billion of federal backing for a consumer cooperative bank, plus \$250 million for a development fund. The measure failed to make it to the floor only because there was not enough time to take it up before adjournment.

THE CARTER BOMBHELL

An identical bill was introduced in this Congress. Without the Ford Administration to stop it, it looked like fairly clear sailing. Then the Carter Administration dropped its bombshell. On April 26, Assistant Secretary of the Treasury Altman declared: "We believe such a study and pilot project (for \$20 million) are needed because, today, there simply is not sufficient evidence to support a comprehensive commitment of the size and structure envisioned in this bill. There are insufficient data concerning the unmet financing needs of consumer cooperatives, what form of financing assistance would be most effective, and how much of it is truly required."

Nevertheless, the Committee approved HR 2777. On May 9, the Treasury Department fired off a memo to the Committee in which it made it clear that the Administration is not satisfied, primarily because \$750 million is still far too great a sum, justification for which is lacking. The Department also noted that the bill's complicated formula for loan repayments will involve "an inappropriate subsidy from the Treasury to the Bank."

Incidentally, the memo was addressed to the Committee chairman, Rep. Henry S. Reuss (D. Wis.) and all Committee members did not see it until after H.R. 2777 was ordered out. Indeed, the Administration's bill was not made available until one hour before the mark-up. Nevertheless, the bill, H.R. 6750, was introduced by Reps. Thomas L. Ashley (D. Ohio), John J. LaFalce (D., N.Y.), John H. Rousselot (R., Calif.) and J. William Stanton (R. Ohio).

In testimony on the earlier bill giving \$1 billion to the Bank, Ms. O'Reilly of the Consumer Federation expressed alarm over the abandonment of downtown stores in the District of Columbia. (Any long-time resident of the Washington area realizes, however, that the disruption of subway construction, crime and riots have driven business out of downtown D.C.) According to Ms. O'Reilly: "Co-operatives are the logical source for filling that void. They can also logically help close the widening spread between what farmers receive from the food dollar and what consumers pay."

But the aforesaid Greenbelt co-op, right in Washington's backyard, does not serve the poor in the inner city and is floundering. As of Jan. 29, 1977, the accumulated deficit in its retained earnings came to \$962,332. Its loss for the year ended Jan. 29 came to \$462,000. Greenbelt's accounting by line of business does not reflect interest on debt, corporate office expenses, costs of operating Greenbelt-owned shopping centers and equity loss in companies in which it has a minor interest. Its records reveal that unallocated expenses showed a deficit of \$1,406,000 for the year ended Jan. 29, 1977.

According to Greenbelt, "Many of the cooperative's supermarket locations are no longer convenient for its present membership, and a new drive for increasing membership in areas served by the cooperative is now underway."

Greenbelt now has 10 Scan stores, compared with eight in 1971, the only area of expansion for the co-op since then and its only activity to operate in the black last year. Net income was \$1,272,000, compared with \$1,871,000 the previous year. Two Scans are the only Greenbelt stores located in the city, both in upper-income sections.

The co-op now has closed all five of its pharmacies. Since 1971, Greenbelt also has closed three of 10 service stations, and the seven remaining showed a loss of \$1,000 for its past fiscal year.

The foregoing data come from a 10K annual report which Greenbelt filed with the Securities & Exchange Commission last month. It stated: "... The cooperative has received requests from 3,197 shareholders for redemptions of an aggregate of 3,197 shares of Series A Common Stock (voting) and 43,939 shares of Series B Common Stock. Since there is no market for the Common Stock of the cooperative and none is foreseeable, the discontinuation of redemptions effectively limits the liquidity of the shareholder's investment." Greenbelt has redeemed no shares nor paid dividends on them since 1971. It has not paid a patronage refund since 1959. The co-op places the book value of its stock at \$5.69, compared with par value of \$10.

Greenbelt filed a registration statement with the SEC on June 14, 1976, in which it sought to sell 7,500 shares of Series A Common Stock, 15,000 shares of Series B Common Stock and \$450,000 worth of 10-year junior subordinated debentures to pay 9%. Donald O'Keefe, Greenbelt vice president for administration and finance, told Barron's that the SEC had found the statement incomplete and not up to its reporting requirements.

At that time, Greenbelt chose not to file in line with four pages of SEC comments. But now it is preparing to do so. O'Keefe said the move will be made within a few weeks and that the revised registration statement probably will be effective sometime this summer. He added that no decision has been reached yet on whether to seek again to offer debentures.

But why should a co-op register with SEC? Richard H. Row, director of the agency's Division of Corporate Finance, said, "This is a grey area. Some co-ops file and some don't. Only about a dozen are registered. We've been concerned about the agricultural producer co-ops."

Now, the House Committee wants to throw more federal money at them. According to Arthur T. Roth of the National Tax Equality Association: "The government should never make funds available to create tax-exempt businesses. . . . We are driving taxpaying businesses out of business with tax-exempt business and thereby increasing the government deficit."

UNITED STATES-MEXICO PRISONER EXCHANGE TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, I request permission to revise and extend my remarks and to include extraneous material.

I had the privilege, along with my colleague from California, Mr. STARK, in leading off the testimony last week before the Senate Foreign Relations Committee as it began consideration of the treaty between the United States of America and the United Mexican States of the execution of penal sentences.

The importance of this treaty was described by former Secretary of State Kissinger in his letter of submittal to the President (Jan. 17, 1977):

The treaty is intended both to relieve the special hardships which fall upon prisoners incarcerated far from home and to make their rehabilitation more feasible, and also to relieve diplomatic and law enforcement relations between the two countries of the strains that arise from the imprisonment of large numbers of each country's nationals in

the institution of the other. It constitutes part of an ongoing effort to improve relations between the two countries. It is also part of various efforts to establish closer international cooperation in law enforcement activities . . .

As of May 15, 1977, there were 579 Americans—80 percent of whom are drug violators—being held in Mexican penal facilities. There is great concern that the human and civil rights of these prisoners are not being protected.

It is extremely important that it be made very clear that our criticisms relating to the protection of these prisoners' rights, are in no way intended to reflect upon the stringent enforcement or harsh penalties imposed upon drug traffickers in Mexico.

As a member of the Committee on International Relations and the Select Committee on Narcotics Control and Abuse, I have been concerned for some time about the explosive nature of this source of friction between Mexico and the United States. I am concerned that the good work we have thus far achieved in the cooperative efforts to eradicate and interdict narcotics may be effected by the growing concerns about the treatment of the drug violators and other Americans incarcerated in Mexican jails.

I personally have discussed these problems at length with former President Echeverria and other high ranking officials of the Mexican Government. Twice I have visited different prisons in Mexico to discuss these issues with the Americans imprisoned there and with Mexican correction officials. I have also testified about my experiences before Congressman DANTE FASCELL's subcommittee which held extensive hearings on this subject. In addition, I have had the opportunity for the last 2 years of addressing the Mexico-United States Interparliamentary Conference on the problems relating to the narcotics traffic and the protection of the human rights of Americans in Mexican jails.

While I am pleased to report that there is real progress being made to insure that the human rights of all Americans detailed in Mexico are respected, I must also report that there are still many cases in which U.S. citizens are not receiving their full rights under Mexican law. It is hoped that the consummation of this treaty will help relieve the special hardships that fall upon prisoners incarcerated far from home. In addition, it will help remove some of the strains on the diplomatic and law enforcement relations between our two nations.

The Mexican Government and people have responded to our cries for help by expeditiously approving this treaty. In turn, we should respond with the same show of sincerity and conviction in seeking every opportunity to resolve the problems that we both share. Accordingly, I urge ratification by the Senate, and encourage all of my colleagues in this body to show their support for this needed treaty.

For your information, I request that the full text of my testimony before the Senate Foreign Relations Committee be inserted in the RECORD at this point.

STATEMENT OF HON. BENJAMIN A. GILMAN
UNITED STATES-MEXICAN TREATY OF THE
EXECUTION OF PENAL SENTENCES

Mr. Chairman: I welcome this opportunity for appearing before this distinguished body as it begins consideration of the Treaty between the United States of America and the United Mexican States of the Execution of Penal Sentences.

One of the most critical issues confronting the bilateral relationships between Mexico and the U.S. is the significant traffic of narcotics crossing our border. After the success of the closing of the French Connection and the elimination of the Turkish heroin supplies, Mexico has become the source and transit country for more than 80 per cent of all illicit drugs entering this country. The success of the joint efforts of Mexico and the U.S. in combating this problem has unfortunately helped create yet another.

As of May 15, 1977 there were 579 United States nationals incarcerated in Mexican jails. These prisoners, of which about 80% are drug violators, have been subjected to alien justice and the hardships of cultural and language barriers that have led to severe strains on our bilateral relations.

It was with this understanding in mind that former Secretary of State Henry Kissinger presented the treaty before you in his Letter of Submittal to the President on January 17, 1977 stating:

"The Treaty is intended both to relieve the special hardships which fall upon prisoners incarcerated far from home and to make their rehabilitation more feasible, and also to relieve diplomatic and law enforcement relations between the two countries of the strains that arise from the imprisonment of large numbers of each country's nationals in the institution of the other. It constitutes part of an ongoing effort to improve relations between the two countries. It is also part of various efforts to establish closer international cooperation in law enforcement activities—"

I would like to make it very clear that in no way are my remarks intended to criticize the stringent enforcement or harsh penalties imposed upon drug traffickers in Mexico, but are intended to focus our attention upon some problems of human rights that have caused our nation concern. As was stated last year by Administrator Walentynowicz of the Bureau of Security and Consumer Affairs of the Department of State:

"Successful drug interdiction, far from being in conflict with the guarantee of rights to prisoners, is in fact dependent upon such guarantees. Thorough law enforcement is ultimately dependent upon wholehearted cooperation of the public, and people will cooperate only when they are confident that their human rights are not threatened by the enforcement procedures. Unless there is public confidence in just treatment, law enforcement becomes difficult and even ultimately impossible."

"Fundamentally a strong policy for the fair and decent treatment of prisoners leading to social rehabilitation of offenders is fully consistent with a strong, successful program of drug interdiction."

In January of last year, while in Mexico discussing the narcotics situation, I took the opportunity to visit the Lecumberri Federal Prison in Mexico City and talked to most of the 70 American inmates of that institution. During that visit, I heard many complaints concerning their problems in understanding and receiving advice concerning their rights under the Mexican legal system. They told of the frustrations and hardships of corruption behind prison walls, of a lack of and inadequate Counsel, exorbitant legal fees, of being held incommunicado, of being tortured, and being forced to sign confessions written in Spanish, without the aid of any interpreter.

My visit to Lecumberri Prison substantiated prior criticisms of the Mexican penal system. Unfortunately, it was also pointed out that those Mexicans imprisoned in Lecumberri were often treated with more severity, as they were assumed to understand the consequences of their acts.

I discussed these problems at great length with Mexico's Attorney General, with high-ranking members of the Mexican armed forces and with members of the Mexican Congress. During two separate meetings with President Echeverria, I expressed concern that abuses of civil rights might lead to a cleavage in our joint efforts of seeking to prevent the use and abuse of narcotics in the United States and Mexico.

In February of 1976, I had the privilege of addressing the 16th Mexico-U.S. Interparliamentary Conference held in Atlanta. At that time I shared with the Mexican legislators my experiences resulting from my visit to Lecumberri Prison and the conclusions emanating from the Congressional hearings on this issue. In stressing the need for our two nations to work together to relieve the growing tensions resulting from increased enforcement of drug laws, I stated that:

"We must not allow the long friendships of our two nations and the success of our many joint endeavors, including international narcotics control, to be placed in jeopardy by this issue. . . an issue that can be resolved by signifying the importance that we attach to the protection of the human rights of all peoples. The protection of civil rights is not inconsistent with the proper enforcement of the laws regulating drug traffic and drug abuse. The proper enforcement of the law does not obviate the necessity for respecting the law and making certain that civil rights—basic human rights are not violated. . . and in preventing the mistreatment and physical abuse of prisoners."

Both of our nations need to give more attention to prison reform. I am pleased to note that there is a growing awareness and concern within Mexico for improving prison conditions. One of the noteworthy examples of that concern is the reform of the administration of Lecumberri Prison. The abuses and corruption at that prison had reached a level where the Mexican Government demanded rectification. Almost every complaint I registered following my visit was addressed.

The Commandant was removed and the Chief of Guards imprisoned on charges of corrupt practices. The "Mayor" system of prisoner hierarchy has been abolished. Prisoners are no longer required to pay rent for their cells or for the retention of commissioned jobs. All of these reforms were accomplished by marked improvements in cooperation between the new administrators and our consular officers.

The reforms at Lecumberri have been welcomed by all as an indication of a new awareness and a sincere attitude for reform by Mexican officials. Lecumberri itself ceased to operate as a prison as of August 26, 1976. Its inmates have been dispersed to more modern facilities. We hope that with its passing we have seen the end of the pattern of extortion and brutality which became its trademark. [See attached New York Times Report of June 30, 1976 Appendix A]

There have also been significant improvements in both the living conditions of many Americans and the prospects for their early release, as the result of the Mexican governments' initiatives in regard to parole and transfer of sanctions.

The adoption of new legislation in Mexico to extend parole to drug offenders on the same basis as other convicts has the potential of helping to remove some of the tensions that have generated from this issue. While such a bill failed to pass before

their Congressional adjournment in December, it is hoped that favorable action may take place when the Mexican Congress reconvenes in September.

Recent reports have indicated that Attorney General Oscar Flores has eliminated another source of irritation with the decision of the Mexican Government not to press charges against persons found possessing small amounts of narcotics that are clearly intended for personal use. This decision could result in the release of a substantial number of Americans now being held on charges of such possession. In the future this action will help prevent abuses as the number of Americans arrested declines under the new guidelines. (see Washington Post article of 4/16/77, Appendix B).

All of these actions should further help resolve aspects of the overall problem. Relief from current trends will continue to be welcomed as the arrests of Americans continue with improvements in narcotics enforcement programs. As we seek to increase our cooperation with the Mexican Government in interdiction efforts, we must also give thought to what happens to Americans that get caught.

On the 27th of last month, I once again had the privilege of addressing my fellow Mexican legislators at the 17th Mexico-U.S. Interparliamentary Conference held in Hermosillo, Sonora. At the May meeting I reviewed the progress that had taken place during the last year, including the advances of the treaty before you. While stressing the need once again to seek a solution to the problems raised by Americans in Mexican jails, I sought to open a two-way street for mutual concern about all prisoners, stating:

"For our part we must not ignore the hundreds of Mexican nationals who are imprisoned in U.S. Jails. Not counting our state and local facilities, it is estimated that more than 1,200 Mexican nationals are held in Federal prisons across the United States. In the State of California alone there are between 400-500 Mexicans incarcerated."

"Just as we seek to insure the full protection of the human rights for the United States prisoners abroad, we urge the other nations to become concerned about the human rights of their citizens abroad. In recent months we have noticed with enthusiasm an increase in the visits to our jails by Mexican consular officials. We will give prompt attention to any complaints expressed by your countrymen of possible abuse or wrong doing by any U.S. prison officials. We are committed to preventing the violation of basic human rights of any person in any country."

While attending the Interparliamentary Conference in Hermosillo, I took advantage of the opportunity to visit the Sonora State Prison. Accompanying me on this visit was Mexican Congressman Victor Manzanilla-Schaffer.

In stark contrast to Lecumberri, the Sonora Prison is a modern, clean penal facility. Both Congressman Manzanilla and I talked at length with 9 Americans being held at that institution. Unlike the horror stories of the past, without exception every man readily admitted that the prison conditions at Sonora were as good as can be expected in a prison. There were no complaints of discrimination, prejudice or extortion. The complaints that the prisoners did have were related to their early stages of arrest and to their difficulties in dealing with the Mexican legal system.

One of the major problems that we heard about was the need for early notification of arrest and for prompt access to the detainee in accordance with the Vienna Convention on Consular Relations to which both our countries are signatories. We are convinced that the Mexican Federal Government is in full accord with our position. Unfortunately, in practice, the implementation

of this accord is uneven and spotty at the local levels. We all recognize the importance of not only sharing our concerns at the highest levels of government, but our thoughts and ideas to be effective must permeate the working levels of government. First the upper echelons of government must acknowledge the problem and then they must relay their concerns and programs to the lower bureaucratic levels in order to effectively and positively respond. It is at this level where they make the arrests, question the accused, and guard the prisoners. Accordingly, we should make certain that our thoughts and ideas are being communicated to this level to insure the protection of the rights granted to all prisoners, both Mexican and American.

As testimony to the sincerity and understanding of the Government of Mexico, they have acted quickly to complete all needed legislative actions, including Constitutional changes to ratify the treaty. This action completed in a little more than a month after the initial agreement, demonstrates the dedication of the leaders of that country to resolve this source of friction between our two nations in a swift manner.

Unlike the monumental tasks of restraining the hundreds of thousands of illegal aliens entering this country, destroying the thousands of acres of illegal poppy cultivation, or guaranteeing the absolute protection of every prisoner, the ratification of this treaty was seen as a clear way to reveal the true desire to help . . . a desire that is often masked by the frustrations of government bureaucracy in a developing nation. If there was one message heard above all others at the recent interparliamentary meetings, it was that "on this issue we have acted, it is now up to you."

While we cannot bring about immediate change in the vast differences of our two cultures and peoples, and the differences in our respective laws, we do share the same desire to protect the human rights of all our citizens. We should increase our efforts in both of our nations to educate our youth about the horrors of prison life before they commit a crime. But, most important, we should bring pressure to bear on the governments of both our nations to insist on the fair and lawful treatment of all prisoners.

It is hoped that the consummation of this treaty will help relieve the special hardships which fall upon prisoners incarcerated far from home. In addition it will help remove some of the strains on the diplomatic and law enforcement relations between our two countries that have surfaced as a result of the imprisonment of large numbers of each others citizens.

Perhaps, some day there will be no need for such a treaty. But, as Secretary of State Vance stated in his March report to Congress on the status of United States Citizens detained in Mexico:

"Unfortunately there are still substantiated cases in which U.S. citizens are not receiving the full rights guaranteed to them under Mexican law . . .

"While it is true that the total number of cases of substantiated abuse represents a small percentage of the total number of arrests, we cannot be complacent. As was noted in our previous report, as long as one American citizen is not being accorded his human and legal rights under Mexican law, we will not be satisfied."

Clearly, real progress has been made in respecting the human rights of all United States citizens detained in Mexico, and the prospects for further progress are encouraging. However, I regret that I cannot report that we are fully satisfied with what has been accomplished thus far. Unfortunately, there are still many cases in which U.S. citizens are not receiving their full rights under Mexican law. While the ratification of this treaty will not of itself resolve the many

problems we face, it will provide some relief to the strain that the imprisonment of Americans in a foreign land has caused.

The Mexican government and people have responded to our cries for help. In turn we should respond with the same show of sincerity and conviction and seek every opportunity to resolve the problems that we both share. Accordingly, I urge the distinguished Members of this Committee and the entire Senate to support the ratification of the Treaty of the Execution of Penal Sentences between the United States and the United Mexican States.

APPENDIX A

[From the New York Times, June 30, 1976]
MEXICAN PRISONS SAID TO IMPROVE—BUT U.S. OFFICIAL SAYS SOME ABUSE IS CONTINUING

(By David Binder)

WASHINGTON, June 29.—Conditions for Americans imprisoned in Mexican jails have improved markedly in some respects since January, the Ford Administration told Congress today.

However, in testimony before a House International Relations subcommittee, William H. Luers, Deputy Assistant Secretary of State, said some of the 607 American citizens jailed in Mexico are still subject to physical abuse.

According to Mexican authorities, about 83 percent of the Americans were arrested on narcotics charges.

Mr. Luers, who is responsible for Central American and Caribbean matters in the State Department's Bureau of Inter-American Affairs, said that while there have been "a number of real areas of improvement" in the Mexican jails, there were others where "no meaningful improvement can be reported."

COMMANDANT REMOVED

The foremost improvement, he said, was in the administration of Lecumberri prison in Mexico City, where the commandant was removed a month ago and the chief of guards imprisoned after corrupt practices, including extortion, were revealed.

Americans in Lecumberri have been given access to English-language books and periodicals for the first time and have been allowed to form football teams. American consular officers also have broader access to prisoners in Lecumberri, he said.

However, Mr. Luers indicated conditions remained poor in Mazatlan prison, and he also reported an incident in which two American prisoners were assaulted by Mexican guards.

He said that of 334 Americans arrested in Mexico since the beginning of the year, 61 cases of physical abuse had been substantiated—a rate of 18 percent.

The new American prisoners include 57 women, the Administration has learned. The American prison population in Mexico has increased by 85 since June 1975.

"We are most concerned about the lack of significant improvement in the treatment of U.S. citizens in the period shortly after their arrest," he said.

Mr. Luers told the House subcommittee on international political and military affairs that the Administration welcomed a Mexican proposal that the two countries study the possibility of exchanging prisoners so that they might serve out sentences in their homelands.

He said Ambassador Joseph J. Jova has been instructed to begin discussions with Mexican authorities on a transfer agreement.

APPENDIX B

[From the Washington Post, Apr. 17, 1977]
MEXICANS DROPPING DRUG CASES AGAINST SMALL-USE TOURISTS

(By Marlies Simons)

MEXICO CITY, April 16.—In a move that should make Mexico less perilous for Ameri-

can visitors, the Mexican government has decided it will no longer press charges against persons holding small amounts of heroin, cocaine or marijuana that are clearly intended for personal use.

As a result, 15 Americans have already been secretly handed over to U.S. officials and sent across the border in the last two weeks.

Another 30 Americans should be released by the end of this month when the authorities plan to drop charges against some 2,000 persons who have been arrested, but not yet tried, for possessing small quantities of drugs, said Mexico's new attorney general.

The attorney general, Oscar Flores, said in an interview that he is moving to solve another bilateral headache, the problem of aircraft and cars stolen in the United States and brought to Mexico. Owners have charged that Mexico was violating the 1936 U.S.-Mexican convention on return of stolen property.

Of almost 200 stolen U.S. aircraft listed as awaiting release or investigation, only 16 were returned in the last three years. But in the past month, Mexico has handed over 42 stolen planes to the U.S. embassy for return to their owners.

Officials are now tackling the enormous task of checking thousands of cars to see if they were stolen in the United States. "It looks like the Americans are more interested in collecting their insurance money rather than in collecting their car," said Flores. "People try to get their planes back, but they rarely bother with a car."

The aim of the drugs decision, Flores said, is to reduce the chances that people are subjected to arbitrary arrests and extortion by police and lawyers when caught with small amounts.

At present, he said, Mexico's tough anti-drug laws are lopsided, with too much punishment for the small user. "Even if the person does not get a long sentence, it may take a year for the trial to come up. And in that time, dishonest police and lawyers have often had a chance to bleed people for money."

Every year, almost 3 million American tourists come to Mexico. Many more cross the border for short trips. As marijuana smoking spread in the United States, the number of Americans caught here with the coveted "Mexican gold" increased. The 15 persons released this month, for example, were all arrested with only a few marijuana cigarettes and held for three to four months.

A treaty, permitting Mexicans and Americans arrested across the border to serve their sentences at home, awaits ratification and enabling legislation.

The unexpected Mexican policy change toward small drug users does not apply to traffickers. Of the 592 Americans currently held in Mexican jails at least half have been accused of transporting cocaine from South America or dealing in large amounts of Mexican marijuana or heroin destined for sale in the United States.

"We are not changing the law and not establishing any minimum amount permitted," the attorney general warned. "We'll look at everything case by case. Somebody with only five cigarettes caught selling at a school is a pusher, as far as I'm concerned."

A tough, outspoken and pragmatic man, Flores has brought considerable relief to U.S. embassy officials here who found it difficult to deal with the often antagonistic previous administration.

"I'll give you your prisoners, if you just move them out of the country immediately, the same day," Flores told U.S. consular officials.

"Sure we'll take them," U.S. Consul General Vernon McAninch replied. For the 15 newly released Americans, the U.S. consulate hastily raised money from the prisoners' friends or relatives or made loans for the return tickets. "Of course we are very pleased with this new development," McAninch said.

Mr. Speaker, I am pleased to yield the balance of my time to the gentleman from California, Mr. STARK.

Mr. STARK. Mr. Speaker, I thank the gentleman from New York for yielding and appreciate his efforts in sponsoring this special order to discuss this important issue.

On June 15 and 16 the Senate Foreign Relations Committee held hearings on the proposed treaties with Mexico and Canada which would provide for the transfer of jailed foreign nationals to their home nations to serve the duration of their sentence. For the 580 U.S. citizens incarcerated in Mexico, this treaty offers some relief from the horrible living conditions, inadequate food and medical attention, extortion, and torture they are subjected to on a daily basis.

Two weeks ago an American died in a Mexican jail: immediate simple medical attention would have prevented this death. Today, another young American languishes in a Guadalajara jail, desperately in need of medical and psychiatric attention. The only assistance he is offered comes from his fellow American prisoners and his mother who stand constant guard to prevent this ill, incoherent, and bruised young man from doing further violence to himself. While he dies, our only recourse—apparently—is through diplomatically worded notes of protest which are routinely ignored by the Mexican government.

Mr. Speaker, I can not accept the death of yet another U.S. citizen in Mexico as anything but an example of our pathetic impotence to protect the lives, let alone the legal and human rights, of our citizens abroad.

It is with intense anger and frustration that I submit the text of my testimony before the Senate Foreign Relations Committee for the CONGRESSIONAL RECORD. In addition, I submit the compelling testimony of an ex-prisoner, two Americans whose loved ones languish in American jails, and a legal expert who addresses himself to the constitutional issues raised by the proposed Treaty:

TESTIMONY OF FORTNEY H. STARK, JR.

Mr. Chairman: Over three years ago—in March of 1974—I first learned of the plight of some 500 U.S. citizens incarcerated in Mexico. This matter was brought to my attention by a constituent who was then—and still is—in jail in Mexico City's Federal Penitentiary. His allegations, which included mistreatment ranging from denial of rights under Mexican law to gruesome torture, were shocking. In the next few months, similar complaints from other prisoners, concerned parents, and friends began flooding my office, revealing a pattern of treatment, apparently implemented without regard for legal and human rights. This pattern started with arrest and continued through years of incarceration. Examining these complaints in more detail, we discovered that much of the alleged mistreatment was not only inhumane, but forbidden by the terms of the U.S.-Mexico Bilateral Consular Convention, the Vienna Convention, the Geneva Convention, Mexican laws, and the Mexican Constitution. The major alleged violations of Mexican law and international convention agreements include:

Torture and physical abuse at the time of arrest, including the use of an electric cattle prod and water tortures;

Forced confessions made in Spanish without the aid of an interpreter;

Denial of access to legal counsel and to Embassy representatives, despite repeated requests;

Incommunicado detention—sometimes for weeks;

Confiscation of personal property such as airplanes, cameras, autos, passports, jewelry, etc.;

Extensive pre-trial detention in flagrant violation of the Mexican law that requires sentencing within one year of arrest;

Absence of interpreters during court proceedings;

Denial of access to information relevant to the defense;

Extortion of prisoners and their families by Mexican attorneys to the tune of \$40,000. Several prisoners alleged, moreover, that a U.S. Embassy official vouched for the competence of a notoriously corrupt Mexican attorney; and

Finally, general prison abuse, including beatings sometimes resulting in broken bones, lack of proper health facilities, medical treatment, and the requirements for even a minimal standard of living.

Understandably, prisoners, their relatives, and friends were anxious to bring their cases before anybody interested in helping them. By mid-summer, 1974, my case file on U.S. citizens imprisoned in Mexico had grown from one constituent, to over one-hundred Americans from all parts of the country. The serious charges levelled against the Mexican government and the U.S. consular services in Mexico prompted me to write to Secretary Kissinger, requesting more detailed information on the cases brought to my attention. The State Department's vague answer to my first inquiry provoked me to write twice more, between September and December of 1974, calling for a full investigation of the matter, review of cases in which prisoners had alleged illegal treatment, and the development of a more adequate protection policy for the future. Neither of these letters received the attention they deserved, and both failed to provoke substantive responses on the part of the State Department.

In March of 1975, my frustration approached that of the many concerned relatives and friends of U.S. prisoners in Mexico, whose inquiries had also been ignored for months. I introduced H. Res. 313, mandating the executive branch to disclose information on the cases of more than 150 prisoners named in the resolution. Hearings were held on H. Res. 313 before the Subcommittee on International Political and Military Affairs of the House International Relations Committee in April, July, and October, 1975, and January and June of 1976.

As a result of the first hearings before Chairman Fascell's subcommittee, the Department of State agreed to conduct the case by case review I had requested six months earlier. Working together, members of my staff and State Department officers determined the procedure followed by the team investigating the allegations made by U.S. prisoners in Mexico. Unfortunately, this investigation did not receive the full cooperation of the Mexican government; although State Department officials were permitted to visit our citizens incarcerated in Mexico, on two separate occasions, members of my staff who had gone to Mexico to join in the investigation were denied access to the prisons.

The investigatory team undertook an enormous task. The Mexican government's unwillingness to reveal incriminating information on arrest procedures and prison conditions, the prisoners' understandable reluctance to speak freely and thus expose themselves to physical and legal recrimination, as well as the difficulty of finding conclusive evidence of skillfully administered torture, months—or even years—after the fact, presented serious obstacles to the investigators.

Nevertheless, in January of 1976, the Department of State completed its case by case review and presented its findings to Chairman Fascell's subcommittee. Despite the difficulties already mentioned, State concluded that 84 percent of the alleged instances of denied rights were either fully substantiated or had "merit since they form(ed) a credible pattern." That 84 percent, Mr. Chairman, represents an appalling number of instances in which U.S. citizens were denied their rights under Mexican law and international humanitarian agreements. Finally, with proof in hand, even the State Department agreed that direct action was necessary to put a stop to the abuses suffered by American citizens in Mexican jails.

In the following six months, little progress was made in this direction. In June, 1976, State reported that, despite their efforts to persuade the Mexican government to abide by their own laws and to secure early consular access to new detainees, new arrestees continued to experience physical abuse and repeated denial of due process. While U.S. citizens were beaten, extorted, and subjected to illegal trial procedures, the best their government could do was to send official letters of protest destined to lay unopened, unacknowledged, and ignored on someone's desk in Mexico City. Today—two years after I first raised this issue in Congress—the situation remains the same. As Secretary Vance reported to Congress this March, in accordance with Section 408(b)(2) of the International Security Assistance and Arms Export Control Act of 1976, only minimal progress has been made to insure full legal and human rights for U.S. citizens jailed in Mexico.

Throughout my three-year involvement with this issue, my objective has been, and remains, to secure legal and human rights for our citizens in Mexico. Our lack of progress in this direction, our inability to do anything more than "report" on the situation, distresses me. Our U.S. citizens in Mexico continue to complain of regular physical abuse and illegal police activities. Although consular access to prisoners in Mexico City has improved considerably—and I commend the State Department for this—in the more remote areas of Mexico, the lack of communications between American prisoners and consular officers, as well as between U.S. consulates and Mexican state and local prison authorities remains as serious a problem as ever. And, early consular intervention is the one area in which the State Department contends we have made progress!

Another problem raised during the hearings last year, concerns the experience of U.S. citizens while actually serving terms in Mexican prisons. I need not go into great detail on this matter—there are ex-prisoners here who are more qualified than I am to do so. I would, however, like to point out a few of the conditions which make Mexican prisons a less than ideal place to rehabilitate our citizens.

Mexican prisons operate on a "faena system". The Mexican government supplies prisoners with the barest necessities for only a marginal standard of living. Prisoners must purchase food if they are to have an adequate, not to mention well-balanced, diet. Necessary clothing must be purchased, and even cells—for those who wish to avoid unsanitary, overcrowded cell assignments—cost a modest \$1,000.

Mexican prisons depend upon prisoners to run individual cell blocks. These "mayors" notoriously take full advantage of their authority to extract large sums of money from prisoners. The prisoner's only alternative to this kind of pay-off system necessitates putting up with harassment, beating, robbery, and deprivation.

Both the faena system and the mayoral system impose considerable hardship on American prisoners and their families. Mexican prisons are no freer of prejudice toward

"gringos" than are our own prisons toward those of brown or black skin. To guards, Mexican prison authorities, and other Mexican prisoners, American citizens represent "walking cash registers (as CBS's Sixty Minutes put it) who must buy everything from toilet paper to a good night's sleep. Unfortunately, the hardship extends beyond the prisoners, themselves, to family and friends in the United States who must provide large amounts of survival money.

The Mexican Government has now proposed a partial solution to the problems I have outlined today—a bilateral treaty through which prisoners may be transferred to their home country to serve out sentences. I commend the Mexican Government for taking this initiative but, at best, it is only a halfway measure. A review of the proposed Treaty reveals several deficiencies which concern me;

The Treaty falls short of addressing the most serious abuses of human rights Americans experience when arrested in Mexico. Ignoring the many instances of physical and emotional abuse we have brought to the attention of Mexican and U.S. officials, the Treaty does not include any agreement or method to put an end to the torture and beatings of Americans in Mexico.

The Treaty before us does not safeguard the rights of due process for Mexicans and Americans arrested outside their own country. In fact, the Treaty disregards the questions we have raised about legal procedures. It fails to guarantee even the right to counsel or a fair judicial process which does not rely upon confessions obtained under duress, and the arrestee's ignorance of the national language.

According to the present terms of the Treaty, only some of the prisoners in foreign jails are eligible for transfer. Thus, the Treaty is inequitable, positively affecting certain types of offenders, while completely ignoring other groups of prisoners.

Because the Treaty specifies that prisoner transfers would not take place until after sentencing has occurred and the time allowed for appeal procedures has elapsed, U.S. citizens would not be eligible for transfer for a full two years after arrest. Considering our track record to date, in securing legal and human rights for U.S. citizens arrested in Mexico, two years is a long time.

Finally, the Treaty raises serious constitutional questions involving the process by which each nation would recognize and enforce a sentence imposed by a foreign court. As I understand it, the constitutionality of this Treaty hinges precariously on the "voluntary" and express consent of the transferring individual. Frankly, I am not comfortable with the notion of any form of consent through which a citizen agrees to waive his or her constitutional rights. I understand that legal experts disagree widely on the constitutional aspects of this Treaty. Unfortunately, its uniqueness leaves us with little precedent to fall back on. Obviously, if the Senate ratifies this Treaty, test cases will soon create new precedents. I would suggest, however, that a judicial—rather than a legislative or executive setting—might be the proper forum for resolution of such fine constitutional disputes.

If Mexico and the United States cannot agree to provide due process to foreign nationals, we could, presumably, devise a method for circumventing situations in which abuse is likely to occur. In hearings last year, I suggested that we might take responsibility for our foreign nationals before they became a source of international contention—at the time of arrest, for example. Indeed, for years we have pursued a similar policy when members of our military forces are arrested abroad. Unfortunately, however, this is not the case in the Treaty under discussion.

Despite these serious deficiencies, the Treaty does recommend itself for one over-

riding reason. It provides an important option to some prisoners. Also,

It will improve our bilateral relations, lessening what has been a considerable source of tension between Mexico and the United States for several years now.

It will reunite families in both Mexico and in our own country. Parents, husbands, wives, and children will no longer have to travel so far, or at such great cost to see their loved ones.

It will reduce one of the greatest problems with Mexican prison conditions. As you know, Mexico and the United States have rather different approaches to health care. For both our citizens with ordinary health problems and those with special medical conditions requiring attention on a regular basis, health care is inadequate in the Mexican jails—even under the crudest of standards.

It will offer citizens of the United States and Mexico an alternative to the unfamiliar prison systems and inevitable prejudice imposed on them in foreign jails.

Most importantly, it will provide relief to Americans arrested in Mexico who, when transferred, will receive the benefits of U.S. parole regulations. Currently, Mexico denies parole to any person convicted of a narcotics violation. Some of the prisoners in Mexico are now serving terms of several years for crimes considered misdemeanors in their own country. Since our own government's determined efforts to control drug traffic are at least partially responsible for these arrests in Mexico, it seems unfair to impose sentences which are extremely harsh by American standards on some, but not all of our drug offenders.

Mr. Chairman, in concluding my remarks today I find myself on the horns of a dilemma. I have serious reservations about the Treaty's effectiveness because so many of the deplorable abuses of human and legal rights which occur when Americans are arrested in Mexico fall outside of the Treaty's jurisdiction.

On the other hand, I must support its ratification, if for no other reason than that in even its small way, this Treaty is a step towards alleviating some of the suffering now imposed on United States prisoners in Mexico, their families, and friends. Despite the Treaty's many shortcomings, I urge the Committee to move swiftly and positively towards its ratification.

As one mother of an American prisoner in Mexico described the Treaty, "it's like table scraps. But, when you're starving, table scraps are welcome."

STATEMENT OF DWIGHT WORKER, EX-PRISONER

I was incarcerated in Lecumberri prison from December 8, 1973, to December 17, 1975, charged with importation of cocaine. I was guilty as charged, regardless of the fact that this was the first time I had ever attempted smuggling. I am not proud of myself for what I did, and I cannot make any moral justification for my conduct since greed was my only motivation.

But unlike me, most of the Americans in Mexican prisons are charged with possession or transportation of marijuana. Even though less than one percent of them are charged with trafficking heroin, they are all subject to the same inflexible laws.

Upon my arrest I was cattle prodded with electricity on my face and genitals until I signed my confession. After I had signed, the police laughingly told me my trial was over; I would now spend the next seven to fifteen years in "Hotel Lecumberri." For the next two years I never saw a judge, entered a courtroom, or entered a plea of guilt or innocence.

When I arrived at Lecumberri prison, I was told my price was \$5,000. to survive. When I told them I could not pay it, I was beaten by a prison gang and hospitalized for two weeks. Over the next five months I would be hospitalized three more times from beatings,

whippings, and stabbings because I could not pay extortion. I was finally sent to a psychiatric ward for electroshock treatment. During this period I watched leaders of different Mexican prison dormitories literally fight over who would get the next American prisoner for extortion purposes. Guilt or innocence was irrelevant. Americans in Mexican prisons are big business. The treatment I received by the Mexicans, although brutal, was in no way unique to that received by Americans throughout Mexican prisons.

While I was in Lecumberris in the spring of 1974, I met Dan Root, former vice-consul in charge of prisoner affairs at the U.S. Embassy in Mexico City. Dan Root told me there was nothing he or the Embassy could do to protect me, although by now I had discovered that the prison guards did not beat up or extort Canadians, Australians, or British subjects. For purposes of protection and survival, I learned to declare myself to be a Canadian to threatening, unfamiliar guards. If they believed me, I would not be beaten. But although Dan Root could not help me, he did suggest that I get the services of a Mexican attorney—Jorge Aviles-Ortiz—because, in Root's words, "if there's a man who can get you out of here, it is Jorge Aviles-Ortiz."

Jorge-Aviles-Ortiz was later arrested in Mexico and charged with defrauding U.S. prisoners. On April 2, 1975, he declared that Dan Root worked with him to defraud these Americans. Although Dan Root's actions were extreme, they exemplify the negligence or inability of the U.S. Embassy and consulates to act when needed.

The prisoners exchange Treaty should be passed because the cultural and legal differences are too great to bridge from within a foreign prison. The temptation to rob and extort American prisoners is too great for Mexicans in prisons to resist. Just by having these Americans within our borders and free of extortion would relieve much of the burden that the parents and relatives now suffer.

The prisoner exchange Treaty should be passed because these Americans in Mexico are not heroin traffickers. Their return to the United States would be irrelevant to the serious drug problems within the United States. They have been used as pawns in the game while dangerous heroin trafficking from Mexico increases. Their continued presence in Mexico only threatens to further exacerbate the relations between the United States and Mexico.

After I crossed the U.S.-Mexico border on Christmas Eve of 1975, I knelt down on the cool Arizona sand and kissed the ground, crying. Unfamiliar with my past circumstances, the two U.S. customs agents watching me from the nearby border station thought this an unusual display of emotions. But while in a Mexican prison, I had learned to respect and value our Constitution and Bill of Rights. So have the other U.S. prisoners in Mexico. I hope that the work of this Treaty is completed sooner rather than later so that they will return home.

Everyone who has testified before this Committee on the Treaty has endorsed its passage; yet I fear that it may take many months, even years, before we see any results from it. Please do not forget the human terms of this Treaty: the wasted years, and broken lives and families. Gentlemen, I urge you to proceed with all due haste and pass this Treaty and the requisite enabling legislation.

STATEMENT OF PATRICK L. BALVIN
CORONA, CALIF.,
June 16, 1977.

U.S. SENATE,
Committee on Foreign Relations,
Washington, D.C.

At Mexico City Airport, on June 18, 1974, Mexican customs officials found a minute amount of cocaine buried in the bottom of

one of two sleeping bags that were in the possession of my brother, Vincent Paul Balvin. The following is the story of what led up to, and the tragic aftermath of this find. Our family has saved most of the correspondence, if any verification of what I relate is requested by the Committee.

No case of an American prisoner in Mexico is the same as any other case. If there is a norm, Vince's case is a long way from resembling that norm. There is a generality that can be seen from Mexican justice, and that is, that there isn't any. In Mexico they still use a system of Napoleonic law: One is guilty until proven innocent.

It is an example of the confusion experienced when working with Mexican law that the actual amount of cocaine found was not determined for months. First we heard 900 gr., then 900 mg., then 2 gr., and then when we read the expediente (court record) we found out the actual amount found was 90 mg.—less than one-tenth of a gram.

Vince's penchant for surfing put him in this dreadful wrong-place-wrong-time position. Vince had surfed for over ten years and was never away from the beach for long, except for a tour of duty with the U.S. Army, which included Viet Nam. In the winter of 1974, he realized a desire to experience the type of waves he had experienced in Hawaii. (He had attended Chamindade College in Hawaii, in 1967.) In 1974 he had worked two years and saved enough money to surf in Central America. La Libertad, El Salvador, featured in Surfer Magazine and recommended for its big, uncrowded waves, was his first stop. Then, on his way to surf in Ecuador, he stopped at Bogota, Colombia, to visit our brother, Mark. Vince had already stayed with Mark at a family residence in El Salvador.

But in Columbia, our brother Mark was dabbling into cocaine and Vince wanted to get away. It was at this time that he was offered a trip in a jeep, with five surfboards for different types of waves, by a friend with whom he had surfed in Hawaii. His friend was to meet him in Mexico City. This friend paid for Vince's flight to Mexico City and was to drive him back to El Salvador and eventually to Ecuador where they were to meet Vince's fiancée who was going straight from Colombia to Ecuador.

Vince's friend, Michael Whitsell, had surfed with Vince in Hawaii. He told me Vince had saved his life at Sunset Beach. My wife and I had planned to attend U.N.A.M., Mexico's National University, in Mexico City. We were going with another student, in his car, and Mike Whitsell decided to go with us so that four people could share the driving of two cars. Picking up Vince in Mexico City meant that he did not have to drive the rest of the way to El Salvador alone.

When Vince left Columbia, Mark asked Vince to take his sleeping bag with him to El Salvador where they had both left belongings to facilitate their trips. The small amount of cocaine was found in that sleeping bag. Vince should not be made to pay for the mistakes of his brother.

Behind the scenes greater forces were coming together and provided another cause of our predicament. In that fiscal year, 1974/1975, the U.S. Government poured 8 million dollars into "Operation Cooperation". According to the Los Angeles Times, December 9, 1974, "The vast majority of Mexican federal and customs agents had been trained by the U.S. . . ."

One major plan was to halt drug traffic in Mexico City on commercial flights from South America. Most flights from South America to the United States stopped at Mexico City Airport. The reason for making arrests in Mexico was expressed by Humberto E. Moreno of the U.S. Drug Enforcement Administration. He coordinated efforts between the D.E.A. and Mexico. He stated, Mexico is ". . . much better than our courts

on convictions and penalties." He added, "The Mexicans are giving defendants six years in cases that we are losing in American courts." Vince's is one of those cases. Actually in the United States, charges probably would not have even been pressed.

It was United States involvement that led Mexico to build up the number of arrests. In Mr. Moreno's words, "We motivated it." Vince's arrest and incarceration in Mexico was used to help the Mexicans justify the amount of U.S. money they spent to eradicate drugs. It is ironic that during "Operation Cooperation" Mexican heroin increased from 15% to 60% of the U.S. supply. It seems that U.S. money was misused and did not fulfill its purpose, but instead led to the arrest of small-time dealers and in Vince's case, innocent victims.

Vince's original description of his arrest and interrogation are submitted in this testimony. During this time we did not know where he was.

Six (6) days after his disappearance we were notified by a lawyer of his whereabouts. All this time the U.S. Embassy said they could not locate him. Kathy Mullen, a Vice Consul, said that the Embassy even had tried at the airport jail, where authorities had lied to them. After Vince was transferred to Carcel Preventiva de Ciudad de Mexico, otherwise known as Lecumberris, he told a visiting lawyer to contact me. We are now working with our fourth lawyer.

My father, James Balvin, long ago had suffered four nervous breakdowns and is now psychologically disabled because of his fourteen month stay at Stalag 17b during WW II. My father, after working during the day, would do much of the work on the famed tunnel at night because of his small size. I saw this type of pressure getting to Vince when I visited him during the first month of his stay in Lecumberris, so I wrote the Ambassador on July 8, 1974. This letter is submitted in this testimony. In part it reads:

"We have hired an attorney and have been following legal processes in trying to free him. However, we are thinking of participating in illegal extortion in order to improve Vincent's condition. We have heard that what I am about to relate happens all the time; but deals are made, and no one talks about them. Giving no weight to hearsay or conjecture though, we know that in dormitorio F the guards and trustees are attempting to extort \$1,000 American currency from Vincent for him to be excused from working twenty (20) hours a day, seven (7) days a week as is presently the case. He sleeps less than four (4) hours a day and works the rest of the time except when visitors are present.

"For a more complete description of the type of work, a signed letter from Vincent will be forthcoming. His letter will also contain a description of the beatings he undergoes, which incidentally, are growing more severe. He will also try to name as many of the transgressors as possible.

"For the past 18 days he has sustained the work detail and the beatings without making a deal. However, his physical and psychological well-being at stake, I suggested to him to offer them \$200 Am. Cy. I take full responsibility for this action if it becomes necessary. I feel it will become necessary if other action is not taken this week to put an end to the excessive work and the beatings. This means that normal channels of issuing complaints should be circumvented. (Another reason is that a normal complaint might result in even worse conditions, a chance we are not going to take.) For these reasons I respectfully request your most prompt intervention in these affairs."

The U.S. Embassy in Mexico City has Vince's report in his own words of his mistreatment at the military-run prison. A copy is also submitted in this testimony.

The Embassy also should have records of our search for Vince, the date of his arrest and the date I notified them of his arrest and

incarceration. The U.N. Convention on Consular Relations, held at Vienna in 1963 specifies that a foreign national, if arrested, has the right to notify his Embassy within three (3) days. Vince was never given that right. He was also beaten at the airport jail and at Lecumberri. At Lecumberri, in dormitorio 'F' the guards and commandos (trustees under the domination of the *mejor*, the head trustee in each dormitorio) attempted extortion. After my letter of July 8, 1974, and after speaking personally to Mr. Peterson, the Consul-General, and the Colonel of the prison, Vince was transferred to dormitorio 'O' where the majority of the Americans were and where the *mejor* usually demands \$2500 from Americans. Mexican prisoners give about \$200 for their so-called "fahina". Vince has refused all demands for extortion (except once for 80¢) and has suffered the consequences.

A hunger strike by Americans at Lecumberri was being conducted at the time of the transfer from dorm 'F' to dorm 'O'. The *mejor* of dorm 'O' had approved the strike on condition that the prisoners only mention the role of the U.S. in their arrest and not talk about mistreatment in prison or in interrogation. The *mejor* called the strike off when word leaked to the press about extortion, beatings, and torture.

They found out that some would talk, including Vince, so Vince was not pressed by the *mejor* of Dorm 'O' for the \$2500 when he refused to give it and told them that he simply did not have it. He was one of the only American prisoners who was allowed to sleep in a bed and did not have to undergo excessive work detail in dorm 'O' within a month without paying. Of course, essentials such as blankets and food were supplied by visitors. His fiancée still visits him every day and provides necessities.

Vince is now at Santa Marta Penitentiary. Lecumberri was shut down in August, 1976. In May of 1976 it was rumored the General and Colonel of Lecumberri had been removed from their positions and had themselves been jailed. I have heard that a U.S. Embassy investigation found bank accounts containing hundreds of thousands of dollars in their names. Apparently this money came from Americans imprisoned there.

Mexican attorneys also profited from desperate American prisoners and their families. A lawyer acquaintance of Vince's fiancée believes in Vince, and is now handling the case as a favor (no fee). This is quite commendable because drug cases are avoided unless a huge fee is involved. Our family, though, has had its share of rip-offs from unethical lawyers. We only lost a couple thousand dollars because we tried to be very careful and quite skeptical. The Mexican lawyer who notified us of Vince's arrest, and who escorted Mike and I into Lecumberri to see Vince for the first time after his arrest, proposed an initial fee of \$2,500. He said he would have Vince out in three months. We thanked him for getting us in to see Vince, but did not take him up on his offer. It causes me distress to look back on these events and ask myself what might have been. Would that attorney have been able to free Vince? I can empathize with the many families who have spent tens of thousands of dollars to Mexican lawyers to free a loved one but received no results. We knew he had to have an attorney for him to receive his sentence within a year, but we decided not to pay exorbitant fees.

Vince's conviction and six (6) year sentence was upheld on appeal. Under Mexican law a drug addict may possess small amounts of drugs. Vince could have been declared an addict by three doctors for a sizeable fee (for lying) and quite possibly released. But he opted to tell the truth: that the evidence found was not his. A letter from our brother Mark was analyzed, notarized, translated, and legalized by the Mexi-

can Consulate in Los Angeles. In it he expressed his culpability. Mark was arrested in August of 1974 and died in a prison in Bogota.

The main point of this testimony is that Vince should not have languished in a Mexican jail for three years. I feel it is the responsibility of the United States government to see that he is released as soon as possible. Even with the reduction in his sentence for working these three years, he has over a year left to serve. His family and friends cannot see any sense to this story. He was a good citizen and did not break the law. He voted. He was even a registrar of voters. He served in this country's military and fought in one of its police actions, Viet Nam.

We ask first that you bring this treaty to exchange prisoners to a vote on the floor of the Senate as soon as possible. We hope you also see to it that the implementing legislation is passed quickly, otherwise Vince will not be affected by this treaty. If Vince is not able to petition for an exchange under the proposed treaty by December of this year, then he will not fall under the treaty's guidelines.

A situation analogous to this occurred about a month ago: about 70 prisoners were released who had been arrested with small amounts of drugs. The amount that Vince was arrested for was probably the smallest amount ever found. The prisoners released were those who had not been to trial yet. Thus, Vince was not included.

We believe that the case of my brother deserves special consideration. Our family requests that this committee consider transmitting a joint letter to President Luis Portillo of Mexico asking that he pardon Vince and send him home immediately. I wish to be notified of the outcome of this consideration.

I thank you for allowing me to tell his story and I wish to end with a note of thanks and appreciation to Vince's fiancée, Theresa Briones. For three long years she has stayed by his side visiting him nearly every day, bringing him food and other necessities. She has kept his spirit up all this time. She is another one who can tell you how innocent Vince is. That's why she is there.

Sincerely,

PATRICK L. BALVIN.

STATEMENT OF JUANITA CARTER, PRESIDENT, FREEDOM PERSEVERANCE, INC.

I am honored by the invitation you have extended to me to address you today. I feel a genuine humility that you would deem the cause of our group to be worthy of your consideration. We, at FPI, are not unaware of the many calls that are made upon your time and energies. This is the fulfillment of an almost four year dream for us and we know you will accept our thanks in the spirit in which they are extended. We are grateful.

Gentlemen I am the mother of one of the young men confined in a Mexican prison. He has been so confined since October 12, 1973. I am a parent with all of the attendant feelings of a parent, but because of my many trips to Mexico City and my involvement in many cases other than that of my son, I have become a counselor and friend of almost all of the other prisoners and their families. We call ourselves Freedom Perseverance, Inc., simply because perseverance has been the only way open to us in our battle against great odds.

At this point, I would like to insert for the record, our thanks to several people, whose efforts in our behalf is truly appreciated. Former Senator John Tunney, Congressman Fortney Stark of California, and his staff, The Commission of the Californias and the many selfless and dedicated people who circulated petitions on behalf of people they had never seen.

On my first visit to Mexico City, and I

found this to be pretty much the experience of all of the parents, I was received by our consular officials with anything but wild enthusiasm. In fact, I must report they were aloof, indifferent, and somewhat contemptuous of our plight. This attitude determined my course of action.

The well being of the prisoners became of the first importance. Having established that the material responsibility was ours, we set about assuming the spiritual and mental responsibility, as well. This, we knew, would involve the uniting of the parents and relatives as well as the prisoners. This was started in the Fall of 1973.

At first the prisoners were reluctant to reveal the names and addresses of their parents and relatives. They still believed the unscrupulous attorneys and tried to protect their family's reputation and money. However necessity finally overcame pride and they authorized us to get in touch with their homes. This was in the Winter of 1973.

As my biographical data will tell you, I have long earned my living as a self employed business woman and I do take and have always taken an active interest in my community. In light of this, I was not completely unequipped for the task I set for myself in the Fall and Winter of 1973.

Gentlemen I cite these things as evidence of my own legitimacy to enter into your deliberations here today. I will be most happy to submit myself to your questions if you feel that any part of my statement needs further elaboration.

Both my husband and myself have had many talks with our Embassy personnel in Mexico City. On our last trip to Washington, D.C., we arranged with Mr. Loren Lawrence and Mr. James Hughes to come to California to speak to the concerned families. In August of 1975, we talked to Mr. Peter Wood the then vice consul in Mexico City and arranged for him to come to California to meet with these families. I, myself, even had a conversation with the Mexico City contingent of the DEA. I was somewhat shocked, later on, when a newspaper reporter sought me out and asked if, indeed, the DEA did maintain an office in Mexico City.

Gentlemen you will have to excuse me, but there is one very large unanswered question which I have been instructed to ask of you. Why could not these people have been brought home by Executive Order? My husband asked this of President Carter recently in Los Angeles. We just fail to see the necessity for this elaborate manner for bringing these people home.

Since June of 1976, Mexico has offered to release these people at least three times. In June of 1976, the former President, Luis Echeverria offered to release them to Dr. Henry Kissinger, while Dr. Kissinger was in Mexico City. The first visitor to Washington after the inauguration of President Carter was President Jose Lopez Portillo, and he offered to release them to us while he was here. Just recently, Mr. Oscar Flores, the present Attorney General of Mexico offered to release them to our present Consul General. This certainly seems to indicate a willingness on the part of the Sovereign State of Mexico to release these people.

Gentlemen, I have asked a question which I feel is somewhat rhetorical and now without further ado, I would like to take up the matter at hand, the Treaty. We at FPI most certainly support the treaty and hope for its speedy adoption. Our questions concerning it are not to be interpreted as opposition, but there are some things that we feel need further amplification and some things need further clarification.

The points, which I will cite in a moment, having to do with work time and transport have given us a great deal of concern. Now, if I may, I will turn to my copy of the implementing legislation.

Gentlemen there is, apparently, a document that precedes this one that we have and one that follows it. We have not seen such documents, but they are referred to in this document. Where there is a reason for referral, we hope the clerk might be instructed to read to us the referenced material.

Our first concern is Section 4100, paragraph E. It states in gist, that should the United States choose not to receive a prisoner or to receive one, the decision would not be able to be reviewed and would be final. Gentlemen, abstractions do not make decisions; men make decisions and officers may change from time to time. Would not such a statement, if let stand, prove to be unworkable? We would appreciate some latitude in that last sentence, such as, let a normal reviewing body determine the merits of the case, if and when a review might be sought.

We come now to 4102, paragraph XI. This is concerned with the power or authority vested to the escort of a prisoner while that prisoner is in territory other than the United States of America. We are aware of there always being a large measure of authority, but in our experience, we are understandably concerned with some measure of protection that might be afforded to the prisoner. We would appreciate some accountability on the part of the foreign authorities and/or some method of monitoring this movement.

Now let us consider Section 4105, having to do with work commissions. This is a method of allowing a prisoner to work off a certain portion of his sentence. Many work commissions have been purchased in good faith, and later, upon the transfer of the official who sold them to the prisoners, they have been found to have been spurious. We would hope that some procedure might be set up to make sure that each day earned in this manner might be credited to the prisoner, whether the Commission is spurious or not. The man may not be able to get his money back, but his days off should not be taken as well.

Gentlemen, in conclusion, I would like to make one last request of you. I would like to ask that some effort be made to try to get an accounting of our citizens that have just disappeared in this Mexican venture. I have seen no reference of it here, but there have been inquiries made of me and just days ago, a gentleman from Seattle came to my home in California to enlist my efforts in trying to trace the whereabouts of his son and several more people who had flown into Mexico in a private plane. The plane, apparently, is being used openly, but no one seems to have heard from the people.

One other thing I would appreciate doing is to read into the record a portion of a letter I received from John Wesley Calhoun. John Wesley Calhoun died in the Santa Marta Federal Penitentiary on Friday, May 13, 1977. He was, so far, the only tragedy and we pray to God, he will be the only one.

Gentlemen, I thank you.

STATEMENT OF HERBERT WECHSLER

My name is Herbert Wechsler. I was born in 1909 in New York City and educated at the College of the City of New York (A.B. 1928) and Columbia University of Law (LL.B. 1931). I have been since 1933 a member of the New York bar and of the Columbia Law Faculty, holding the Harlan Fiske Stone chair of Constitutional Law since 1957. Both as a teacher and as a practitioner, I have specialized in federal jurisdiction, constitutional law and criminal law and I have written extensively in these three fields. During these many years I have devoted a substantial portion of my time to public work, including service as a special assistant to the Attorney General of the United States (1940-1944), Assistant Attorney General (1944-1946) and member of state and federal commissions.

Since 1962, I have also been the executive director of the American Law Institute.

I appear by invitation of the Chairman to address the question whether the treaties and their contemplated legislative implementation are consistent with the Constitution. It is my view that they are. Neither on principle nor on authority is there, in my opinion, any solid basis for doubting the validity of the proposals.

My reasons, briefly stated are as follows:

First: The purpose and effect of the two treaties is not to impose afflictive sanctions on the offenders who may be transferred with their consent from a foreign country to their home country for service of their sentences but rather to alleviate the special hardship incident to confinement or restraint away from home. The assurance of such reciprocal benefits for citizens or nationals of the contracting countries is plainly an appropriate object of the treaty power; the matter is one of "international concern" (A.L.I., *Restatement of the Foreign Relations Law of the United States* § 117). And since it is a benefit, conferred with the consent of the individual involved, it is implausible upon its face to perceive a potential violation of the Bill of Rights in such an exercise of the treaty power. This common-sense view of the matter may not exhaust the legal inquiry. It does, however, seem to me the proper starting point for an appraisal of the constitutional position.

Second. The treaties envisage the use of national power and authority to imprison or restrain as criminals American citizens or nationals who have been convicted abroad of crimes committed abroad within the jurisdiction of a foreign country. Is there a constitutional impediment to such an exercise of governmental power?

It has been suggested that the due process clause of the Fifth Amendment prohibits such imprisonment if the foreign conviction was obtained by procedures lacking those safeguards of the Bill of Rights that the Fourteenth Amendment has been held to impose on state procedures. This seems to me a wholly insupportable conclusion. The Fourteenth Amendment was designed to impose limits on the states, including by interpretation limits on their criminal procedures derived by incorporation from the Bill of Rights. The Fifth Amendment was no more designed than was the Fourteenth to limit Mexican or Canadian procedures.

The due process guarantee of the Fifth Amendment must be and is interpreted in international affairs with due deference to the autonomy and jurisdiction of the members of the international community, witness the extradition cases, the act of state doctrine (unless altered by Act of Congress), the decision sustaining the power of the President as Commander-in-Chief to establish United States Courts of the Allied High Commission for Germany (*Madsen v. Kinsella*, 343 U.S. 341 [1952]), the surrender of service personnel for foreign trial (*Wilson v. Girard*, 354 U.S. 524 [1957]), the subjection of enemies to the laws of war (*Ex parte Quirin*, 317 U.S. 1 [1942]), the internment and deportation of alien enemies in time of war without due process hearings (*Lueddecke v. Watkins*, 335 U.S. 160 [1948]) and the subjection of enemy property to seizure without compensation (*Stoehr v. Wallace*, 255 U.S. 239 [1921]). The point is epitomized for me by a famous statement by Chief Justice Hughes: "Behind the words of the constitutional provisions are postulates which limit and control" (*Principality of Monaco v. Mississippi*, 292 U.S. 313, 322 [1934]). The relevant postulate here is that Mexico and Canada had jurisdiction to apply their law to convict and sentence the offenders to whom the treaties would apply and to govern those proceedings by their own procedural conceptions.

Viewed in this way, it seems quite clear that nothing said by Mr. Justice Black in the plurality opinion in *Reid v. Covert*, 354 U.S. 1 (1957), as to the application of the Bill of Rights to trial abroad in American courts or the subjection of the treaty power to the limitations of the Bill of Rights has any application to this problem. The treaty takes away no right that these offenders otherwise would have. Absent the transfer, their convictions and their sentences remain in force and they must serve the sentence in a foreign land.

The question that is posed reduces simply, in my view, to this: is it a reasonable exercise of governmental power to imprison or restrain at their election individuals who otherwise would be imprisoned or restrained abroad, and to do so subject to the mitigations that the treaties articulate by making applicable our release procedures and subject also to the safeguards with respect to an informed consent that the legislation would provide. I see no room for argument upon that issue.

Third: If I am right in the analysis I have suggested, no additional complexity is introduced by the provision limiting collateral attack on the conviction or the sentence to the courts or the transferring state. This is not a suspension of the privilege of the writ of habeas corpus. The writ remains available; it simply is a good return that the offender is imprisoned in accordance with the treaty and its implementing legislation. If the treaty and the statute are valid, as I believe they are, the detention does not violate the Constitution, laws or treaties of the United States. The application for the writ must, therefore, be denied. 28 U.S.C. 2241 (c) (3).

We may, perhaps, regret that a judicial review of the conviction for denial of justice in the international sense (A.L.I., *Restatement of Foreign Relations Law of the United States* §§ 178-182) is not permitted by the treaties. It is, however, wholly understandable that this may not have been attainable in the negotiations with Canada and Mexico or that we ourselves, indeed, would not be willing to subject our judgments to such an assessment by a Mexican or a Canadian tribunal. Our tradition in this area has been to rely on diplomatic intervention to protect our nationals against such injustice abroad, constituting as it does a violation of international law, and Congress has directed the President to "use such means, not amounting to acts of war, as he may think necessary and proper to effectuate the release" of any citizen wrongfully detained by or under the authority of any foreign government. R.S. § 2001, 22 U.S.C. § 1732. That system may, indeed, have more potential for success than a judicial inquiry calling on our courts to sit in judgment on the courts of other nations. In the case of Canada and Mexico it may, perhaps, be validly assumed that the presidential duty has been effectively discharged. If it has not, the examination of the case that would occur in connection with a proposed transfer may afford an opportunity for intervention of this kind that otherwise would not have been presented. Here too the treaties may produce a humane amelioration. The transfer certainly will not exacerbate the hardship that in such a case obtains.

For the foregoing reasons, I respectfully submit that constitutional considerations should not lead the Senate to withhold its advice and consent to these two treaties.

GENERAL LEAVE

Mr. DORNAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to

include extraneous material on the subject of the Special Order today of the gentleman from New York (Mr. GILMAN).

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

There was no objection.

SEVENTY-FIFTH ANNIVERSARY OF EDWARD FOX PHOTOGRAPHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, it gives me great pleasure to call to the attention of my colleagues the 75th anniversary of Chicago's oldest family-owned photography studio, Edward Fox Photography, 4900 Milwaukee Avenue, Chicago, Ill., which is located in the 11th Congressional District of Illinois that I am privileged to represent.

This family-owned business was begun on July 13, 1902, when Edward Fox, a young immigrant lad, purchased his own studio for \$93 from his hard-earned savings.

The firm grew and prospered under the guidance of Edward Fox who continued his active participation in the family-owned business until he died in 1960 at the age of 80.

Today the firm continues its outstanding service to our community under the leadership of Richard S. Nopar, president of the studio and grandson of the founder.

I want to take this opportunity to extend my best wishes for continuing productive service and ever-increasing success as Edward Fox Photography embarks on its 76th year of serving the photography needs of Northwest Side Chicagoans.

An article about Edward Fox Photography follows:

Chicago's oldest family-owned photography studio reaches an historic milestone this year.

Edward Fox Photography celebrates its 75th business anniversary on the city's Northwest Side.

The modern studio at 4900 Milwaukee Ave. was expanded recently to accommodate a growing wedding and portrait business that emphasizes quality and workmanship in a tradition worthy of the city's oldest photo studio under one family.

Edward Fox Photography is operated by Richard S. Nopar, grandson of the founder.

Nopar received his Master of Photography degree at the age of 26, at that time the youngest person in the United States to receive the award. He has more than 30 years' experience with Edward Fox studio. Nopar is completing a two-year term as president of the Jefferson Park Chamber of Commerce.

The story of the late Edward Fox extends to the last century.

In 1895 a bewildered 15-year-old arrived in Chicago as an immigrant from Russia and became an apprentice photographer in the Schultz studio, owned by distant relatives.

He toiled for the first three years without pay and for the next three at a salary of \$5 a week.

Finally, on July 13, 1902, Edward Fox purchased his own studio for \$93 from his savings. After a difficult start he developed a following within the community and energetically pursued a long and fruitful career. He became noted for his graceful group

photographs of weddings, and he utilized a high key lighting technique.

To merchandize the studio Fox developed a program in 1914 of advertising with car cards on public transportation vehicles in his area. His chief selling point was a high quality photograph that easily distinguished Fox's cards from those of his would-be imitators.

Though the years Fox built pride and tradition into his studio at Milwaukee and Armistage Avenues. A major facelift renovated and redecored the studio in 1938.

The start of World War II accelerated the number of marriages. On one Saturday in 1942, Fox himself photographed a record 39 wedding couples and parties in his studio.

The Professional Photographers of America (PP of A) presented Fox with his Master of Photography degree in 1948 when the genial, bright-eyed man was 69 years old. He noted on the occasion, "Now I'm making some progress."

Fox continued working and was photographing some children in his studio when he died April 24, 1960, at the age of 80.

The PP of A convention honored Fox that year as one of the profession's most distinguished members, a man who photographed more than 25,000 weddings during his 58-year career, and one whose longevity spanned the evolution from stiff, formal poses taken only on sunny days to modern candid and life-like colors.

Fox's inspiration and creativity are carried on by Richard Nopar as president of the studio. Nopar continued development of the business and took bold steps to enhance the studio's reputation.

Nopar located an enlarged studio in a former one-story furniture store across from the Jefferson Park transportation terminal. He hired Ron Dirsmith, an imaginative architect, and proceeded in 1969 to create a modern studio that is a model for utility and function.

A large, illuminated Edward Fox Photography sign is attached to the mansard roof of cedar shake shingles. The windows are framed with a surface of Vermont aggregate on rough textured white epoxy. The white complements the browns and blacks of the brick trim.

The sidewalk is of multi-colored concrete aggregate with two groupings of trees, benches, evergreens, and boulders. These settings, a unique and appealing sight in a highly visible location on Milwaukee Avenue, are lighted at night.

The front door compels attention. Bruce Fink, a Connecticut sculptor, was commissioned for the design with the stipulation that he wouldn't have to submit sketches beforehand and that he would have complete control of its production.

Fink's contribution is an unforgettable door made of 600 pounds of aluminum.

The building was designed for expansion. A portion was leased initially to a real estate firm, but last year Nopar expanded into this space, enlarging the studio's spacious and comfortable sales and reception areas.

He added an intimate and private living room in which clients can view enlargements of portrait proofs with opportunity to choose from a wide variety of frames. A modern projection facility enlarges the portrait to the desired size.

The living room has a burning fire place, a comfortable seating arrangement with a couch and easy chairs, and Edward Fox's original Eastman Kodak Century View camera, circa 1900. The view camera is fully restored and in workable condition.

The 25 per cent expansion doubled the studio's number of conference areas to eight, some of which are separated by Herman Miller room dividers. Staff members consult with customers on arrangements for wedding and portrait photography and for viewing the proofs from each occasion.

Specially selected sample portraits and

frames of all sizes hang in the conference areas to give visual ideas of possible uses.

Nopar continues Grandfather Fox's tradition of advertising with colorful and vividly illustrated car cards on the rapid transit trains. The studio's location is exposed to 35,000 riders daily.

At one point commenting on his career, Edward Fox said: "I loved every minute of it. My business deals mainly with the pleasant occasions of life. How could a man not enjoy that?"

Richard Nopar, with 30 years' experience, prides himself on continuing the business in the spirit of Grandfather Fox.

Nopar's active involvement with the community and professional groups attests to his respect for Edward Fox Photography's 75 years of service on Chicago's Northwest Side.

THE SALE OF THE CYBER 76 TO THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, I would like to state for the record my strong opposition to the sale of the Cyber 76 computer to the Soviet Union. The manufacturer of this extremely sophisticated system, Control Data Corp., has applied to the Department of Commerce for an export license allowing for the sale of the computer to the Soviets for "peaceful" uses. This application is currently under consideration by the Department in consultation with the Departments of Defense, Treasury, State, and ERDA.

Initially, there was some serious concern that a decision favorable to the Soviet Union might be made. But the results of a confidential study commissioned by the Department of Commerce to assist its own experts in the decision-making process have recently become known, and have resulted in an official statement by the Commerce Department to the effect that "there are serious national security concerns over the sale"—essentially setting the stage for a denial of the export license to the Control Data Corp.

Clearly, no other decision would be acceptable because the National Bureau of Standards study, whose principal mission was to determine whether there was any way to insure that the computer's uses would not be diverted, firmly concluded that there were absolutely no technically viable safeguards which could be applied to the Cyber 76.

More specifically, it appears that once in Soviet hands, this computer system could be used for almost any purposes—including navigation, weapons guidance, surveillance, antiballistic missile defenses, submarines, et cetera. All of these functions are of a military nature and could prove highly threatening to our own national security, which makes it evident that the sale of the Cyber 76 to the Soviet Union would be a true act of negligence.

I have joined many of my colleagues in endorsing a letter—initiated by Representative ROBERT DORNAN—which conveys to President Carter our concern over this proposed sale. We jointly urge the President to oppose this particular transaction, as well as any future proposals to supply the Soviet Union with technology

so sophisticated that its uses cannot be controlled.

I am now confident that the Cyber 76 will not be sold to the Soviet Union, but I would like to call upon the administration as well as the Congress to exercise great caution when considering commercial technological transfers. With nuclear technology as with computer and arms technology, we must assure ourselves that we are not providing foreign countries with the seeds of our own destruction for the sake of alleviating the deficit in our deteriorating balance of trade. Surely there are other ways of competing in the world market. We remain leaders in the field of technological advancement, so let us transfer those innovations which will contribute to the industrial health of developing countries but which cannot be put to destructive uses.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, because of official business I was unavoidably absent on Friday, June 10, 1977, Wednesday, June 15, 1977, and Thursday, June 16, 1977. Had I been present I would have voted:

June 10, 1977:

Roll No. 331: Conference Report on H.R. 5840, Export Administration Amendments, "Yea."

Roll No. 332: Burgener amendment to prohibit the use of funds for salaries and expenses of any diplomatic personnel assigned to Cuba or the Swiss Embassy in Cuba, "No."

June 15, 1977:

Roll No. 344: Beard (Tenn.) amendment prohibiting the use of Veterans' Administration funds for benefits for persons who have had their military discharges upgraded from anything less than a general discharge, as a result of revised standards for review of discharges implemented on April 5, 1977 "No."

Roll No. 345: Miller (Ohio) amendment to reduce by 1 percent the total budget authority provided in H.R. 7554 for nonentitlement programs, "No."

Roll No. 346: Final passage of H.R. 7554, Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1978, "Yea."

June 16, 1977:

Roll No. 347: Motion that the House resolve itself into the Committee of the Whole House on the State of the Union, "Yea."

Roll No. 348: Symms amendment to reduce the funding for the Occupational Safety and Health Administration by \$6.3 million, "No."

Roll No. 349: Michel amendment to cut \$563.5 from 11 areas of health, education and aging, "No."

Roll No. 350: Mottl amendment to prohibit the use of any funds for busing students to any school other than the school nearest the student's home, even after any merging, pairing, or clustering of such school with any other school, "No."

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. RAHALL) is recognized for 5 minutes.

Mr. RAHALL. Mr. Speaker, I was unable to be present when the House of

Representatives met on Friday, June 17, 1977. Had I been present I would have cast the following vote on the appointment of conferees on H.R. 5292, International Bank for Reconstruction and Development, "Nay."

EXPLANATION OF VOTE ON HYDE AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, I wish to explain my vote on the Hyde amendment to H.R. 7555 as restricted by the Chair's ruling which would have prohibited the use of Federal funds to pay for abortions without exception.

Let me begin by stating that I believe that it is the primary function of Government to protect the lives of its people. I also hold the moral conviction that life begins at the moment of conception. For these reasons, I am opposed to abortion and believe that Government should do nothing to promote abortions. Toward that end, I would support a human life amendment to the U.S. Constitution that would secure the right to life for the unborn.

However, my moral convictions also mandate that the life of the mother must be given consideration in matters of abortion. Because of the ruling by the Chair, the Hyde amendment which actually came to a vote did not contain language which permitted abortions when the life of the mother is at stake. Because of the nature of my beliefs, beliefs which are the basis for my opposition to abortion, I could not support the Hyde amendment in the form that it was voted on. I would have voted in favor of the Hyde amendment had it contained the exception for protecting the life of the mother; I have voted for similar amendments while a member of the Michigan House of Representatives.

FEDERATION OF HUNGARIAN FORMER POLITICAL PRISONERS EXPRESSES DEEP GRATITUDE FOR PRESIDENT CARTER'S COMMITMENT TO HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

Mr. HANLEY. Mr. Speaker, within the past few days, I, along with more than 50 of my colleagues in the Congress, sent President Carter a letter expressing support for his position regarding human rights in relation to the Helsinki Declaration.

The letter was sent to the President to coincide with the opening of the Belgrade Conference, a series of highly important meetings designed to examine the compliance with and facilitate further observance of the Helsinki accord.

I think it is most important to note that support for the President on his human rights stance is certainly not confined to the Congress, but extends across this entire country, including Americans of every ethnic background.

One group that has made its voice heard is the Federation of Hungarian Former Political Prisoners. The national chairman of the federation is Tibor Helcz, who lives in Syracuse, N.Y. The federation fights for the release of political prisoners in Hungary, especially prisoners of conscience. Its members are naturalized American citizens who are still concerned about those left behind the "Iron Curtain."

Mr. Helcz, on behalf of his organization, has written the President, expressing deep gratitude for Mr. Carter's outspokenness and genuine commitment to human rights throughout the world.

I would like to share this letter with my colleagues:

FEDERATION OF HUNGARIAN
FORMER POLITICAL PRISONERS.

Syracuse, N.Y., June 11, 1977.

HON. JIMMY CARTER,
President of the United States, The White
House, Washington, D.C.

DEAR MR. PRESIDENT: Permit me to report that the Federation of Hungarian Former Political Prisoners at a plenary meeting on June 11, 1977, in Hereford, Pennsylvania, unanimously adopted the following resolution:

"We, former Hungarian political prisoners have endured years of suffering for the cause of human rights and for the independence of Hungary, wish to express our deepest gratitude and heartfelt thanks to President Carter for his unswerving dedication to the cause of human rights.

"We appeal to the President to instruct his American Delegation at the Belgrade Conference to insist on unconditional amnesty for all Hungarian political prisoners, the immediate withdrawal of Soviet troops from Hungary, and complete compliance with all provisions of the Helsinki Accords by Hungary and the Soviet Union."

I would like to appeal to you, Mr. President, for the consideration of our Federation's resolution.

Respectfully yours,

TIBOR HELCZ,
National Chairman.

FOREIGN RESPONSE TO U.S. EFFORTS TO INFLUENCE THEIR NUCLEAR PROGRAM

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, an excellent report is now available on the success of our efforts to influence activities abroad in the field of nuclear energy and proliferation. This report was prepared by our esteemed colleague, Mr. OLIN TEAGUE, Chairman of the Committee on Science and Technology. Late last month he headed up a group of his colleagues on a trip abroad to several European countries to obtain first-hand information on the response to our unilateral efforts to bring about changes in foreign nuclear energy programs.

TIGER TEAGUE's report, which was issued during a press conference on the meetings he had abroad, was issued on June 7, 1977. I would like to include his report at the conclusion of my remarks so that all of the members will have the benefit of his work.

A brief word of introduction will help place events and subsequent developments in perspective. Since the begin-

ning of the year the administration has been studying the problem of nuclear proliferation. Then on the 7th of April, the President announced a plan which called for the halt of chemical reprocessing of nuclear power plant fuel for the recovery of plutonium and a cutback in domestic efforts to recycle the plutonium fuel for the generation of additional energy. The purpose of the halt of domestic efforts in these areas was to induce foreign nations to stop their work in these fields.

Since the plan called for a major cutback in our energy development program, our friend TIGER TEAGUE and his group thought it was important to find out if what we accomplished warranted the sacrifice. As can be seen from reading his report, the objective which was sought was not obtained. Our friends abroad made it clear that termination of their efforts in these fields of nuclear energy could not be tolerated in light of the energy shortages they faced. They also made it clear that in their view the action we wanted them to take would not be effective in the reduction of the nuclear weapons proliferation problem. All affirmed to cooperate in effective efforts to reduce proliferation potentials and offered specific suggestions on means for accomplishing their objective. In addition, our friends abroad expressed a resentment of our unilateral attempt to influence their activities without prior consultation through established institutions for this purpose.

It is indeed unfortunate that the action which was taken was so unrealistic. I know that some attempt was made to obtain views on the problem in advance of the April 7 issuance of the plan since I was asked to provide my views to Mr. Joseph Nye of the State Department in February. I did this in a letter to Mr. Nye dated February 22, 1977. I would like to include the text of this letter in the RECORD at the conclusion of my remarks following TIGER TEAGUE's report. As you will see, my letter strongly advised against even trying to attempt to stop our foreign friends from obtaining the maximum value of nuclear energy in the peaceful sector. My letter also outlined some specific things we should do domestically in the nuclear field and things we should do on an international basis to reduce nuclear proliferation even further. I believe, now that the returns are in on our last efforts to influence nuclear programs abroad, we should realistically look at the problem and come up with a more reasonable plan. In my humble view, from the standpoint of over 30 years of legislative activities in nuclear matters, the points I raised in my letter and the actions I suggest provide a reasonable approach to the energy and proliferation problem. I hope that all the Members will have an opportunity to look over what I suggested in my February 22 letter.

STATEMENT OF CHAIRMAN OF HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY

U.S. Rep. Olin E. Teague, D-Tex., Chairman of the House Committee on Science and Technology, said today that European nations seem determined to proceed with development of plutonium based breeder reactors regardless of President Carter's efforts to halt construction of a plant to demon-

strate breeder reactor technology in the United States.

Rep. Teague's statement came at a press conference following the Committee's European oversight activity trip. Extensive talks were held in Europe with officials of the International Energy Agency, the International Atomic Energy Agency and the French Atomic Energy Agency.

Special attention was given to changes in U.S. nuclear energy development policies recently announced by President Carter. The first of these changes was announced on April 7th, 1977. It called for a halt in U.S. efforts to use plutonium as a fuel. The announced purpose of the change was to induce other nations to terminate their efforts with use of plutonium and thereby limit the potential of further proliferation of nuclear weapons.

The second policy change was announced on April 20th. This change called for an indefinite deferral in U.S. efforts to build a nuclear power plant which would use plutonium as a fuel.

"Quite simply, we found no agreement abroad with President Carter's proposal to halt breeder reactor development," Rep. Teague said.

"It seems obvious that if our breeder program is curtailed now, as President Carter has proposed, it will be done unilaterally. No European nation will go along with us," he added.

Congressman Teague said the group also questioned the IAEA personnel on the success of the agency in safeguarding material against diversion thus far. Congressman Teague summarized the agency's comments thusly:

"We were told that the Agency can do an effective job on safeguarding material against diversion to weapons based on 15 years of experience in this work. They also told us that the unilateral actions proposed by the United States will not have any effect on proliferation. This point certainly brings up the question of why we would want to make such changes.

"We were told that the original reason for the U.S. support of IAEA, which was for safeguarding material, is still sound and the record of the Agency provides proof of its performance. They were careful to explain that nuclear development efforts in India which led to development of their first nuclear explosive were not under IAEA safeguards."

The discussions also covered all major aspects of nuclear energy and other energy resources among nations and the timing and potential of various energy technologies.

Congressman Teague, who plans to continue meetings with additional energy organizations in Europe, stated he will make a complete report to his Committee immediately upon his return to Washington. He indicated his intent of concentrating on legislative action authorizing research and development programs which must be carried out in the United States.

Members included in meetings with the International Atomic Energy Agency in Vienna were Chairman Teague, Rep. Gary Myers, R-Pa., Rep. Dale Milford, D-Tex., and Rep. James Scheuer, D-N.Y. of the House Committee on Science and Technology and Rep. John Breaux, D-La., and Rep. Norman Mineta, D-Calif., of the House Committee on Public Works.

COMMITTEE ON ARMED SERVICES,
Washington, D.C., February 22, 1977.

Mr. JOSEPH S. NYE,

Deputy to the Under Secretary of State for Security Assistance, Washington, D.C.

DEAR MR. NYE: This is in reply to your letter of February 7 asking for my suggestions and ideas regarding the problem of proliferating nuclear weapon capability.

As part of my Congressional duties, I have been associated with this country's nuclear energy programs and activities for over 30 years. My experience embraces the entire historical span of the development, use and control of atomic energy for both military and civilian purposes, including the regulatory side inherited by the Nuclear Regulatory Commission under the Energy Reorganization Act of 1974.

I want to give you the gist of my thoughts in as few words as I can manage, so I will proceed directly with a brief candid account of the high points of my views:

(1) The proliferation dilemma involves complex considerations. It must not be dealt with as a one-dimensional problem.

Among thinkers, only those who want to halt civilian nuclear power understandably argue that the proliferation situation can be easily solved. They describe the problem as an immediate stark peril of catastrophic magnitude. The solution, they say, would be an embargo on all exports related to nuclear power. Alternatively, they advocate the interposition of a Governmental regime of proliferating procedures and export approval hurdles calculated to discourage knowledgeable foreign customers at the very outset, and the less wary at one of the many despair points in the time-wasting system for securing final official sanction. That the cessation of U.S. exports would not alleviate the proliferation problem, and indeed would worsen it, is not a deterring factor because the underlying intention of our nuclear opponents is to utilize every problem in a way that best serves their primary aim of weakening our domestic nuclear power industry and capabilities.

(2) Proliferation is a chronic illness. The best and most extensively applied treatment that can be arranged will not effect a complete cure. It will only gain time and a large measure of relative protection and peace of mind.

For two decades following the baptism of the peaceful atom, while the development and use of nuclear energy for medical, agricultural, industrial and other purposes flourished at home and abroad, nuclear weapon capability spread very slowly. During that period, two unique accomplishments were attained: The International Atomic Energy Agency was established in 1957; the Treaty on the Non-Proliferation of Nuclear Weapons went into force in 1970. It is a great source of pride to me that U.S. initiative (including my hand and mind) played a large role in the creation of these major multi-national structures for safeguarding the peaceful atom. The magnitude and value of these accomplishments are immense. In regard to the NPT, consider that to date 101 countries—98 of them non-weapon states—have agreed to limit their sovereign prerogatives in the most sensitive of areas; 13 additional nations have signed but not yet ratified this extraordinary treaty.

Worry about weapon proliferation suddenly intensified in 1974 when India exploded a nuclear device labeled peaceful but indistinguishable from a non-peaceful detonation. Then West Germany agreed to supply Brazil with a complete fuel cycle capability, and South Korea, Pakistan and Iran tried to buy reprocessing technology. Proliferation concern was further stimulated by developments involving Egypt, Israel, Taiwan, Argentina and other countries. South Africa's nuclear potential is very much in the news these days. These international events within the past three years were preceded by a suddenly imposed awareness that the availability and price of oil were no longer dependable, and that alternative energy sources were imperative. The result is that today's greater potential for weapon proliferation coincides with, and will be aggravated by, an enlarging worldwide market for nuclear power.

(3) The U.S. is still a leader among the

have-and-can-sell countries, and, as an active international participant, can exert a fair degree of influence toward common agreement on a reasonable system of safeguard standards and requirements as a condition of the sale of nuclear power plants and fuels.

The U.S. is not in a position to dictate to other supplier countries that they require, as conditions of their sales, that buyers agree to the safeguard measures we would prescribe. Nor can we unilaterally alleviate the proliferation problem by attempting to impose our own set of safeguard conditions on prospective buyers without regard to the sorts of conditions employed by other supplier nations. Customers can choose suppliers.

This situation extends to enrichment technology, reprocessing, and the development and use of breeder reactors. The U.S. simply does not have monopolistic control. If we want to be in a strong position to influence and attain general acceptance of improved anti-proliferation safeguards we will have to remain a leader and an active international participant in all of these areas.

Historically, the U.S. never had a monopoly on nuclear technology. We were the first to develop nuclear weapons and for many years were the only supplier of enrichment services for civilian reactors. Though our enrichment technology has essentially remained classified, inevitably other countries have developed the means for commercial enrichment (the U.S.S.R., France, and as partners, the U.K., the Netherlands and West Germany); within the next several years at least five additional countries will be in the field.

The U.S. has not yet decided whether to permit commercial reprocessing, but France has an operating facility for such purpose. The U.K. has temporarily closed down a large commercial plant for upgrading. Eleven other countries have laboratory, pilot, or near commercial reprocessing facilities.

Five countries are now exporting light water reactors, and in several years they will probably be joined by suppliers in six more countries. Canada exports the heavy water reactor. France is presently the world leader in the development of the fast breeder.

There's no need to go on with the details. The general picture and outlook are clear.

(4) The need for an improved international anti-proliferation program is real. But apparently events in the last three years which have highlighted this need are viewed with much greater unease by opinion makers in this country than in other nations. The U.S. hue and cry has not been strongly echoed abroad. Additionally, the hyperbole in some of the U.S. expressions of alarm, the contents of several of the legislative measures proposed in the Congress, and the delays and confusion in nuclear export licensing have undermined confidence in U.S. judgment and in its role as a reliable supplier; combined with our failure to assure enrichment capacity for foreign customers, the total adverse effect has been considerable. Consequently, the U.S. anti-proliferation position, to be persuasive to both suppliers and customers, must be completely sound and practical.

(5) In my judgment, a sound and practical anti-proliferation program should take advantage of and build upon the protective structures and measures already in place. They are familiar and have unquestioned value.

The IAEA, for example, should be strengthened, not interfered with. The spirit of the NPT should be vigorously promoted, and a renewed effort mounted to fulfill the compensating pledges of the weapon states to the non-weapon parties.

The protective features of the Atomic Energy Act should be strengthened. I refer to such features as the Restricted Data system and the Section 123 export bridge. The

President's Constitutional prerogatives should not be encroached upon nor his role as Executive leader diminished.

The Nuclear Regulatory Commissions ambiguous position should be clarified; a careful review of the legislative history of the Energy Reorganization Act of 1974 will disclose that the NRC was not intended to have any greater licensing and related regulatory jurisdiction in relation to the export area than the AEC's regulatory side was responsible for when it was elevated to independent agency status. Before, activities outside of the geographical bounds of the U.S. (as defined in the Atomic Energy Act) were with few exceptions, beyond the grasp of the regulatory regime; the developmental side of the AEC (now in ERDA), and, depending on the situation involved, the President, the State Department, and the DOD, controlled the decision making process, subject in some instances to Congressional review. Regulation was applicable only to such aspects of exports as involved radiological health and safety, security, and environmental considerations affecting U.S. territory—but not proliferation and other problems abroad. In the confusion of rebirth during the period of raising U.S. concern over the proliferation problem, it became politically expedient for NRC to inject itself in this troublesome area and to attempt to acquire related knowledge and competence already possessed by other U.S. agencies.

(6) As important as the proliferation problem is, in any sensible ranking of priorities the formulation and execution of our domestic energy program must be placed well in advance of the proliferation concern, and treated as a discrete as well as first-rank objective. Separately, we should consider what impact on the proliferation problem related exports might have, but no judgments in this separate area should interfere with decisions and actions discretely addressed to our domestic needs. These propositions are too obvious to mention, but I restate the basic law of self-preservation because I have detected a tendency in some quarters to assume that all domestic policy decisions that would support the development or use of nuclear power-related materials, facilities or processes, in light of this country's own energy situation, must be contemporaneously evaluated and adjusted in relation to the anti-proliferation objective. Too often, for example, I read statements these days by officials or "experts" to the effect that the U.S. cannot risk developing the breeder or licensing reprocessing because of the international proliferation problem. Such Alice-In-Wonderland thinking is dead wrong. Not only does it interfere with our critical energy quest, but, as I have pointed out above, it so happens that our best hope of alleviating the proliferation problem may well rest with the magnitude of our international influence, which in turn depends on the extent of our technological capabilities as well as our willingness to participate in the have-and-can sell area.

It is possible that the means of carrying out a particular domestic energy decision may sometimes appropriately be selected in conjunction with anti-proliferation considerations. For example, it is possible that a domestically oriented decision to build a reprocessing facility may, for antiproliferation policy reasons, be implemented in conjunction with a national decision that such a facility be built and utilized under a multinational arrangement. But in such case—and this is the point I emphasize—the principle of discrete consideration, ranking priority, and separate judgment in relation to our own energy needs must not be compromised not even in regard to the means to be employed; only where the means of gaining our domestic objectives happen to be consistent with a preferred method for dealing with the proliferation question should the marriage of convenience take place.

Finally, it is possible that for anti-proliferation reasons alone our national policy might support the development or use of certain facilities or services. In such case the principle of the predominating importance of our domestic energy program must be maintained.

(7) I must say a word about the desire for nuclear power throughout the world because if it could be extinguished the proliferation problem could stabilize. The key difficulty confronting nuclear power foes is the formidable task of trying to convince a majority of the people, or the totalitarian rulers, in the various countries that their reasonable hope for an assured supply of safe, reliable energy can be satisfied without nuclear power. Is it realistic to expect that this proposition can be sold? The world is in an energy crunch right now and people everywhere are very concerned about it. The high cost of oil is creating massive balance of payments problems and other serious discomfit for most nations. The developing countries have been very severely affected. Most foreign countries do not have extensive coal reserves like the United States or possess hydro or geothermal resources than can supply a portion of their energy requirements. For many countries the choice must be imported oil at whatever price or lower-cost nuclear power. Can they be beguiled by nuclear opponents into waiting for promised breakthroughs in solar energy, fusion, and other new or advanced energy forms? I think not, though I hasten to add that when it comes to the search for new energy sources my long record fully testifies to my unflinching support of all promising R&D missions. But pending the great improvements that I hope and pray the future will bring, I, and I think most of the people in the world, know the difference between something in hand and promises, promises.

With nuclear power comes reprocessing. For most foreign countries the energy content of uranium and plutonium represents a significant addition to their domestic energy resources. They may well tend to view the value of this recoverable energy in terms of its credit benefit in the allocation of scarce foreign exchange for imports, rather than as a percent of the total cost of power. In any event the economic impact is important. In an energy starved world where conservation is imperative, we should not expect that source of fuel will be wasted.

(8) As apparent from the foregoing remarks, I recommend striving for an improved anti-proliferation program that includes the following elements:

- (a) Realistic acceptance of the worldwide prospects for nuclear power growth.
- (b) International participation by the U.S. in civilian nuclear power activities.
- (c) Strengthening IAEA.
- (d) Working out a safeguards system of standards and procedures commonly acceptable to supplier countries as a condition of sales, the agreement to address first the current situation, and within a few years the outlook at that time, with flexibility built in for periodic reappraisals and revisions.
- (e) Inclusion in the cooperative understanding of practical restrictions on availability of enrichment capability and reprocessing facilities, on dissemination of information of a Restricted Data nature and on fabrication of fuel and shipment and storage of fuel and reactor-produced materials.
- (f) Exploring the possibility of building and operating reprocessing and related facilities under multi-national auspices.
- (g) In collaboration with other countries, conducting a continuing R&D program to seek improved chemical and other technological means of increasing the difficulty of diverting or stealing sensitive materials for weapon purposes.
- (h) In collaboration with other countries, improving the means of storing and disposing of radioactive wastes, of protecting facil-

ities against sabotage, and of minimizing the MUF problem.

(1) Inclusion in the cooperative understanding of the continuing general observation of activities in kindred fields (research reactors, etc.) so as to exclude from closer control activities and facilities that have no practical impact on the proliferation watch, and to include those that do.

(j) Reforming and simplifying the U.S. export approval route, including:

(1) Assuring consistency with the safeguards system agreed to multi-nationally.

(2) Adherence to the Restricted Data system and Section 123 requirements in the Atomic Energy Act, as they may be modified to enlarge the President's role or Congressional oversight.

(3) Eliminating any NRC role in relation to circumstances, implications or consequences outside U.S. territory, except possibly to render advice to Executive agencies on comparable safeguards in the U.S.

We are dealing with an issue that will not necessarily be diminished by dint of U.S. sincerity, alacrity, or high motivation. Gulliver meant well when he decided to use the only gusher available to him to extinguish the conflagration in the palace of the Lilliputian empress; he was sincerely convinced that thimbles of water with which the Lilliputians were fighting the blaze would be ineffectual. Instead of the commendation he expected for extinguishing the fire in three minutes, he earned the empress' enmity because her quarters were permanently polluted and unusable. I have often thought of the good lesson in that tale.

Sincerely,

MELVIN PRICE,
Chairman.

MR. ABEL HOLTZ

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, recently my wife and I attended in Miami the dinner of the Latin Chamber of Commerce, of which the president is my distinguished friend, Luis Sabines. The principal speaker on this occasion was a distinguished banker and businessman in the Greater Miami area, Mr. Abel Holtz. Mr. Holtz has built a great financial institution in Greater Miami which renders most valuable service to the economy of our county and State. Mr. Holtz is a man of great ability, of innovative ideas, and deep dedication to the well-being of the community and the public interest. I thought it would be of great value to the Members of the Congress and to those who read this RECORD to be able to read this outstanding address given on this occasion by Mr. Holtz.

I must point out that this isn't the first time I have attended a CAMACOL banquet-session. We are a part of this institution of Latin merchants and industrialists, Cuban in the majority, and I feel proud to see its growth, its maturity and its strengthening, its participation, its contribution to an improved coordination of the basic relationships of its components and its work trajectory, product of the faith that you all have placed in the institution.

The Latin Chamber of Commerce has grown along with the city, the county and the state, with a dedication and motivations which many do not understand, without receiving financial income except the product of its members' dues, and nevertheless, there is the labor achieved, the work and the fruit and the more viable future for attaining common objectives of improvement.

It is fair to say that the greater part of

the members of this CAMACOL are Cubans. Uprooted Cubans in exile. An exile motivated by the violent establishment of a communist system in Cuba. Not a voluntary or solicited immigration. The product of all levels of Cuban society, representatives of all the sectors, are included in this conglomerate of Cubans. About the million Cubans who left their country [There is obviously something missing from this paragraph, for it doesn't make sense as it is written—Trans.], it presented, without a doubt, a challenge which opened a question. Would they be capable of getting along in a new environment? Would they be successful in facing the language barriers or in businesses or professions in an environment different than the one they had left behind?

Time, contemporary history, knows that there has been an answer to these questions. The challenge wasn't able to cow our compatriots. The challenge, of the language, of the environment, of the customs, of the system, were overcome [sic]. And that faith in that destiny, has served for other Latin Americans, along with the Cubans, who before had assimilated into the anonymous current of the mass, to converge on duties and rights and to constitute, as they are today, a productive minority, appreciable and to be reckoned with, for the improvement and evolution of this area.

I said years ago, from this same CAMACOL dais, that if Cuba became free, Miami would turn into a disaster area. And although there has been a lot of maturing in this exile and although economic interests and generations compel this area and the free Cuba of a future date, it is no less true, also, that the disappearance of the motivations for keeping all Cubans in this area would make itself deeply felt in every sense, which would mean a hard blow to Miami's economy.

As long as this doesn't happen, and that was what the Cubans actually thought who arrived here several years ago, on the very basis of survival it was necessary to go ahead with planning and involvement within this community by attending all the factors and levels. And the industry, trade, banking, culture, education, religious base, human solidarity, manual skills, construction, relations with the outside world, were being cemented today [sic], to our way of thinking, without losing our identity; we are a solid base, evaluated through the work of half a million Cubans within this great community.

We have profited from, and we have also suffered with the same problems which the rest of the community has profited from and suffered with. Inflation and unemployment are the two main problems that are burdening the Latin community at this time. And from these two problems, arise or persist others such as delinquency in which theft, crime, drugs and other common crimes enter in, or the continued confrontation between the two cultures or the persistent interference of political elements who want to break up the potentiality of the Latins.

Upon these, both in the basic problems, inflation and lack of jobs, as well as those that are generated through these, the CAMACOL has mounted, and the group of men have mounted them who, quite dedicated to industry, trade, banking or other economic or cultural factors realized the challenge and the rivalry [?] and along with professionals and workers, has been overcoming the economic tragedies.

We went through an economic "boom" in the years 1970 to '73, later the scales tipped toward less productive times, with traces of recession and that the mettle of those of us who arrived on these shores has weathered the storms and are preparing for better situations which, while moderate, will yield better fruits, due to the fact that the results will be, not economic booms, but the coordinated work of a community [sic entire sentence].

Better times are drawing nigh. And much more so in the state of Florida, in the country and in the city of Miami. A genuinely

touristic area, it has also become the center and liaison capital for trade relations with South America and Europe. The proliferation of small businesses, in a diversified economy, obliges the diminishing of the impact of inflation. The creation of new industries, of new trade, creating areas of job sources that seem to be the solution to the disappearance of that specter which is unemployment [sic entire sentence]. The revival of the building industry, which was at its lowest ebb in recent years, also forecasts better times. Almost 70 percent of the surplus which there was in uninhabited condominiums has already disappeared and the building of family housing and commercial buildings has been increasing proportionately.

If an improvement was felt in our economy in 1976, which wasn't explosive, but serene, more tranquil and deeper-rooted, the years that are beginning with this 1977 will be much better because they are the product of that planning and coordination which the leaders of this great nation were obliged to do. It will be a healthier economy, without the hues of inflation or the partialities caused by unemployment.

The growth of the state of Florida which, along with that of Arizona, are the two best prospects in growth in this country, specifically in the area of Dade County, will be on a higher scale, owing to the contribution of the Latin community which already passed through the take-off stage and is now in production, as well as the contribution of the black minority. It is necessary to point out that that minority which the blacks represent has also participated in the development challenge and supported by the legislation that arose after the Sixties, they are on their way to attaining the benefits and rights which their participation represents in the integration of this community, which means that by keeping these two minorities active, the result, of necessity, has to be favorable.

The improved understanding of our community will see itself reflected in months to come, when we see them taking part in the O.A.S. Interamerican Fair which is announced for 1978; when we keep them in mind in the creation of a foreign-trade zone; when it contributes to that big investment which is the Rapid Transit System, or when we see it evolve on the levels of tourism.

All these projects bring with them investments of money, creation of thousands of jobs, facilities for an improved involvement in services and businesses, consequently, direct participants of the reasons for an improvement in the economy.

In like form the banks and financing sectors are participating. Today our banking has an overwhelming pace. The economic indicators show a trajectory of advance and bearing in mind that the bank debts—measures of the volume of business transactions—reached the figure of over 18 billion dollars, there isn't the least doubt that in this state there is more confidence in its future.

The banks that are operating today in this state handle deposit accounts of over 6 billion dollars. An index not reported in the growth of other areas. And specifically in our county, where 17 banks not only have presidents of Cuban origin, but a large percentage of their highest officials also are of this origin, which means more stimulus to the economic sectors. These banks already exceed the figure of a billion in deposits and commercial transactions continue at an accelerated pace.

If we bear in mind that economic legislations intend to authorize the establishment of foreign banks in Florida, the affluence of that capital, from all parts of the world, will contribute to the economic strengthening which is already drawing breath. The arrival of those capitals and investments are nothing else than the conviction of the finance world that this area is healthy and clean for such transactions. And of course

the Latins, Cubans in particular, have had a great deal of responsibility in this financial keynote. In exchange the Latin or Cuban banks in this area will likewise be able to open their operations in foreign countries, mainly in South America.

This is the time to manufacture, to build, to obtain the necessary funds for the purchase of land, development, building and to obtain permanent financing.

The manufacturing and financing costs at the present time are adequate to enable obtaining the earnings on the profits that will be derived from this market in the future.

And thus it happens with the increase in imports and exports. As it is happening with the development of small businesses simultaneously with the increase in large and small industries, which permits us Latins to export to Latin America, Africa and other places in the world as likewise we are importing from Europe and the rest of the western hemisphere.

The future and our development, this year and those to come, is more than promising. Involved in factors of undoubtable reality. Tourism, trade exchange, increase in buildings, increase of a populace with a higher cultural and educational degree, in a bilingual and bicultural region, benefitted through legislations that respect the rights of minorities, with a banking organization on a par with the best in the world and with a desire to advance and conquer, product of this black-Saxon or hispanic mixture which today constitutes all this southern Florida.

SUPPORT FOR ENDING MANDATORY RETIREMENT

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the House Select Committee on Aging, which I chair, held on May 25, 1977, a hearing at which active people over 65 testified against mandatory retirement.

Among those who wrote supportive letters but could not be present were: former distinguished Senator Sam J. Ervin, Jr., Bob Hope, John Wayne, and Lowell Thomas. Senator Ervin has sent me an editorial on this subject, which appeared in the Charlotte Observer of May 31, 1977. Our committee is pleased to have the support of this very distinguished newspaper and especially when it cites Senator Sam Ervin among great Americans who have done so much to preserve the integrity and the greatness of this country.

Mr. Speaker, I ask that Senator Ervin's cover letter, together with the editorial from the Charlotte Observer, appear in the body of the RECORD following these remarks, along with the letter of support from John Wayne and similar editorials from newspapers in Jackson, Tenn., Minneapolis, Minn., and Lewiston, Maine.

MORGANTOWN, N.C., May 10, 1977.

HON. CLAUDE PEPPER,
Chairman, Select Committee on Aging,
Washington, D.C.

DEAR CLAUDE: I appreciate more than I can say your action in extending me an opportunity to testify before your Select Committee on Aging in favor of H.R. 1115, which is designed to eliminate mandatory retirement in the federal government as a first step.

My many commitments require me to decline this invitation. However, I wish to say that I am strongly in favor of the bill.

I think it is rank discrimination against human beings to assume that all of them become more or less unless to the world

when they attain the arbitrary age of 65, and for that reason ought to be forced to retire at that time. It is rank discrimination against them because it forbids those having the employment power of the federal government to judge each individual on his or her capacity to perform a useful task.

Different people age at different periods of life. I have known some people who have become ancient by the time they are 40 and some who were very youthful when they were approximately 90. I think it is a crime against humanity for society to try to wrap people up in cellophane and place them in a mausoleum merely because they reach an arbitrary age. By so doing, society robs itself of the benefits of experience and in many cases much wisdom. Retirement should be optional.

Last night I was watching television. It gave an account of a woman teacher somewhere in Ohio who was forced to retire by her school board merely because she had reached the age of 65. By way of explanation of his board's action, the Chairman said the established mandatory retirement age for school teachers was "to keep from being cruel to individuals." To keep from being cruel to individuals, the school board decided to be cruel to everybody on an entirely arbitrary basis. By so doing, the board manifested both a lack of courage and a lack of intelligence.

With all good wishes, I am
Sincerely yours,

SAM J. ERVIN, JR.

[From the Charlotte (N.C.) Observer, May 31, 1977]

SENIOR RIGHTS—THE ELDERLY FIGHT AGE BIAS

A new civil rights movement is under way, one that sociologists and politicians might have predicted. In time it is likely to overtake the crusades by blacks and women, because it includes some of both. The movement is in behalf of the aged.

It made some progress last week in hearings before the House Select Committee on Aging, headed by Rep. Claude Pepper, a 76-year-old Democrat from Florida. The hearings became a protest against mandatory retirement practices that discriminate against the elderly because of their age.

Even movie hero John Wayne, one of the last people you'd expect to see in a demonstration, joined the protest. He sent a picture of himself in bathing trunks at age 70, challenging members of Congress to tell him he was too old to continue working.

Other famous people participated, too. Col. Harlan Sanders, 86, of fried chicken fame, actor Will Geer, 75, of "The Waltons" TV series, and elder statesman Averell Harriman, 86, all complained that mandatory retirement rules cruelly left productive people with little to look forward to but death.

Former Sen. Sam J. Ervin Jr., the North Carolina Democrat who won fame at age 73 by conducting the Senate's Watergate hearings, told the committee by letter: "I think it's a crime against humanity for society to wrap people in cellophane and place them in a mausoleum merely because they reach an arbitrary age."

Statistics should have warned politicians and sociologists that an elderly protest was coming. Population projections indicate that elderly people are beginning to become a larger proportion of the population.

Already Social Security reserves and the costs of medical assistance to the elderly are beginning to show the effects of that increase. Elderly people argue that forcing them to stop work and slow down only contributes to the spiraling costs. Not only do the tax and insurance systems lose their income, but their inactivity makes them more susceptible to illness, physical and mental.

Mandatory retirement rules are attractive to government and corporations because

they avoid the necessity of having to look carefully at an elderly worker's potential. They force out the productive as well as the infirm. That is a waste of human resources.

Interestingly, in the field of music, one of the most demanding of disciplines, age is not considered a limiting factor. Leopold Stokowski is still conducting at age 90. Arthur Fielder still leads the Boston Pops Orchestra at 82. The late Arturo Toscanini was still active at age 89. Jazz trumpeter Louis Armstrong was still blowing his horn at 71; pianist Duke Ellington was still playing and composing at 75.

The elderly are correct. Mandatory retirement is wrong. People age 65 and over ought to be permitted to work as long as they want to and are able to, at lesser jobs and slower speeds, if that's necessary or desirable. They represent a valuable resource.

JOHN WAYNE,

Beverly Hills, Calif., 90212, May 11, 1977.

HON. CLAUDE PEPPER,
Select Committee on Aging,
Washington, D.C.

DEAR CONGRESSMAN PEPPER: I am 70 years old.

I not only flew over but tread on enemy soil during World War II and the Viet Nam War. I have been in bombings and was personally shot at in First Corps area during the Viet Nam period.

I am short a lung lobe; have had cancer. Besides making "The Shootist" last year at an altitude of 7,000 feet, I have taken part in the development of an oil water separator which is being installed on Coast Guard and Navy boats ("Oliver Hazard Perry") to help the ecological problem; not a "do-gooder don't" but a positive improvement to one of our ecological problems.

This could go on and on, but they tell me a picture is worth 10,000 words. Here's one of me after my morning two miles. Which one of you is going to step up and put me out to pasture—and don't let my gray hair make a coward out of you.

Seriously, it is obviously a waste of the taxpayers money and political nonsense to retire 22,400,000 people. Physical and mental reasons might make it necessary to retire someone at 40 or someone at 50 or someone at 60; but to force 22½ million experienced adults out of the work force for a statistic is ridiculous.

Sincerely,

JOHN WAYNE.

[From the Jackson (Tenn.) Sun,
May 27, 1977]

CRIME AGAINST THE ELDERLY

"It's criminal, absolutely criminal that old people should be put on the shelf. I have known dozens of people who have nothing to do but die."

The words came from television star Will Geer in testimony Wednesday before the House Select Committee on Aging. The topic: mandatory retirement in private and government business.

Gravel-voiced, 75-year-old Geer, known as "Grandpa" on "The Waltons," was joined by a host of other faces familiar to the American public, including fried-chicken king Col. Harlan Sanders, 86, elder statesman Averell Harriman, 86, Academy Award actress Ruth Gordon, 80, and Tommy Cochran, 76, once a chief aide to President Franklin Roosevelt.

All expressed essentially the same sentiment as Geer, making an impressive plea against mandatory retirement. They said what hundreds of thousands of common, every-day senior citizens also attest to as living proof that age 65 is not the end of an active, productive life.

The "crime" is the product of society's deeply rooted attitudes concerning youth and work.

To be young is to hold the world in your hand. Nearly everything—clothes, entertainment, cars, television—caters to the youthful. But as a person adds years, society offers him less and less. Life becomes an ever-narrowing path that stops at the foot of a rocking chair.

Meanwhile, the job is our life-long prison in which we learn to savor the incarceration. The labor there is of love, or at least of psychological necessity.

Then at age 65, with youth lost, the job goes too.

If anything is outdated it is the cruel notion, strongly held by society, that there is a magic age when suddenly the human body folds up and wilts like a parched rose. The job, to many, is the fertilizer and water of the soul. Keep applying it and the blossoms last and last. Take the job away and the rose quickly dies.

The appeal made by Will Geer and the others is this: Society must quit turning its back on its senior citizens and recognize what wealth of contributions they still are capable of despite their greyed heads. It's not just their loss, but ours as well.

It's a sad irony that just as persons learn about all that can be learned in a lifetime, they're suddenly told that it, and they, are not important.

Judging how we treat the elderly, is it any wonder why mandatory retirement and the lifespan of the average male is separated only by two years?

[From the Minneapolis Tribune, (Minn.), May 29, 1977]

FOR LATER RETIREMENT

You do not have to be a fried-chicken king or an aging Hollywood he-man to know that advancing years need not mean declining abilities. But it helps to see what Col. Sanders, John Wayne and others in their 70s and beyond told a congressional committee the other day about the value of later-life careers.

Most of the emphasis in recent years has been in the other direction. Early retirement, it's been said, benefits individuals, businesses and society at large. In many cases that is undoubtedly true. But other evidence suggests that the greater error lies in the incentives, including Social Security, for workers to retire sooner than they should. Extending the retirement age could do more good for more people than reducing it.

When enacted in 1935, the Social Security system was designed to encourage industrial workers to retire at age 65, thereby creating more job openings in that Depression era. At first glance, conditions might seem similar now since unemployment, though not as high as it was 42 years ago, is still a national problem. But several things have changed.

Social Security has grown to include 90 percent of the work force, and most jobs now put a greater premium on mind than muscle. To make 65 the "normal" retirement age in their circumstances is foolish. A variety of studies have concluded that people between 65 and 75 are as productive as younger workers unless involved in physical labor; that they remain able to learn; that they are often more reliable, and that many would prefer work to retirement.

And there are more of them. One of the profound changes in American society is the increasing age of its citizens. This is not a new phenomenon. For several decades the number of Americans 65 and older has been growing. They now constitute nearly 11 percent of the population, double the proportion in 1940, and their larger numbers have made the rest of the public more aware of them. The Census Bureau expects the upward trend to continue.

Meanwhile, the decline in school enrollment vividly illustrates the coming of age of children born after World War II, with

no comparable baby boom succeeding them. So the growth in the number of new workers will be slower than the growth in the elderly population. The Social Security Administration predicts an increase in the labor force of 16 percent by 1985 while the number of Social Security beneficiaries grows 31 percent. That trend is not new, either. But it is widening the disparity between the number of beneficiaries and the number of workers who, with employers, finance the system.

Finances will be strained further, though justifiably, by a recent Supreme Court decision. The court decided that an estimated 290,000 retired men had been improperly excluded from the system and should receive benefits. No wonder Social Security has problems.

The short-term solution is an increase in the Social Security tax paid by employers and employees. A long-term solution necessarily will have many components, one of which should be to recognize that older Americans offer an opportunity rather than a problem. An increase in the retirement age for many occupations would employ talents otherwise wasted. It would make a healthier society. It would increase Social Security revenue and cut costs. The idea has not gained much support in Congress or the administration so far, but it should.

[From the Lewiston (Maine) Sun, June 1, 1977]

MANDATORY RETIREMENT

The concept of mandatory retirement at age 65 is the product of the Social Security System and of various types of pensions plans. The philosophy behind it is that those who reach that age would retire, receiving benefits to take care of them. That in turn would create job openings for younger people.

Currently, in Congress, the concept is being challenged. Rep. William Cohen of Maine, supports legislation which would end the arbitrary retirement age of 65. Testifying at a hearing of the Select Committee on Aging in Washington, our Second District Congressman contended that mandatory retirement "discriminates against our elderly in flagrant violation of the principal of equal opportunity." The legislation would amend the 1967 age discrimination employment law to protect people over 65. It now affects only those under that age.

There have been many changes in the population of the United States in the decades since Social Security was enacted. People are living longer. Improved health care makes it possible for more people to be active and productive well beyond the age of 65. The mandatory retirement age ignores those factors.

One of the people testifying at the special hearings was Col. Sanders, the Kentucky Fried Chicken king, a shining example of what a senior citizen can do. He was over 65 before he started his fried chicken business, which has spread nationwide.

Retirement means different things to different people. The state of a person's health can be the determining factor. By removing the mandatory factor, freedom of choice would rule. It's a good idea.

LEGISLATION RELATING TO DISCHARGE UPGRADING PROGRAM

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

Mr. HAMMERSCHMIDT. Mr. Speaker, as the distinguished chairman of the Committee on Veterans' Affairs has previously announced, a special oversight

subcommittee of his committee began hearings today on the special discharge review program announced by the administration on March 28.

This program, Mr. Speaker, will enable certain veterans with other than honorable service to have their discharges upgraded, thus permitting them to qualify for veterans' benefits. Any distinction between honorable and other than honorable service would be eliminated. Any recognition of the valiant contribution of the fighting man in Vietnam would quickly disappear.

I, for one, Mr. Speaker, believe it would be a gross error to authorize veterans' benefits for the man whose service was less than honorable simply because his discharge paper was changed to "honorable" by administrative fiat. Accordingly, I have introduced several bills, as have other Members, providing alternate methods of denying benefits to those persons with discharges that were upgraded from "other than honorable" as the result of the special discharge review program.

Another possible solution to this pressing problem has been suggested to me, and I am pleased to sponsor a bill that will permit the board of review to make a separate determination as to whether an upgraded discharge would have been awarded under the standards in effect prior to the special discharge review program. If the finding is in the affirmative, the petitioner would be entitled to veterans' benefits for which he may otherwise qualify. A similar measure, Mr. Speaker, has been jointly cosponsored in the other body by the chairman and the ranking minority member of the Committee on Veterans' Affairs. The text of the bill follows:

H.R. —

A bill to deny entitlement to veterans' benefits to certain persons who would otherwise become so entitled solely by virtue of the administrative upgrading under temporarily revised standards of less than honorable discharges from service during the Vietnam era, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3103 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) (1) Notwithstanding any other provision of law, no benefits under laws administered by the Veterans' Administration shall be provided on the basis of an award of an honorable or general discharge under revised standards for the review of discharges (A) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (B) as implemented subsequent to such date and not made generally applicable.

"(2) With respect to any person who was discharged from active military, naval, or air service under less than honorable conditions and, under the revised standards described in paragraph (1) of this subsection has been awarded a general or honorable discharge, the board of review concerned under section 1553 of title 10, United States Code, subject to review by the Secretary concerned, shall, on its own initiative and in the absence of objection by such person after being duly notified of its intention to do so, make a separate determination whether such person would have been awarded an ungraded discharge under generally applicable standards for the review of discharges under such section 1553.

Any such determination that a person would have been awarded an upgraded discharge shall entitle such person to benefits under laws administered by the Veterans' Administration just as though the upgraded discharge had been awarded under generally applicable standards. In the event that such board determines that such person would not have been awarded an upgraded discharge under such generally applicable standards, such person shall be entitled to notice thereof and appearance before the board as provided in section 1553(c) of such title."

Sec. 2. Notwithstanding any other provision of law, the Administrator of Veterans' Affairs may, in the Administrator's discretion pursuant to such regulations as the Administrator shall prescribe, provide health care pursuant to chapter 17 of title 38, United States Code, for any disability incurred during active military, naval, or air service in line of duty by a person other than a person barred from receiving benefits by section 3103 of such title, but not, pursuant to this section, for any disability incurred during a period of service from which such person was discharged by reason of a bad conduct discharge.

Sec. 3. It is the sense of the Congress that the Administrator of Veterans' Affairs, in promulgating, or in making any revisions of or amendments to, regulations governing the standards and procedures by which the Veterans' Administration determines whether a person was discharged or released from active military, naval, or air service under conditions other than dishonorable, should, in keeping with the spirit and intent of this Act, not promulgate any such regulations or revise or amend any such regulations for the purpose of, or having the effect of, providing any unique or special advantage to veterans who have received upgraded discharges under the Department of Defense's special discharge review program or otherwise making any special distinction between such veterans and other veterans.

Sec. 4. Section 1 of this Act shall apply retroactively to deny entitlement to benefits, but the United States shall not make any claim to recover the value of any benefits provided prior to the date of enactment of this Act.

LAND ACQUISITION AND WILDLIFE MANAGEMENT IN SOUTH DAKOTA

(Mr. ABDNOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ABDNOR. Mr. Speaker, issues surrounding the protection and enhancement of our Nation's wildlife resources are of great concern to the people of the United States, particularly my constituents. For example, in his message on the environment, President Carter proposed a 50 million budget increase over the next 5 years to purchase waterfowl habitat. Under existing budget authority, the U.S. Fish and Wildlife Service has set a goal of preserving 275,000 acres of wildlife habitat in fee title and 500,000 wetland acres by easement in the central flyway during the next 10-15 years. This is of extreme interest to South Dakotans since about 40 percent of these acquisitions—110,000 and 220,000 acres, respectively—are expected to occur in South Dakota.

It is obvious that acquisitions of this magnitude will have a great impact on South Dakota, and it is of most importance that the interests of our State are considered and protected.

I would like to call to the attention of my colleagues the May 7, 1976, letter

which I addressed to Mr. Nathaniel Reed, Assistant Secretary of the Interior for Fish, Wildlife and Parks during the Ford administration, and his August 9, 1976, response regarding aspects of the Department's wildlife management plans for my State:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 7, 1976.

Mr. NATHANIEL REED,
Assistant Secretary for Fish and Wildlife and
Parks, U.S. Department of the Interior,
Washington, D.C.

DEAR MR. REED: As you know, South Dakotans pride themselves on the abundant wildlife resources our state is fortunate enough to possess. It is no secret, however, that management policies and the continuing removal of additional lands from private ownership have generated a great deal of unrest in many areas of my state.

Within this context, I would very much appreciate being apprised of comprehensive plans of the Department of the Interior for wildlife management in South Dakota for the foreseeable future. Some of the specific points I would like information on are as follows:

(1) How many surface acres—land and water, respectively—are currently under public ownership in the state and being managed either solely or partially for wildlife purposes.

(2) How many acres in private ownership in the state are being managed for wildlife purposes under easements, the Water Bank Program, or other arrangements?

(3) What additional property or easement acquisitions do you anticipate the Department will be making for wildlife purposes in the near future?

(4) Is there a master plan relative to acreages, public and private, which the Department believes should ultimately be managed solely or partially for wildlife? If so, what are these acreage totals and, as specifically as possible, their locations? If not, what sort of long-range planning has the Department done in this regard?

(5) What is your annual outlay for wildlife land and easement acquisitions in the state and your annual outlay for operation and maintenance? Do you have sufficient annual funding for each purpose?

(6) Is there adequate cooperation and coordination between state and federal officials in acquiring and maintaining wildlife management areas? What formal or informal agreements are in force in this regard? Is there adequate cooperation among federal agencies in optimizing land currently under their jurisdictions for wildlife purposes in South Dakota?

(7) What efforts has the Department made to improve its relations with those in the localities bordering wildlife areas? Does the Department feel an economic impact state-problem? If so, what additional efforts can be made to improve relations? What, if any, procedure does the Department have to involve local people in acquisition and management decisions? Is there a grievance procedure, other than expensive court proceedings, for handling disputes with adjacent landowners?

(8) Are economic factors adequately taken into account in the acquisition and management of wildlife areas? Does the Department weigh the public and private economic costs and benefits of management alternatives, e.g. fee simple title acquisitions versus easements? When I was in the State Legislature, the Department of Game, Fish and Parks was authorized to make tax payments to counties for state held wildlife areas. Should the federal government not provide similar considerations for local governments? Does the Department feel an economic impact statement analogous to the present environmental impact statement might be merited to ensure adequate opportunity for the public to weigh all factors which affect them?

(9) It is my understanding no consideration of economic factors is provided for under the Fish and Wildlife Coordination Act (FWCA). Would the Department support legislation requiring the U.S. Fish and Wildlife Service to make grants to prospective irrigators to cover increased expenses incurred in complying with objections, pursuant to the FWCA, in the granting of Corps of Engineer Sections 10 and 404 permits? South Dakota lost in excess of 500,000 acres to the Missouri River reservoirs, and now objections which do not even take economics into account threaten to deprive us of promised irrigation benefits. Is not the above suggested grant program the least we have a right to expect?

(10) Where wildlife management objectives are not suited to economic analysis, how are decisions reached? Who makes them? What opportunities for public involvement are provided?

Does the Department endeavor to maintain populations of specific species? If so, how are baseline populations determined? Are indigenous species given priority or are introduced species, such as the ring-necked pheasant, given equal consideration? How are these priorities determined, and how is the success of your efforts measured?

(11) The Nature Conservancy, through establishment of the Samuel Ordway Memorial Prairie, and the Southland Corporation, through the establishment of the Mundt Eagle Refuge, provide excellent examples of private initiatives to foster wildlife and habitat preservation. Is there anything public officials can learn about wildlife habitat acquisition and management from these private efforts? Do you know of any additional private initiatives such as these? How do their costs/acre compare with publicly provided wildlife areas? Finally, is it not true any effort to enhance wildlife is doomed to failure if it lacks public (especially local) support?

Thank you very much for your attention to these questions. They are of great importance to my constituency. Your response will be most helpful to me in attempting to represent their interests, and I hope you will feel free to add any further comments you think important in this regard.

Sincerely,

JAMES ABDNOR,
Member of Congress.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 3, 1976.

Hon. JAMES ABDNOR,
House of Representatives,
Washington, D.C.

DEAR MR. ABDNOR: This further responds to your May 7 letter concerning the plans of the Department of the Interior to purchase additional lands in South Dakota, and the management of areas to promote the wildlife resource. I regret we did not respond to your inquiry sooner, but a good deal of input from several sources was required to answer your questions.

It is inevitable that the activities of the Department to conserve, protect, and manage the wildlife resource should be of increasing public interest because of the mounting pressures on wildlife and its habitat. The Congress has plainly recognized the "fish and wildlife resource as one component of a desirable quality of life for this Nation. As stated in the National Environmental Policy Act of 1969, it is a policy of the Federal Government to "create and maintain conditions under which man and nature can exist in productive harmony." But we are still wrestling with the problem of how abstract values of the natural environment, and human activities oriented to it, are to be coordinated with economic requirements.

Before I address your questions individually, perhaps a capsule overview is in order. The Department's Fish and Wildlife Service

is responsible primarily for the protection of migratory birds of national and international significance, and for threatened and endangered species. Except in a cooperative role, the Service ordinarily does not become involved with resident species (as, for example, the ring-neck pheasant). The individual States have that basic jurisdiction.

In examining the policies and operations of the Fish and Wildlife Service, it is important to keep in mind the common distinguishing characteristic of migratory wildlife. Their seasonal movements do not respect State lines. For instance, the native breeding grounds for migratory ducks and geese in the United States are centered in the Dakotas and Minnesota. Long-term loss of habitat there means fewer birds moving down the flyway to the Gulf of Mexico during the hunting season. Conversely, feeding and resting areas along the flyway are essential to the birds' survival. As a result, conservation of the resource cannot be approached from the perspective of one State or one locality only.

For the most part, the national migratory waterfowl refuges in South Dakota were acquired in the 1930's. For the last 15 years, land acquisition emphasis has been on easements and fee title purchases of dispersed small wetland areas for waterfowl breeding purposes, pursuant to the 1961 Wetlands Loan Act, as amended. Under this current program, all purchases have been negotiated on a willing-seller basis. In no case has the right of condemnation been exercised, or even used as a threat, directly or indirectly.

I hope the following answers to your questions will provide helpful insights and lead to a better understanding for all interests concerned.

Question 1. Currently there are 253,271 acres of land and water (0.51 percent of the total State area) under public ownership or perpetual easement and managed solely for wildlife purposes, as follows:

State of South Dakota (game, fish and parks):	
Game production areas and public shooting areas.....	126, 941
Game refuges.....	6, 829
Total	133, 770
U.S. Fish and Wildlife Service:	
National wildlife refuges.....	46, 859
National fish hatcheries.....	723
Waterfowl production areas.....	71, 919
Subtotal	119, 501
Total	253, 271

Table 1 (enclosed) shows all lands in State and Federal ownership. It is impossible for us to estimate how many are managed "partially" for wildlife purposes. We venture that on most of them any wildlife benefits are unplanned or incidental.

Question 2. There are 274,756 wetland acres under perpetual easement for waterfowl areas, as shown by Table 2 (enclosed). Lands under waterfowl production area easement remain in private use and are not managed for wildlife purposes, except for the owner's obligation not to drain, burn, level or fill wetland basins. Wetlands are often grazed or hayed and, in dry years, cultivated. No active wildlife management practices are employed by the Government or required of the owner on the easement lands.

We have not included figures on the water-bank program since we expect that the Agricultural Stabilization and Conservation Service will provide this information.

Question 3. By Public Law 94-215, extending the Wetlands Loan Act, the Congress this year reaffirmed a high priority for acquisition of waterfowl production areas. In consequence, the Fish and Wildlife Service has set a goal of preserving an additional 275,000 acres of wildlife habitat in fee title and

550,000 wetland acres by easement during the next 10-15 years in the principal migratory waterfowl breeding ground of the Central Flyway. The Service intends to continue purchasing from willing sellers, as negotiable opportunities are available. Although it is extremely difficult to predict State acreage totals, the majority of the best remaining unprotected habitat lies in South Dakota, and it is estimated that approximately 40 percent of the acquisition will take place there.

Question 4. Originally in the 48 contiguous States there were some 127 million acres of wetlands. By 1955, this acreage had been reduced to approximately 74 million of which 22.5 million acres were considered by the Department to be of significant value for migratory waterfowl use. Because of this disturbing trend, a goal of 12.5 million acres of habitat in public ownership was set as necessary for the welfare of the resource. Of this amount, it was anticipated the States would acquire 4.5 million acres and that the Department should control 8 million acres, including lands already owned and to be acquired.

Within the 8-million acre long-term objective, the accelerated land acquisition program, which began in 1962, had an interim goal of 2.5 million acres. A recent reevaluation of data shows an additional 1.3 million acres of prime waterfowl habitat should also be acquired, and the Service goal has been increased accordingly to 3.8 million acres. Half of this acreage was acquired by the end of Fiscal Year 1976, leaving another 1.9 million acres still to be acquired. In the Department's view, this does not represent the total needs of the waterfowl resource in terms of adequate populations and distributions. However, it does reflect what the Department perceives to be the most vital habitat to continental waterfowl and the most vulnerable to destruction or adverse modifications over the next 10-15 years.

Question 5. The principal sources of funding for the acquisition of wetlands come from the Migratory Bird Hunting Stamp Act and the Wetlands Loan Act. National revenues from the sale of duck stamps have been averaging \$10-12 million for the past several years. These funds, together with advance appropriations under the Wetlands Loan Act, have been the major source of funds for the acquisition of wetlands and have not been adequate for such purposes. Rising land costs and inflation have greatly reduced the amount of habitat that could have been protected if funding had been increased.

The following chart indicates the outlays of funds for the acquisition of lands in South Dakota over the past few years:

Acquisition funds obligated

Calendar year 1973.....	\$414, 100
Calendar year 1974.....	812, 825
Calendar year 1975.....	1, 012, 250
Calendar year 1976 (projected) ..	1, 405, 675

As indicated by the above chart, acquisition expenditures are increasing significantly each year. This is due mainly to increasing land prices and the fact that offers to landowners are in keeping with that trend.

The fiscal year 1974-76 (3-year) average budget for managing South Dakota's national wildlife refuges and wetland districts was \$572,000. This represents the total moneys allotted for operation, maintenance, and program administration. The actual level of funding varies slightly from year to year, depending upon Congressional appropriations as well as area, regional, and national priorities.

This present level of funding is not adequate to effectively administer our program. As a result, existing facilities have deteriorated and equipment replacement is far behind schedule. The refuge system in the United States, including the stations in South Dakota, has a tremendous backlog of needed facilities maintenance, but funding

has not been at a level to adequately maintain these required facilities and equipment.

Question 6. There is free exchange of information between the South Dakota Department of Game, Fish and Parks and the U.S. Fish and Wildlife Service regarding proposed acquisition of land for the protection of fish and wildlife. In addition, no fee title purchase of land under the Wetlands Loan Act may be made without approval of the Governor. All purchase agreements are submitted to him through the Game, Fish and Parks Department after the commissioners of the county where the land is located have had an opportunity to make a recommendation.

One state-acquired area, Bear Butte National Wildlife Refuge in Meade County, is managed by the Fish and Wildlife Service under a cooperative agreement.

As suggested in our answer to Question 1, cooperation among Federal agencies in optimizing land for wildlife purposes leaves something to be desired. Additional wildlife benefits could be generated from some of the other public lands with additional emphasis and funding.

Question 7. The success of our acquisition program is greatly dependent on Service rapport with landowners. The scattered pattern of tracts acquired results in the Service having many next-door neighbors, so our field management and acquisition representatives have an especially strong incentive to try and maintain good local relationships. Service efforts to work with adjacent landowners on weed control and crop deprecation go on continually. Some local opposition cannot be avoided, because of the inherent difference in objectives between agriculture and wildlife conservation. Overall, however, local opposition has not been a major obstacle.

Much of the upland management on Fish and Wildlife Service lands in South Dakota takes the form of secondary economic use, such as controlled haying and grazing for native grass management or cooperative farming to establish wildlife cover and food plots. Most of this work is accomplished through cooperative farming agreements with local operators. Fence construction and maintenance is another area where we endeavor to cooperate to the fullest extent. Subject to availability of staff, Service personnel conduct tours of wetland areas for local school study projects. Madison Wetland District personnel, in particular, have worked closely with the local schools for a number of years.

Local people are not generally involved in the broader aspect of wildlife management decisionmaking because such decisions must be made first in the national interest. However, our resident personnel are well aware of public attitudes at the grass roots, and county commissioners play a big role in our acquisition program.

Station project leaders are responsible for receiving grievances and will do everything possible to reach a common solution. Local management offices are maintained at Martin, Lake Andes, Columbia, Waubay, and Madison. Aberdeen and Huron have land acquisition offices.

Question 8. By the very nature of the Fish and Wildlife Service mission, its programs cannot be justified solely on economic benefits returned. Public economic benefits attributable to wildlife lands are most difficult to quantify. We do believe that the common public concept overlooks some significant tangible economic benefits, such as the flood protection, erosion deterrent, and ground water recharge capabilities of preserved wetlands. Nevertheless, thorough consideration is given to economics in acquiring waterfowl production areas. As shown in Table 2, the ratio of wetlands protected by easement to lands acquired in fee title is approximately 4 to 1. Payments to landowners are based on market value appraisals of the lands.

We share your concern over the effect of

Government land acquisition on the real property tax base. Under authority of Public Law 88-523, the Fish and Wildlife Service has, since 1964, made annual revenue sharing payments to all counties in which Federal wildlife lands are located. Total payments in South Dakota for 1975 amounted to \$71,822.88. The statutory payment formula is not related to the county tax valuation, but land values are adjusted every 5 years. The revenue is more than the tax would be in some instances, and less in others. It is difficult to design a system that is completely equitable, but we would carefully consider any proposals for improvement.

A draft environmental impact statement has been prepared by the Fish and Wildlife Service on the National Wildlife Refuge System. (This includes waterfowl production areas.) Public comments have been solicited on this document. Congressional hearings were held prior to passage of Public Laws 87-383 and 94-215 concerning the need for a wetland acquisition program, and public input was considered in developing the legislation. The Service has received few complaints nationwide that the amount of revenue sharing funds does not adequately offset tax loss.

Question 9. The Fish and Wildlife Service is a review agency whose role in reviewing Section 10 and 404 permits is limited to determining if an applicant's private project is compatible with the publicly-owned fish and wildlife resource. Several other agencies make economic evaluations. We believe when economic feasibility is calculated, the cost to protect public resources should be included as a project cost.

For the following reasons, we would not support legislation requiring the Fish and Wildlife Service to pay irrigators to include provisions in private projects to protect the public's resources:

1. The Service would be placed in the position of supporting private projects that might adversely impact a public resource.

2. A public commodity (water) is being transferred to private use without compensation.

3. Section 10 and 404 permits, unlike the water right, are permissive and intended to be issued only if public uses or benefits are not infringed upon. We believe it is the permittee's responsibility to include modifications that may be necessary to prevent the public's rights, uses, and value from being diminished.

Question 10. The primary objective is to best manage wildlife with the resources available. In order to achieve this objective, national priorities for money and manpower are established. The Congressional commit-

tees and the Office of Management and Budget obviously are influential in the decisionmaking at this level. There are numerous other controls on decisionmaking. The Migratory Bird Conservation Commission must pass upon any acquisition of land for migratory bird refuges, including the price paid therefor. A multitude of proposed administration rules are published in the *Federal Register*, affording opportunity for public feedback before the rules are finalized. The Service is required to write environmental impact statements regarding some of its activities. These statements are subject to formal public hearings at the local level. Proposed selections of areas to set aside under the Wilderness Act likewise were subject to local public hearings.

As a matter of policy, the Service conducts public local meetings whenever a new refuge is under consideration. State governments participate through the Flyway Council and the Federal Aid in Wildlife Restoration Program. The Endangered Species Act of 1973 specifies that the Secretary shall make determinations of endangered species "... on the basis of the best scientific and commercial data available to him after consultation, as appropriate, with the affected State, interested persons and organizations, other interested Federal agencies, and, in cooperation with the Secretary of the State, with the country or countries in which the species is normally found..."

Generally speaking, Service policy is to support maintenance of present-day or greater population levels of all wildlife and particularly migratory birds and endangered species which are primarily Federal responsibilities. Specific population targets have been established for some migratory birds, especially in the game bird categories. Baseline population surveys of migratory birds have been going on for many years. A primary objective of the endangered species program is to stabilize at least minimum populations of species in this category before they diminish to the point where they are no longer self-sustaining. Recovery plans for individual endangered species identify target populations for that species and the means for maintaining those numbers. Some national wildlife refuges were created to promote the well-being of a specific species and target populations exist for these as well.

With regard to priority given to certain forms of wildlife, those falling within our legislative authorities (i.e. migratory birds, endangered species, and animals protected by special legislation) are given preference in management of Service lands. Habitat for resident wildlife is maintained and enhanced to the extent possible (which is considerable

in many places), but the authorities under which the areas are established and managed dictate the emphasis placed on the various species.

The cost-sharing projects with the States under Federal Aid in Wildlife Restoration and the Federal Aid in Sport Fish Restoration Acts have resulted in great benefits to resident wildlife. Here, there is no distinction between native and introduced species.

Question 11. There is an ongoing need to improve knowledge of habitat and management techniques so as to produce optimum wildlife benefits. No organization has all the answers to all the problems. Cooperation between public and private enterprise in the exchange of skills, ideas, data, and research results is critically important. The Fish and Wildlife Service has worked extensively with such organizations as The Nature Conservancy. The Service was helpful in the Conservancy's purchase of the Samuel Ordway Memorial in McPherson County, and, in turn, the Conservancy has purchased and then resold to the Government a number of other wildlife areas in the country.

We would like to emphasize, however, that private organizations do not have the same built-in restrictions on funding and negotiating ranges that the Government does. In purchasing land, consequently, they often can be more opportunistic and more responsive to imminent threats to habitat.

Unquestionably, local public support is essential to the success of a publicly funded wildlife enhancement effort. Local support is always desirable, but the Secretary and Director of the Fish and Wildlife Service would be remiss in the discharge of their responsibility if they based all decisions on strictly local considerations. They are frequently called to account by groups and individuals nationwide who are interested in wildlife conservation. Presently, the Secretary is defending several court actions brought by the Sierra Club, Defenders of Wildlife, Society for Animal Rights, Inc., and Fund for Animals, all alleging Departmental actions detrimental to wildlife. Obviously, such manifestations cannot be ignored, but we believe also that some reconciliation between local and national interests is necessary. We trust there will be continued open channels of communication to that end.

We hope this information will help your constituents to better understand our land acquisition and wildlife management programs. If we can be of further assistance, please contact us.

Sincerely yours,
NATHANIEL REED,
Assistant Secretary for Fish and Wildlife
and Parks.

TABLE 2.—LANDS IN SOUTH DAKOTA OWNED AND UNDER EASEMENT THROUGH SMALL WETLAND ACQUISITION PROGRAM, U.S. FISH AND WILDLIFE SERVICE (APRIL 1976)

County	Total county area		Fee title		Easement		County	Total county area		Fee title		Easement	
	Mi ²	Area (acres)	Acres	Percent	Wetland acres	Percent		Mi ²	Area (acres)	Acres	Percent	Wetland acres	Percent
Aurora	710	454,656	3,302.89	0.73	7,366	1.62	Hyde	863	552,320			9,122	1.65
Beadle	1,265	889,600	3,062.09	.34	11,796	1.33	Jerauld	527	337,280	670.40	.20	3,381	1.00
Bon Homme	580	371,200	648.03	.17	205	.06	Kingsbury	818	523,520	2,159.67	.41	10,646	2.03
Brookings	801	512,640	3,355.36	.65	1,741	.34	Lake	567	362,880	4,188.00	1.15	2,045	.56
Brown	1,677	1,073,280	2,372.53	.22	4,863	.45	Lincoln	576	368,640	177.22	.05	30	.01
Brule	830	531,392	1,073.55	.20	9,216	1.73	McCook	575	368,000	2,590.46	.70	2,959	.80
Buffalo	494	316,160			837	.26	McPherson	1,147	734,080	5,238.65	.71	26,053	3.55
Campbell	763	488,500	1,287.56	.26	4,378	.90	Marsh	848	542,720	2,812.36	.52	10,430	1.92
Charles Mix	1,131	723,840	1,014.91	.14	4,142	.57	Miner	570	364,800	1,341.68	.37	5,560	1.52
Clark	964	616,960	2,584.77	.42	20,346	3.30	Minnehaha	813	520,320	3,375.65	.65	185	.03
Clay	405	259,200	40.00	.02	7	<.01	Moody	523	334,720	1,569.15	.47	13	<.01
Codington	687	439,680	2,470.04	.56	5,123	1.17	Potter	829	556,160	408.71	.07	3,964	.71
Davison	432	276,480	224.52	.08	118	.04	Roberts	1,108	709,120	3,957.93	.56	10,820	1.53
Day	1,030	655,200	5,728.42	.87	17,532	2.66	Samborn	570	364,800	93.00	.03	8,800	2.41
Deuel	639	408,960	2,590.10	.63	3,550	.89	Spink	1,505	963,200	1,201.99	.12	4,413	.46
Douglas	435	278,400	1,637.41	.59	2,447	.88	Sully	1,004	642,560	266.48	.04	240	.04
Edmunds	1,154	738,560	1,853.35	.25	27,087	3.67	Turner	612	391,680	218.30	.06	93	.02
Faulk	996	637,440	1,066.24	.17	29,509	4.63	Union	452	289,280	100.00	.03		
Grant	681	435,840	2,202.93	.51	3,478	.80	Walworth	718	459,520	228.94	.05	3,181	.69
Hamlin	511	327,040	1,345.95	.41	1,063	.33	Yankton	519	332,160	21.60	.01	123	.04
Hand	1,432	916,480	2,344.85	.26	14,634	1.60							
Hanson	430	275,200	709.13	.26	2,306	.48							
Hughes	748	478,720	135.99	.03	257	.05							
Hutchinson	815	521,600	248.61	.05	717	.14							
							Total—East River	34,794	22,268,160	71,919.42	.32	274,756	1.23
							Total State	77,047	49,310,080	71,919.42	.15	274,756	.56

Note: Includes optioned land.

TABLE 1.—PUBLIC LANDS IN SOUTH DAKOTA

[Total State area = 49,310,080 acres]

Agency	Acres under jurisdiction	Percent of State area under jurisdiction
State of South Dakota Game, Fish, and Parks:		
1. Game production areas and public shooting areas.....	126,941	0.26
2. State game refuges.....	6,829	.01
3. Meandered and trust lands.....	159,699	.32
4. Fishing and lake access.....	2,500	<.01
5. Custer State Park.....	72,000	.14
Subtotal.....	367,969	.75
Military and veteran affairs.....	820	<.01
Charity and corrections.....	4,576	<.01
Higher education.....	17,912	.04
School and public lands.....	963,680	1.95
Department of Transportation.....	743,047	1.51
Total State.....	2,098,004	4.25
Federal agencies:		
U.S. Army Corps of Engineers.....	564,542	1.14
U.S. Department of Defense.....	8,988	.02
Bureau of Land Management.....	275,995	.56
National Park Service.....	142,140	.29
U.S. Forest Service (including National Grasslands).....	1,994,711	4.05
Bureau of Reclamation.....	37,916	.08
U.S. Fish and Wildlife Service.....	119,501	.24
Indian reservations.....	4,917,396	9.97
Total Federal.....	8,061,289	16.35
Grand total.....	10,159,293	20.60

I have written Mr. Reed's successor in the Carter administration, Mr. Robert Herbst, to inquire about the implications of the proposed \$50 million increase in wetlands acquisition funding and to ask if Mr. Reed's comments are still indicative of departmental policy. When I have his reply, I will bring it to the attention of the readers of the Record, also. In the meantime, those who are interested may wish to read the responses of Former Secretary John Popowski of the South Dakota Department of Game, Fish, and Parks, to the same questions I posed to Mr. Reed. Mr. Popowski's remarks appear elsewhere in today's Record, along with the Department of Agriculture's comments on acreages included in their waterbank program in South Dakota.

PERSONAL EXPLANATION

(Mr. KASTEN asked and was given permission to extend his remarks at this point in the Record.)

Mr. KASTEN. Mr. Speaker, on Friday, June 17, I was unavoidably absent from the House of Representatives due to previous commitments in Wisconsin. I missed two recorded rollcall votes because of my absence and would like to publicly record how I would have voted had I been present.

I would have voted against the Rousset motion to instruct the House conferees on the issue of granting loans to countries violating human rights.

My position on the Hyde amendment to the Labor-HEW appropriations bill is already recorded by my pair in support of the amendment. I have consistently supported the Hyde language which prohibits the use of public funds to finance abortions.

While the Labor-HEW appropriations bill passed by voice vote, I wish to state for the Record that I would have voted against the bill because of its excessive spending levels.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ZEPERETTI (at the request of Mr. WRIGHT) for today, on account of official business.

Mr. ADDABO (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. AKAKA (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DORNAN) to revise and extend their remarks and include extraneous matter:)

Mr. GRASSLEY, for 15 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.

Mr. GILMAN, for 1 hour, today.

(The following Members (at the request of Mr. VOLKMER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO for 5 minutes today.
Mr. GONZALEZ for 5 minutes today.
Mr. DODD for 5 minutes today.
Mrs. MEYNER for 5 minutes today.
Mr. RAHALL for 5 minutes today.
Mr. BONIOR for 5 minutes today.
Mr. BRADEMAS for 5 minutes today.
Mr. HANLEY for 5 minutes today.
Mr. PEPPER for 15 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ABDNOR and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the Record and is estimated by the Public Printer to cost \$966.

Mrs. HECKLER to revise and extend remarks prior to consideration of H.R. 7643.

Mr. BAUCUS immediately preceding the closing remarks of Mr. WHITTEN on the Michel amendment in the Committee of the Whole today on H.R. 7558.

Mr. HUBBARD to revise and extend his remarks immediately preceding the closing remarks of Mr. WHITTEN on the Johnson of Colorado amendment in the Committee of the Whole today on H.R. 7558.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. ARMSTRONG.
Mr. DERWINSKI in two instances.
Mr. KASTEN.
Mr. STOCKMAN.
Mr. DEL CLAWSON.
Mr. O'BRIEN.
Mr. SYMMS.
Mr. RHODES.
Mr. KEMP in three instances.
Mr. MILLER of Ohio in three instances.
Mr. QUILLEN.
Mr. BAUMAN in 10 instances.
Mr. ASHBROOK in three instances.

Mrs. HECKLER in three instances.

Mr. STEIGER.

Mr. YOUNG of Florida.

(The following Members (at the request of Mr. VOLKMER) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BROWN of California in 10 instances.

Mr. GAYDOS.

Mr. TEAGUE in two instances.

Mr. VOLKMER.

Mr. YOUNG of Missouri.

Mr. McDONALD.

Mr. EDGAR in two instances.

Mr. RUSSO.

Mr. CONYERS.

Mr. CORRADA.

Mr. RYAN.

Mr. YATRON.

Ms. SCHROEDER.

Mr. WAXMAN.

Mr. KOSTMAYER.

Mr. PEPPER.

Mr. WIRTH.

Mr. BONIOR.

Mrs. MEYNER.

Mr. STARK.

Mr. MOTTL.

Mr. ROSENTHAL.

Mr. DRINAN.

Mr. HAWKINS.

Mr. AMBRO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 469. An act to establish a commission to study proposals for establishing a National Academy of Peace and Conflict Resolution; to the International Relations Committee.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4301. An act to authorize appropriations for the National Sea Grant Program Act during fiscal years 1978, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills of the House of the following title:

On June 17, 1977:

H.R. 1440. For the relief of Eun Kyung Park and Sang Hyuk Park; and

H.R. 7606. To authorize the Secretary of Agriculture to permit general recreational access and geothermal explorations for six months within a portion of the Bull Run Reserve, Mount Hood National Forest, Oregon.

On June 20, 1977:

H.R. 4301. To authorize appropriations for the National Sea Grant Program Act during fiscal year 1978, and for other purposes.

ADJOURNMENT

Mr. VOLKMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 21, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1725. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 302 of the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

1726. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the intention of the Department of the Navy to sell certain naval vessels to the Republic of China, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1727. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the intention of the Department of the Navy to sell certain naval vessels to the Republic of China, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1728. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting the 10th annual report of the Equal Employment Opportunity Commission, pursuant to section 705(d) of the Civil Rights Act of 1964, as amended; to the Committee on Education and Labor.

1729. A letter from the General Manager, Tennessee Valley Authority, transmitting notice of a proposed new system of records for the Tennessee Valley Authority, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1730. A letter from the Acting Secretary of the Interior, transmitting the annual report of the Government Comptroller of Guam on the fiscal conditions of the government of Guam and the Trust Territory of the Pacific Islands for fiscal year 1976, pursuant to section 9-A(g) of the Organic Act of Guam, as amended [82 Stat. 845], and section 2 of Public Law 93-111, respectively; to the Committee on Interior and Insular Affairs.

1731. A letter from the Acting Secretary of the Interior, transmitting notice of the transfer of the Government Comptroller of the Virgin Islands together with a request to waive the 60-day statutory notice requirement, pursuant to 82 Stat. 840 (48 U.S.C. 1599(a)); to the Committee on Interior and Insular Affairs.

1732. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designates William J. vanden Heuvel and Milton A. Wolf and their families, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1733. A letter from the President, National Academy of Sciences, transmitting the Academy's detailed report on drinking water and health prepared for the Environmental Protection Agency, pursuant to section 1412(e) of the Public Health Service Act, as amended (42 U.S.C. 300g-1) (88 Stat. 1664); to the Committee on Interstate and Foreign Commerce.

1734. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a report reviewing the civil rights record of the White House and the Office of Management and Budget, pursuant to section 104(b) of Public Law 85-315; to the Committee on the Judiciary.

1735. A letter from the Administrator, General Services Administration, transmitting

a prospectus for alterations at the Lafayette Building, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1736. A letter from the Administrator, General Services Administration, transmitting a prospectus for alterations at the Old Office Building, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1737. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on Bayamon and Hondo Rivers, Puerto Rico, in response to a resolution of the House Committee on Public Works; to the Committee on Public Works and Transportation.

1738. A letter from the Special Prosecutor, Watergate Special Prosecution Force, Department of Justice, transmitting drafts of proposed language to amend legislation to clarify the Archivist's authority and restrictions concerning certain records transferred by the Special Prosecutor's Office; to the Committee on Ways and Means.

1739. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 2 of the act of May 6, 1974, to extend the special pay provisions for physicians and dentists in the Uniformed Services; jointly to the Committees on Armed Services, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Committee of conference. Conference report on H.R. 5970 (Rept. No. 95-446). Ordered to be printed.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 186. A bill to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972; with amendment (Rept. No. 95-447). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself and Mr. HARKIN):

H.R. 7873. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself, Mr. BROWN of California, Mr. CARNEY, Mr. CORMAN, Mr. DORNAN, Mr. FASCELL, Ms. HECKLER, Mr. METCALFE, Ms. MEYNER, Mr. NOWAK, Mr. PATTERSON of California, Mr. RODINO, Mr. ROE, Mr. ROGERS, Mr. RUSSO, Mr. SCHEUER, Mr. STARK, Mr. TSONGAS, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, and Mr. YOUNG of Florida):

H.R. 7874. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Interstate and Foreign Commerce and the Judiciary.

By Mr. ARMSTRONG:

H.R. 7875. A bill to exempt residential care facilities which employ certain patients from the minimum wages and maximum hours

provisions of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. BEVILL:

H.R. 7876. A bill to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 7877. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

By Mr. BROWN of California:

H.R. 7878. A bill to establish a program of environmental research, development, and monitoring related to ocean pollution, and for other purposes; to the Committee on Science and Technology.

By Mr. COHEN (for himself and Mr. EMERY):

H.R. 7879. A bill to direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Fundy Pride*, owned by the Washington County Vocational Training Institute of Calais, Maine, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries; to the Committee on Merchant Marine and Fisheries.

By Mrs. COLLINS of Illinois:

H.R. 7880. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. CLAY, Mr. FRASER, Mr. HEFTEL, Mr. HAWKINS, Ms. MIKULSKI, Mr. MOAKLEY, Mr. NEAL, Mr. NIX, and Mr. ROYBAL):

H.R. 7881. A bill to amend the Toxic Substances Control Act to provide for a method of effectively responding to toxic chemical contaminations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Michigan (for himself and Mr. REUSS):

H.R. 7882. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; jointly, to the Committees on Education and Labor, and Banking, Finance and Urban Affairs.

By Mr. FORSYTHE:

H.R. 7883. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. GRASSLEY (for himself, Mr. ENGLISH, Mr. HARKIN, and Mr. PRESSLER):

H.R. 7884. A bill to encourage the establishment of wind erosion control and wildlife habitat areas which meet standards prescribed by the Secretary of Agriculture; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 7885. A bill to deny entitlement to veterans' benefits to certain persons who would otherwise become so entitled solely by virtue of the administrative upgrading under temporarily revised standards of less than honorable discharges from service during the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. JEFFORDS (for himself, Mr. BRODHEAD, and Mr. PANETTA):

H.R. 7886. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTEN:

H.R. 7887. A bill to make it easier to comply with certain Federal employee benefit plan requirements by amending the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to eliminate dual Treasury and Labor Department jurisdiction over certain requirements, to reduce the number of reports and other paperwork required thereunder, and for other purposes; jointly to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Mr. MANN (for himself and Mr. HYDE):

H.R. 7888. A bill to amend the Federal Rules of Criminal Procedure to establish a method for the issuance of search warrants upon oral testimony; to the Committee on the Judiciary.

By Mrs. MEYNER:

H.R. 7889. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition (TPN) as a result of intestinal surgery; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON):

H.R. 7890. A bill to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the Armed Forces and on members of military bands; to the Committee on Armed Services.

By Mr. PRICE:

H.R. 7891. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first \$5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. STOCKMAN:

H.R. 7892. A bill to amend the Farm Labor Contractor Registration Act of 1963 as amended to exclude from the requirement of registering as farm labor contractors certain farmers, and for other purposes; to the Committee on Education and Labor.

By Mr. ASHLEY (for himself, Mr. REUSS, Mr. BROWN of Michigan, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. MITCHELL of Maryland, Mr. HANLEY, Mr. FAUNTROY, Mr. PATTERSON of California, Mr. LAFALCE, Mr. AU COIN, Mrs. SPELLMAN, Mr. BLANCHARD, Mr. TSONGAS, Mr. HANNAFORD, Mr. EVANS of Indiana, Mr. LUNDINE, Mr. MINISH, Mr. ANNUNZIO, Mr. STANTON, Mr. WYLIE, Mr. MCKINNEY, Mr. GRASSLEY, and Mr. EVANS of Delaware):

H.R. 7893. A bill to amend certain Federal laws for the purpose of providing financial and other assistance with respect to the weatherization of dwelling units, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DORNAN (for himself and Mr. ROBINSON):

H.R. 7894. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

H.R. 7895. A bill to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 7896. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. MARKEY, Mr. OTTINGER, Mr. WALGREN, Mr. CARTER, Mr. MADIGAN, and Mr. SKUBITZ):

H.R. 7897. A bill to amend the Public Health Service Act to regulate activities involving recombinant DNA, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY (for himself and Mr. BROWN of Michigan):

H.J. Res. 525. Joint resolution to provide for a temporary extension of certain FHA mortgage insurance and related authorities and of the national flood insurance program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WIRTH (for himself and Mr. HARKIN, Mr. BADILLO, Mr. BEDELL, Mr. COHEN, Mr. CORRADA, Mr. DOWNEY, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. FRASER, Mr. GORE, Mr. HUGHES, Ms. KEYS, Mr. KILDEE, Mr. KOSTMAYER, Mr. MANN, Mr. MILLER of California, Mr. MURPHY of Pennsylvania, Mr. PRETCHARD, Mr. SOLARZ, Mr. WEAVER, Mr. HARRINGTON, and Mr. YOUNG of Alaska):

H. Con. Res. 253. Concurrent resolution to provide for a fair and equitable allocation of access to Federal rivers for white water travel; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

190. By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to labeling of imported beef; to the Committee on Agriculture.

191. Also, memorial of the Legislature of the State of California, relative to tuna fishing; to the Committee on Merchant Marine and Fisheries.

192. Also, memorial of the Legislature of the State of Louisiana, relative to simplifying Federal personal income tax forms; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LONG of Maryland:

H.R. 7898. A bill for the relief of Edward S. Wiley; to the Committee on the Judiciary.

By Mr. NEAL:

H.R. 7899. A bill for the relief of Drs. Felizardo Hocbo Mangundayao and Florita Castar Mangundayao; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

128. By the SPEAKER: Petition of the National Association of Postmasters of the United States, Byesville, Ohio, relative to the injury on duty and wage continuation pro-

gram; to the Committee on Post Office and Civil Service.

129. Also, petition of the Western Conference of the Council of State Governments, San Francisco, Calif., relative to transportation legislation; to the Committee on Public Works and Transportation.

130. Also, petition of the Western Conference of the Council of State Governments, San Francisco, Calif., relative to the use of petroleum products in the production of electrical power; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6805

By Mr. ERTEL:

Page 29, line 7, insert "(1)" after "(a)".
Page 29, line 9, strike out "Act" and insert in lieu thereof "subsection".

Page 29, line 10, insert after "Code," the following: "and to the Comptroller General of the United States."

Page 29, line 11, strike out "(1)" and insert in lieu thereof "(A)".

Page 29, line 16, strike out "and (2)" and insert in lieu thereof "(B)".

Page 29, line 20, insert after "Government" the following: ", (C) the transfer to the Agency of any personnel carrying out any program, operation, activity, or function, which is transferred to the Agency and (D) the termination of any personnel carrying out any program, operation, activity, or function identified to be abolished or reduced (to the extent of the reduction) by the reorganization plan. Notwithstanding provisions of paragraph (4) of section 904 of title (5), United States Code, any unexpended balances of appropriations, or of other funds, available for use in connection with a program, operation, activity, or function, which is transferred, reduced, or abolished by such plan, shall revert to the Treasury of the United States.

"(2) The Comptroller General shall, not later than 30 calendar days after a reorganization plan is submitted to him pursuant to this subsection, certify to the Congress (A) the amount of funds expended for the fiscal year ending September 30, 1977, for any consumer-related programs, operations, activities, or functions which the reorganization plan transfers to the Agency, reduces (to the extent of the reduction), or abolishes, and (B) the number of personnel during the fiscal year ending September 30, 1977, engaged in any consumer-related programs, operations, activities, or functions which the reorganization plan transfers to the Agency, reduces (to the extent of the reduction) or abolishes.

"(3) Notwithstanding the provisions of section 906 of title 5, United States Code, a reorganization plan submitted pursuant to this subsection shall not take effect unless (A) the amount of funds which the Comptroller General certifies to the Congress exceeds the amount of funds authorized to be appropriated to carry out the provisions of this Act for the fiscal year ending September 30, 1978, and (B) the number of personnel to be employed by the Agency (other than those referred to in section 3 of this act) is equal to or less than the number of personnel certified to the Congress by the Comptroller General pursuant to paragraph (2) (B) of this subsection."

H.R. 7797

By Mr. HARKIN:

Page 21, after line 14, insert of following new section:

Sec. 509. The total amount of funds ap-

appropriated or made available pursuant to this Act for purposes of military assistance, foreign military credit sales, and international military education and training to the Government of the Republic of Korea shall not exceed twelve-fifteenths of the total amount so appropriated or made available for such purposes of the period beginning July 1, 1976 and ending September 30, 1977, unless the President submits a detailed report to the Congress after the date of enactment of this Act stating that the government of the Republic of Korea is making substantial progress in the observance of

internationally recognized standards of human rights.

Page 21, after line 14, insert the following new section:

Sec. 509. The total amount of funds appropriated or made available pursuant to this Act for purposes of military assistance, foreign military credit sales, and international military education and training to the Government of the Republic of Korea shall not exceed twelve-fifteenths of the total amount so appropriated or made available for such purposes for the period beginning July 1, 1976, and ending September 30, 1977.

By Mr. ICHORD:
(Title I—Foreign Assistance Act Activities.)

Page 7, beginning on line 21 and continuing on line 22: Strike "\$2,214,700,000" and insert in lieu thereof "\$2,114,700,000."

Page 8, line 2 after the word "Syria," strike the period and insert the following: "Provided further, That none of the funds appropriated or otherwise made available under this paragraph shall be obligated or expended for a Southern African Special Requirements Fund."

SENATE—Monday, June 20, 1977

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by Hon. DENNIS DeCONCINI, a Senator from the State of Arizona.

PRAYER

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

O God, our help in ages past, our hope for years to come, we thank Thee for Thy care over this Nation, for fresh evidence of Thy redemptive and healing touch, and for the power of spiritual renewal in our time. Help us now to be faithful and wise stewards of Thy goodness that we not fail Thee.

Guide by Thy higher wisdom the President, the Congress, the Judiciary, the Foreign Service Corps, our military leaders, and civil servants, that we being many and diverse in function may unite in devising and promoting those measures which accord with Thy will.

Abide with us as we toil in this building, until the evening comes. Then give us the rest of those who are at peace with Thee. 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 legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 20, 1977.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, June 17, 1977, be approved.

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

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

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

MINE SAFETY—S. 717

ORDER FOR RECOGNITION OF SENATOR SCHMITT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar No. 154, S. 717, a bill to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, after opening statements by the managers of the bill, Mr. WILLIAMS and Mr. JAVITS, Mr. SCHMITT be recognized for the purpose of calling up a series of seven amendments sequentially and in the following order—amendment Nos. 427, 350, 352, 348, 349, 351, 347—on which there shall be a total time limit of 3 hours and 40 minutes to be equally divided between the sponsor of the amendments and the manager of the bill, Mr. WILLIAMS.

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

TIME LIMITATION ON AMENDMENTS TO BE OFFERED BY SENATOR SCHMITT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on any amendment to such amendments of 30 minutes, to be equally divided in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on any debatable motion of 20 minutes, and on any appeal or point of order if such is submitted to the Senate of 20 minutes, to be equally divided in accordance with the usual form.

Mr. STEVENS. Reserving the right to object, Mr. President, this is with regard to the time agreement on Senator SCHMITT's amendments?

Mr. ROBERT C. BYRD. Yes, only in regard to that agreement.

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

ORDER FOR RECOGNITION OF SENATOR JAVITS AND SENATOR STEVENS TOMORROW

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

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

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is a nomination on the executive calendar which has been cleared, that of Robert Walter Scott, of North Carolina, to be Federal cochairman of the Appalachian Regional Commission. I ask unanimous consent that the Senate go into executive session to consider that nomination.

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

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

APPALACHIAN REGIONAL COMMISSION

The second assistant legislative clerk read the nomination of Robert Walter Scott, of North Carolina, to be Federal cochairman of the Appalachian Regional Commission.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.